

MEMO

DATE: February 4, 2011

TO: University Community

FROM: John J. Antel
Senior Vice President and Provost

RE: Current Budget Challenges

It is now clear that the University of Houston will suffer significant and very likely permanent cuts in state funding. The magnitude of the proposed cuts is in the range of \$54-65 million for the next biennium. This is equivalent to a 16%-20% cut in our state funds. This range reflects the difference between the current House and Senate bills that will be resolved during the current legislative session.

I want to stress that this is not just a transitory cut associated with the recent recession. Over the next decade we will likely see the proportion of state support decrease from about 25% to no more than 10%. We must find new business models that will support our goals using fewer resources.

We will not compromise on our long-term goal to build an internationally recognized research university. We will not shrink from our commitment to student success. We will not abdicate our responsibility to our community. We must continue the momentum that has recently moved the university to Tier One status.

In response to these cuts it will be necessary for us to achieve significant cost savings. It is time to look at new business models and adopt better ways to manage faculty, instruction, administration, research, and space. No university programs can be exempt from review.

During the past year the university administration has been preparing for cuts. Dr. Khator recently received many suggestions from the university community about possible new efficiencies and savings, many of these suggestions are being factored into our plans.

I have also recently appointed a budgetary advisory group to consult with me on how we respond to this challenge. The advisory group will be chaired by David Francis. Other members include:

Richard Alderman Associate Dean, Law

Roger Boltz Associate Dean, Optometry, GPSC

Mark Clarke	Health and Human Performance, CLASS, Faculty Senate
William Fitzgibbon	Dean, Technology
Jacqueline Hawkins	Associate Dean, Education
Dmitri Litvinov	Electrical Engineering, Research Council, Faculty Senate
Ruth Manny	Optometry, Faculty Senate
Latha Ramchand	Associate Dean, Business
Richard Scamell	Business, Undergraduate Council
Mark Smith	Dean, NSM

Over the next few months we will have to make hard choices. As we move forward, the Chancellor and the administration will continue to work with the colleges and through our shared governance system. I am confident that we are up to this challenge.

Finally, congratulations again to you all for our recent accomplishments!