



UNIVERSITY OF HOUSTON SYSTEM
UNIVERSITY OF HOUSTON

RENU KHATOR
Chancellor and President

MEMORANDUM

Date: March 18, 2013
To: Vice Presidents and Deans
From: Renu Khator *Renukhator*
Re: University of Houston FY 2014 Planning & Budgeting Guidelines

We are beginning our annual budgeting process for FY 2014. This year's process will be more comprehensive than previous years and will require you to provide information that is both qualitative and quantitative in nature. I hope that the process will be more inclusive, engaging, and transparent.

Several assumptions form the basis of my request and chief among them are:

- a) New funding from the State will be based on new enrollment and performance. Like other Tier One universities in Texas, we do not anticipate to grow at a high rate, which means that we will have to build our own model that supports excellence.
- b) In the coming years, increases in tuition will be very modest. We have reached a point where any more financial burden on students may prove to be contrary to our mission.
- c) The financial model for higher education will continue to come under duress because of factors beyond our control, such as MOOCs, global competition, demographic shifts, etc.
- d) As a public university, we will be called upon to function under greater transparency and public accountability.

Given these assumptions and given the fact that our goals—student success and national (global) competitiveness—remain non-negotiable, we have no choice but to become more strategic and more intentional in our planning and budgeting activities. Therefore, I am asking you to prepare your budget with the following guidelines. All new funds (tuition/fees/state funding) will be held centrally and distributed only after this budget process is complete.

Part One: Goal Evaluation

Provide a succinct description of how your unit (division/college/department) enhanced the University's twin goals of student success and national (global) competitiveness last year. It is my hope that you will prepare this section in consultation with your staff and a careful review of how your unit's work directly or indirectly contributes to the mutually agreed upon goals of the University. If nothing else, this exercise will force every unit—academic and administrative—to think about its activities in the context of our overall mission and goals .

- 1.1. Define your unit's impact on Student Success
- 1.2. Define your unit's impact on National (Global) Competitiveness

Part Two: Ten Percent Internal Redistribution

This exercise will help every unit to refocus its priorities.

- 2.1. Identify low priority areas within your unit amounting to 10% of your budget.
- 2.2. Identify high priority areas within your unit amounting to 10% of your budget.
- 2.3. Provide a plan for how you will redistribute your 10% budget from low priority areas to high priority areas.

Dr. Carlucci's office and the Provost's office will provide to you the 10% amount for which the divisions and colleges are to plan.

Part Three: Progress Card

- 3.1. Provide a short commentary on your unit's performance based on the Progress Card.
- 3.2. Tell us about any activity, initiative or success that your unit had last year. What is your claim to fame?

Part Four: New Initiatives

- 4.1. Outline a case for high priority initiatives (beyond those included in your 10% reallocation) that would require new funding.
- 4.2. For college deans only — identify any graduate tuition increase that you would like to propose this year. Please provide a strong justification.

Part Five: General Improvements

- 5.1. Tell us about any area outside of your unit but within the University where an improvement will enhance your productivity.

I thank you for your time and effort. It is my hope that this process will help us make informed decisions about investments to support productive areas. Further information about the implementation of this process will be forthcoming from Dr. Carlucci and Dr. Short.

Your plans will be due on or before Monday, April 15. We will take the preliminary budget and our tuition recommendation to the Board in May. Provost Short will begin planning discussions with the deans in late April, and I will begin planning discussions with the vice presidents at the beginning of May. You can expect final budget decisions to be made by August 1. In the interim, please call Chris Stanich or Tom Ehardt if you have any questions.

Thank you for your leadership!