

**Fiscal Year 2007
Plan and Budget
August 1, 2006**

**Presented to the
Board of Regents
University of Houston System**

Chancellor Jay Gogue

**University of Houston System
FY2007 Plan and Budget**

Contents

<u>Tab</u>		<u>Page</u>
1.	Summary	
	Fund Groups Used in the Budget Presentation.....	1.1
	Table 1 - Summary	1.2
	Table 2 - Operations	1.3
	Table 3 - Restricted.....	1.4
	(Tables 4 is not applicable to the summary)	
	Table 5 - Full Time Equivalent Positions	1.6
	Table 6 - Annual Semester Credit Hour Trends	1.7
	UH System Budget Summary.....	1.8
2.	UH System Administration	
	Plan	
	UHSA Mission & Goals	2.1
	UHSA Priorities.....	2.3
	Appendix A – Investment of New Resources.....	2.10
	Appendix B – HEAF and Indirect Recovery.....	2.11
	Table 1 - Summary	2.12
	Table 2 - Operations	2.13
	Table 3 - Restricted.....	2.14
	Table 4 - Capital Projects	2.15
	Table 5 - Full Time Equivalent Positions	2.16
	Note to Table 2.....	2.17
	Note to Table 3.....	2.18
3.	University of Houston	
	Plan	
	University Mission	3.1
	University Goals & Priorities	3.2
	Appendix A – Investment of New Resources.....	3.14
	Appendix B – HEAF and Indirect Recovery.....	3.15
	Appendix C – Availability of Scholarship Funds	3.16
	Table 1 - Summary.....	3.17
	Table 2 - Operations	3.18
	Table 3 - Restricted.....	3.19
	Table 4 - Capital Projects	3.20
	Table 5 - Full Time Equivalent Positions	3.21
	Table 6 - Annual Semester Credit Hour Trends.....	3.22
	Table 7 - Allocation of Student Service Fees	3.23
	Note to Table 2.....	3.24
	Note to Table 3.....	3.25
	Faculty Workload Policy.....	3.26
4.	UH-Clear Lake	
	Plan	
	University Mission	4.1
	University Goals	4.2
	University Priorities.....	4.4
	Appendix A - Investment of New Resources	4.14
	Appendix B – HEAF.....	4.15
	Appendix C – Availability of Scholarship Funds	4.16

Contents (continued)

Tab

Table 1 - Summary.....	4.17
Table 2 - Operations.....	4.18
Table 3 - Restricted.....	4.19
Table 4 - Capital Projects.....	4.20
Table 5 - Full Time Equivalent Positions.....	4.21
Table 6 - Annual Semester Credit Hour Trends.....	4.22
Table 7 - Allocation of Student Service Fees	4.23
Note to Table 2.....	4.24
Note to Table 3.....	4.25
Faculty Workload Policy.....	4.26
5. UH-Downtown	
Plan	
University Mission	5.1
University Goals	5.2
University Priorities.....	5.4
Appendix A - Investment of New Resources	5.25
Appendix B - HEAF	5.26
Appendix C - Availability of Scholarship Fund.....	5.27
Table 1 - Summary	5.28
Table 2 - Operations.....	5.29
Table 3 - Restricted.....	5.30
Table 4 - Capital Projects.....	5.31
Table 5 - Full Time Equivalent Positions.....	5.32
Table 6 - Annual Semester Credit Hour Trends.....	5.33
Table 7 - Allocation of Student Service Fees	5.34
Note to Table 2.....	5.35
Note to Table 3.....	5.36
Faculty Workload Policy.....	5.37
6. UH-Victoria	
Plan	
University Mission	6.1
University Goals	6.2
University Priorities.....	6.3
Appendix A - Investment of New Resources	6.14
Appendix B - HEAF	6.15
Appendix C - Availability of Scholarship Funds	6.16
Table 1 - Summary.....	6.17
Table 2 - Operations.....	6.18
Table 3 - Restricted.....	6.19
Table 4 - Capital Projects.....	6.20
Table 5 - Full Time Equivalent Positions.....	6.21
Table 6 - Annual Semester Credit Hour Trends.....	6.22
Table 7 - Allocation of Student Service Fees	6.23
Note to Table 2.....	6.24
Note to Table 3.....	6.25
Faculty Workload Policy.....	6.26

Fund Groups Used in the Budget Presentation

The tables that display the source of funds and use of funds in this budget presentation have been organized into three categories based on type of funds:

Table 1. Summary of Sources & Uses of Funds

This table is a summary of all fund groups and is the sum of Tables 2, 3 and 4 that follow below.

Table 2. Operations

Operating funds include the Educational and General, Designated, and Auxiliary fund groups as follows:

- **Educational and General Funds** - Funds for administration, institutional expense, instruction and departmental research, physical plant operation, libraries, and other items relating to instruction. Most state appropriations are accounted for in this fund.
- **Designated Funds** - Funds arising from sources that have been internally designated by management and approved by the Board of Regents to be used for special purposes.
- **Auxiliary Enterprises Funds** - Funds for activities that furnish services to students, faculty, or staff for which charges are made that are directly related to the cost of the service, such as residence halls, intercollegiate athletics, and food services.

Table 3. Restricted

Restricted funds include contracts and grants for research and financial aid, gift income, and certain endowment income that can be used only for restricted purposes that have been specified by outside entities or persons.

Table 4. Capital Projects

Capital Projects, which are a portion of the Plant Fund group, are used for construction, rehabilitation, and acquisition of physical properties for institutional purposes. In addition, the PeopleSoft administrative systems project is included within these funds at System Administration.

University of Houston System
Table 1 - Summary of Sources & Uses of Funds

<u>Operating Budget</u>	FY2006 Budget	-----Change----- Dollars Percent		FY2007 Budget
Source of Funds				
Operations	\$ 694,984,669	\$ 30,214,532	4.3%	\$ 725,199,201
Restricted	156,996,011	824,597	0.5%	157,820,608
Total	<u>\$ 851,980,680</u>	<u>\$ 31,039,129</u>	<u>3.6%</u>	<u>\$ 883,019,809</u>
Use of Funds				
Operations	\$ 694,984,669	\$ 30,214,532	4.3%	\$ 725,199,201
Restricted	156,996,011	824,597	0.5%	157,820,608
Total	<u>\$ 851,980,680</u>	<u>\$ 31,039,129</u>	<u>3.6%</u>	<u>\$ 883,019,809</u>
<u>Capital Budget</u>	FY2006 Budget	-----Change----- Dollars Percent		FY2007 Budget
Source of Funds				
	\$ 107,609,374	\$ (6,452,153)	-6.0%	\$ 101,157,221
Use of Funds				
	\$ 107,609,374	\$ (6,452,153)	-6.0%	\$ 101,157,221
<u>Total Operating Budget & Capital Budget</u>	FY2006 Budget	-----Change----- Dollars Percent		FY2007 Budget
	<u>\$ 959,590,054</u>	<u>\$ 24,586,976</u>	<u>2.6%</u>	<u>\$ 984,177,030</u>

University of Houston System

Table 2 - Operations

Source of Funds	FY2006 Budget	-----Change-----		FY2007 Budget
		Dollars	Percent	
General Funds				
State General Revenue Appropriations				
Formula Funding	\$ 180,926,815	\$ (1,246,592)	-0.7%	\$ 179,680,223
Special Items	15,115,617	91	0.0%	15,115,708
Tuition Revenue Bonds	13,820,167	613,335	4.4%	14,433,502
State Benefits Appropriation	39,531,350	575,124	1.5%	40,106,474
Dedicated Appropriations-TX Grant/College Work Study	12,305,349	(979,524)	-8.0%	11,325,825
Subtotal State General Revenue Appropriations	261,699,298	(1,037,566)	-0.4%	260,661,732
Tuition and Fees				
Statutory & Graduate Premium	89,712,480	(2,222,745)	-2.5%	87,489,735
Premium (Law, Pharmacy, Optometry)	8,722,659			8,722,659
Lab/other Student Fees	474,266	(40,740)	-8.6%	433,526
Subtotal Tuition and Fees	98,909,405	(2,263,485)	-2.3%	96,645,920
HEAF	35,459,008			35,459,008
Indirect Cost	1,120,505	118,404	10.6%	1,238,909
Aux Admin Chg/Opt Clinic/Institutes/Cont. Ed/Other	7,209,335	388,986	5.4%	7,598,321
Income on State Treasury Deposits	473,724	211,276	44.6%	685,000
Fund Balance	1,677,014	523,567	31.2%	2,200,581
Subtotal General Funds	406,548,289	(2,058,818)	-0.5%	404,489,471
Designated				
Tuition and Fees				
Designated Tuition - General	93,319,370	12,443,368	13.3%	105,762,738
Designated Tuition - Differential	10,699,732	2,258,078	21.1%	12,957,810
Library Fee	8,604,668	(258,065)	-3.0%	8,346,603
Technology Fee	15,349,495	331,000	2.2%	15,680,495
Major/Department/Class Fees	55,277,701	10,004,402	18.1%	65,282,103
Subtotal Tuition and Fees	183,250,966	24,778,783	13.5%	208,029,749
Indirect Cost	10,459,423	(746,302)	-7.1%	9,713,121
Investment Income on Non-Endowed Funds	4,351,666	2,533,334	58.2%	6,885,000
Endowment Income	4,863,528	3,974,223	81.7%	8,837,751
Contracts / Grants / Gifts	4,074,907	(49,375)	-1.2%	4,025,532
Self Supporting Organizations/Others	18,041,106	(646,450)	-3.6%	17,394,656
Fund Balance	2,471,175	(726,251)	-29.4%	1,744,924
Subtotal Designated Funds	227,512,771	29,117,962	12.8%	256,630,733
Auxiliary Enterprises				
Student Fees				
Student Service Fee	18,500,039	902,556	4.9%	19,402,595
Recreation and Wellness Center	6,721,238	334,205	5.0%	7,055,443
Other Student Fees	3,093,179	634,475	20.5%	3,727,654
Subtotal Student Fees	28,314,456	1,871,236	6.6%	30,185,692
Sales & Service - Student Housing/Meal Plan	8,180,131	(881,203)	-10.8%	7,298,928
Sales & Service - Parking	7,028,147	307,383	4.4%	7,335,530
Sales & Service - Athletics/Hotel/UC/Other	27,403,837	(114,209)	-0.4%	27,289,628
Fund Balance	487,496	(31,977)	-6.6%	455,519
Subtotal Auxiliary Funds	71,414,067	1,151,230	1.6%	72,565,297
Total Current Operating Funds	705,475,127	28,210,374	4.0%	733,685,501
Interfund transfer	(10,490,458)	2,004,158	-19.1%	(8,486,300)
Total Sources	\$ 694,984,669	\$ 30,214,532	4.3%	\$ 725,199,201
Use of Funds by Object				
Salaries and Wages	\$ 354,783,240	\$ 12,073,697	3.4%	\$ 366,856,937
Benefits	81,780,255	3,823,218	4.7%	85,603,473
M&O	123,524,812	10,059,607	8.1%	133,584,419
Capital	26,713,892	(4,266,401)	-16.0%	22,447,491
Scholarships	42,896,961	2,896,184	6.8%	45,793,145
Debt Service	31,150,878	861,493	2.8%	32,012,371
Utilities	19,666,625	7,838,310	39.9%	27,504,935
Transfers	14,468,006	(3,071,576)	-21.2%	11,396,430
Total Uses	\$ 694,984,669	\$ 30,214,532	4.3%	\$ 725,199,201

University of Houston System
Table 3 - Restricted

Source of Funds	FY2006	-----Change-----		FY2007
	Budget	Dollars	Percent	Budget
Restricted				
Contracts and Grants				
Research	\$ 69,780,086	\$ 1,267,866	1.8%	\$ 71,047,952
Financial Aid	45,079,632	(1,892,156)	-4.2%	43,187,476
Gifts	16,718,313	(633,527)	-3.8%	16,084,786
Endowment Income	12,372,614	900,366	7.3%	13,272,980
Other Restricted (encum, student fees, other E&G)	2,252,003	26,873	1.2%	2,278,876
KUHT/KUHF	13,728,678	1,059,743	7.7%	14,788,421
Total Current Operating Funds	159,931,326	729,165	0.5%	160,660,491
Interfund Transfer	(2,935,315)	95,432	-3.3%	(2,839,883)
Total Sources	\$ 156,996,011	\$ 824,597	0.5%	\$ 157,820,608
Use of Funds by Object				
Salaries and Wages	\$ 46,672,730	\$ (2,409,618)	-5.2%	\$ 44,263,112
Benefits	3,227,393	24,071	0.7%	3,251,464
M&O	52,451,234	6,938,883	13.2%	59,390,117
Capital	4,418,794	(2,012,036)	-45.5%	2,406,758
Scholarships	50,225,860	(1,716,703)	-3.4%	48,509,157
Total Uses	\$ 156,996,011	\$ 824,597	0.5%	\$ 157,820,608

University of Houston System

Table 4

Note: Table 4 is not a part of the system-wide summary

University of Houston System
Table 5 - Number of Full-Time Equivalent Positions

Employee Classification	FY2006 Budget	-----Change-----		FY2007 Budget
		FTE	Percent	
Faculty	1,622	53	0	1,675
Part-time Faculty	1,103	3	0	1,106
Professional Staff	2,576	38	0	2,614
Classified Staff	1,771	4	0	1,775
Temporary Staff	955	19	0	974
Total	8,027	117	0	8,144

University of Houston System
Table 6 - Student Credit Hours, Headcount, and FTE

	FY2003 Actuals	FY2004 Actuals	FY2005 Actuals	FY2006 Budget	FY2007 Budget	FY07 vs FY06 \$ Change
Semester Credit Hours						
Lower Division	524,107	527,561	529,652	538,637	518,616	(20,021)
Upper Division	492,698	512,509	507,507	522,620	542,284	19,664
Masters	162,357	162,700	162,459	161,004	146,641	(14,363)
Doctoral	20,434	21,711	23,904	23,018	22,510	(508)
Special Professional	61,906	62,322	62,416	60,815	60,685	(130)
Total	1,261,502	1,286,803	1,285,938	1,306,094	1,290,736	(15,358)
Semester Credit Hours-On/Off Campus						
On Campus	1,183,676	1,190,070	1,166,538	1,199,301	1,169,539	(29,762)
Off Campus	77,826	96,733	119,400	106,793	121,197	14,404
Total	1,261,502	1,286,803	1,285,938	1,306,094	1,290,736	(15,358)
Fall Headcount	54,907	56,341	57,170	57,027	56,512	(515)
Student FTE	39,792	40,827	41,507	41,486	41,152	(334)

UH System Budget Summary

	FY2006 Budget	-----Change-----		FY2007 Budget
		Dollars	Percent	
Operations				
University of Houston	\$ 502,810,905	\$ 19,210,354	3.8%	\$ 522,021,259
UH-Clear Lake	73,320,100	3,284,183	4.5%	76,604,283
UH-Downtown	79,637,279	5,013,104	6.3%	84,650,383
UH-Victoria	27,422,748	2,426,301	8.8%	29,849,049
UH System Administration	11,793,637	280,589	2.4%	12,074,226
Total System-wide	<u>\$ 694,984,669</u>	<u>\$ 30,214,532</u>	<u>4.3%</u>	<u>\$ 725,199,201</u>
Restricted				
University of Houston	\$ 131,277,422	\$ (293,434)	-0.2%	\$ 130,983,988
UH-Clear Lake	6,063,281	487,552	8.0%	6,550,833
UH-Downtown	17,055,985	702,688	4.1%	17,758,673
UH-Victoria	2,325,305	(76,033)	-3.3%	2,249,272
UH System Administration	274,018	3,824	1.4%	277,842
Total System-wide	<u>\$ 156,996,011</u>	<u>\$ 824,597</u>	<u>0.5%</u>	<u>\$ 157,820,608</u>
Capital				
University of Houston	\$ 72,026,813	\$ (8,468,332)	-11.8%	\$ 63,558,480
UH-Clear Lake	1,138,518	280,906	24.7%	1,419,424
UH-Downtown	15,779,280	9,885,720	62.7%	25,665,000
UH-Victoria	12,145,000	(8,145,000)	100.0%	4,000,000
UH System Administration	6,519,763	(5,446)	-0.1%	6,514,317
Total System-wide	<u>\$ 107,609,374</u>	<u>\$ (6,452,153)</u>	<u>-6.0%</u>	<u>\$ 101,157,221</u>
Total				
University of Houston	\$ 706,115,140	\$ 10,448,588	1.5%	\$ 716,563,727
UH-Clear Lake	80,521,899	4,052,641	5.0%	84,574,540
UH-Downtown	112,472,544	15,601,512	13.9%	128,074,056
UH-Victoria	41,893,053	(5,794,732)	-13.8%	36,098,321
UH System Administration	18,587,418	278,967	1.5%	18,866,385
Total System-wide	<u>\$ 959,590,054</u>	<u>\$ 24,586,976</u>	<u>2.6%</u>	<u>\$ 984,177,030</u>

UHSA Mission and Goals

Mission

The mission of the UH System Administration is to support the four UH System universities in educating students, creating new knowledge, and fostering an interactive mission with their communities. In addition, it provides the UH System Board of Regents with information, advice, and administrative mechanisms so that they may set policy and fulfill their fiduciary responsibility to the people of Texas.

Goals

1. Facilitate the delivery of excellent higher education services that are responsive to the needs of the people of Texas and the greater Houston metropolitan area.
 - Coordinate academic program development that addresses the needs of the entire service area, guards against inefficient duplication of effort, and allows for collaboration where appropriate.
 - Coordinate strategic planning that emphasizes the distinct missions of the universities in light of identified Board of Regents priorities.
 - Represent the universities before the Texas Higher Education Coordinating Board to secure approval for their academic initiatives.
2. Successfully represent university interests before government officials.
 - Develop state and federal legislative programs that secure funding for the universities and promote legislation that serves their interests.
 - Pursue governmental relations activities that maximize positive public exposure for the universities.
 - Play an active role in the development of state policies and formulas for higher education funding.
3. Assist the universities in securing support from external constituencies.
 - Coordinate marketing and communications initiatives that present an accurate and effective image of the UH System universities.
 - Facilitate and coordinate development initiatives that maximize private donations to the universities.
4. Provide effective support for financial and administrative operations.
 - When appropriate, provide centralized, cost-effective services to the universities, including payroll, accounts payable, and linked contracting.
 - Maintain sound policies and procedures for auditing and financial reporting.
 - Coordinate and facilitate the development of university budgets.
 - Maximize return on investment of the UH System endowment.

5. Provide high quality legal services for the benefit of the UH System and its component universities.
 - Develop and implement a plan to improve the quality, efficiency, and effectiveness of legal services.
 - Provide timely, efficient, and cost-effective advice to university leadership on all legal matters affecting the UH System and its component institutions.
 - Facilitate efficient and cost-effective legal representation of the UH System and its component institutions by the Attorney General and outside counsel in administrative proceedings and litigation in state and federal court.

6. Facilitate the use of information technology for the benefit of the universities and the students they serve.
 - Provide information technology to enhance the quality of educational programs and expand access to instructional services.
 - Use information technology to streamline operations, conserve financial resources, and increase productivity across the System.
 - Enhance communications networks among the universities to provide greater access, speed, and reliability.

UHSA Priorities

Overview

While the UH System universities have achieved greater operational efficiency through independence from a fully differentiated System Administration, there remain core services that are best provided centrally (e.g., governmental relations, general counsel), as well as times when we need to work together to fulfill our academic missions and ensure administrative efficiency. The UH System Administration will provide direction and support in these cases. The following priorities will be pursued by the UH System Administration during FY 2007:

- Governmental Support
- Collaborative Academic Initiatives
- Administrative Effectiveness

With the 80th Texas Legislative Session set to begin in January 2007, securing support for the UHS universities is a top priority. This will include advocacy not only on behalf of our institutions but on behalf of higher education, in general, since there is ever-increasing competition from other public interests for limited state dollars.

As we look to FY07, the UH System Strategic Principles have now been in place for two years. During this time, the principles have served as the impetus for many new initiatives at the UH System, as well as brought renewed attention to some current initiatives. Among the most important of these endeavors are the expansion of off-campus teaching centers and the development of new ones in high-growth parts of the region. Given the tremendous population growth forecast for our area and the corresponding need for our institutions to educate more students, off-campus centers are one of the best ways we can expand access to higher education with the limited resources we have available. In addition to the expansion of the UH System centers at Sugar Land and Cinco Ranch in FY06, we will continue to plan and develop new centers in the Cypress Fairbanks/Highway 290 region, Pearland, and the Texas Medical Center.

Finally, during FY07 the UH System Administration will continue to facilitate greater operational efficiencies among our universities. Central among these efforts is the implementation of the integrated student administration & human resources and financial information systems purchased from PeopleSoft. Of principal importance next year will be the process of upgrading the human resources system at all four universities and installing the latest version of the student system at UH, UH-Clear Lake, and UH-Victoria. It is anticipated that the new student system will go live in spring 07 (for the first time at UH and UHV).

Priority 1. Governmental Support

Context

Strong support from the government, especially the Texas Legislature, is critical if the UH System universities are to achieve their goals of excellence. While enrollment is the primary driver of the percentage of higher education formula funding our universities receive from the state, it is the Legislature that determines the total amount of funding for state universities. When the 80th Texas Legislature opens in January 2007, increasing support for higher education and the UH System universities will be our highest priority. This will undoubtedly be a very challenging endeavor. While the Texas economy is growing, and we can, therefore, expect to see more tax dollars available for state agencies, the extraordinary needs of public schools and health-related services in our state make it unlikely that significant new resources will be available for higher education. Thus, we must make the case for our universities more compellingly than we have in the past.

Enhancing legislative support for the UH System is achievable only as a result of advocacy every year, and not only in years when the legislature is in session. FY06 has been no exception. Both Senate Subcommittees on Higher Education and the House Higher Education Committee have been charged with studying multiple issues related to higher education in the state (e.g., formula funding, *Closing the Gaps*, distance education, the top 10% law, teacher preparation). The UH System universities have supported these endeavors through fulfilling information requests and testifying at committee hearings over the past year. In addition, the Legislature called a special legislative session in April to address public school finance. During the session, legislators were also able to address other unfinished business, including tuition revenue bonds (TRBs). The UH System worked successfully to secure the authorization for TRBs for six projects valued at \$131 million dollars during the special session.

FY 2007 Initiatives

- *Develop a State Environment Supportive of Higher Education and the UH System*
For several years, higher education has been a major priority for the Texas Legislature, and the UH System Administration has been actively involved in working to cultivate an environment that supports our institutions. During FY 2007, the UH System Administration will continue to work with alumni, the Gulf Coast Legislative Delegation, and our other constituencies to secure support for higher education initiatives that benefit the UH System.
- *Increase Excellence Funding for the UHS Universities*
During the 79th Legislative Session, the University of Houston was successful in securing new state resources to support the university's research activities: the Research Development Fund (tier-one funding) was significantly increased, and a new special item for faculty excellence was also created, through which UH receives \$2.5 million annually. Increasing appropriations for the Research Development Fund and the faculty excellence special item will be a major component of the university's legislative agenda for the 80th Legislative Session. In addition, we will work to secure debt service funding for the recently authorized tuition revenue bonds and the increases in HEAF resources approved during the 79th Texas Legislature.

- *Ensure that Legislation Benefits the UHS Universities*

During each legislative session hundreds of bills are proposed that have the potential to impact higher education and the UH System universities. Through the coordination of the Office of Governmental Relations, the UH System will analyze bills for impact on the UHS universities and work to promote legislation that serves their interests.

- *Pursue Federal Opportunities*

During FY07 the UH System will develop and pursue its federal agenda, which includes federal research funding, financial aid, and other policy issues. In Fall 2007, the UH System will work with leadership at each of the universities to identify programs that align with federal priorities and then pursue funding for these programs with members of our Congressional delegation. (In light of redistricting and resignations, our delegation may look significantly different next year). The UH System was very successful in pursuing its federal agenda during FY06, securing over \$7 million in federal earmarks for UH and UH-Clear Lake.

Key Performance Indicators

- State appropriations to the UH System universities
- Legislation that benefits the UH System universities

Priority 2. Collaborative Academic Initiatives

Context

From 1990 to 2000, the population of the Houston metropolitan area grew by almost a million people, much of which came from the Hispanic population. In fact, by 2015 Hispanics in the greater Houston area are forecast to be 35 percent of the region's population. The significant growth we will see over the next decade (especially among groups heretofore underrepresented in higher education), coupled with the increasing importance of a college degree to achieve economic prosperity, place a heavy burden on the University of Houston System to expand access to our institutions and educate more students – all in the face of limited resources.

To address this issue, the UH System universities have developed off-campus teaching centers in high growth parts of the region (Sugar Land in the southwest, Cinco Ranch in the west). Because responsibility for management and course delivery of these programs remains primarily at the parent institutions, we are able to avoid much of the overhead of a free-standing university. In other words, we expand access at the same time that we maintain quality and minimize costs. It is an approach that has served us well over the past ten years.

As part of the strategic planning process two years ago, the UHS Board of Regents charged our universities with expanding existing off-campus centers and developing new ones in high demand parts of our service area. The following progress has been made in FY06: architects have been selected for a new building at Sugar Land; programs are being developed for the Cypress Fairbanks/Highway 290 area and facilities options are being explored; courses are being offered in Pearland and discussions about facilities on Pearland Parkway are taking place; and new degree programs in business and health administration have been prepared for delivery at the Texas Medical Center.

In FY07, the UHS universities will continue to develop these initiatives, which will allow our institutions to capture new markets, better serve students in our region, and improve the quality and availability of educational resources through technology.

FY 2007 Initiatives

- *UH System Centers at Sugar Land and Cinco Ranch (\$282,180 New Resources, \$408,596 HEAF)*

This year, \$23 million in tuition revenue bonds was authorized by the Texas Legislature for the new building at Sugar Land, and an interlocal agreement with Wharton County Junior College has been signed. In FY07, the design phase and bidding process for the new building will take place, followed by construction. In addition, \$282,180 in new resources will be allocated to Sugar Land and Cinco Ranch to cover increased operations costs and salary increases, and \$408,596 will be allocated to Sugar Land to cover capital costs.

- *Plan and Deliver Programs in the Cypress Fairbanks/Highway 290 Area*

UH-Downtown will offer three programs at Cy-Fair College in fall 2006, including its new teacher certification program (in partnership with Cy-Fair ISD and Cy-Fair College) and its BAAS in Fire and Safety Management. In addition, if approved by the Coordinating Board, the University of Houston will begin planning a new branch campus at the Hewlett-Packard facility off Highway 249.

- *Plan and Deliver Programs in the Pearland Area*

In FY07, UH-Clear Lake will continue discussions with the City of Pearland about the construction of a municipal facility on city-owned land along Pearland Parkway (approximately one mile south of Beltway 8). Under this scenario, UHCL would initially lease 20,000 square feet in the building for classrooms and offices. Arrangements would be made for the option to lease additional space, as well as the option for a lease-purchase agreement. UHCL will also expand course offerings at Alvin Community College's Pearland center.

- *Plan and Deliver Programs at the Texas Medical Center*

The University of Houston is delivering its MBA at the Texas Medical Center, and the undergraduate and graduate programs in healthcare administration at UH-Clear Lake will be offered at the TMC starting in fall 2006. A total of twenty face-to-face courses will be offered in the healthcare administration programs along with a number of online courses. UH-Downtown will assume a support role for UH-Clear Lake's program at the TMC. The University of Houston has also leased 20,000 square feet of space on Holcombe Street in the Texas Medical Center.

- *Faculty Development and Community Outreach (\$3,824 New Resources)*

In FY07, the UH System will have available an additional \$3,824 as a result of increased corpus value of endowment accounts. These new resources will add to the funds we use to invest in faculty development initiatives and awards programs, as well as lecture series (e.g., the Farfel Lecture).

Priority 2. Investment of Resources in FY 2007 Initiatives

	New Resources	HEAF	Total
UH System Centers at Sugar Land and Cinco Ranch	\$282,180	\$408,596	\$690,776
Faculty Development and Community Outreach	3,824		3,824
Total	\$286,004	\$408,596	\$694,600

Key Performance Indicators

- Headcount enrollment
- Semester credit hour enrollment
- Student diversity
- Number of degrees awarded

Priority 3. Administrative Effectiveness

Context

Individually, the UH System universities do not have the resources required to fully serve the higher education needs of the Gulf Coast region and the state of Texas. Rather, we must work together in order to achieve this end, centralizing operations when it makes sense to do so and collaborating when it is in our mutual interests. At the same time, however, we must recognize that our universities are distinct institutions. They are chartered and funded separately by the state; they hold separate accreditations; and they have different missions, students, faculties and staffs – in short, different institutional cultures. As a result, academic and administrative policies, programs and procedures that work well at one institution may not hold the same benefits for the other institutions. Therefore, we must acknowledge that in most respects, achievement of a goal – even a collective one – will require an institutionally based solution.

Nevertheless, as was made clear during the strategic planning process two years ago, the UH System universities are committed to working together when it is a “win-win” situation for everyone involved, whether it be in the development of a new academic program or in sharing our expertise in order to improve the operational efficiency of our respective institutions. In FY 2007, the UH System universities will work together in several endeavors to improve the quality of our services, achieve cost-effective solutions to challenges we face, and enhance the flow of information among campuses.

FY 2007 Initiatives

- *Continue the PeopleSoft Implementation (\$2,850,000 HEAF)*

In FY06 the UH System completed the conversion of student data from existing systems to PeopleSoft at the University of Houston and UH-Victoria. UH-Clear Lake also completed the retrofit of student data in preparation for the upgrade of the student system to version 8.9. In FY07, the version 8.9 student system will be installed at UH, UHCL, and UHV, and the human resources system will be upgraded at all four universities. The current schedule is for version 8.9 to go live in spring 2007 (at UH, the admissions module that allows us to track prospective students went live this spring). In FY07, \$2,850,000 in HEAF funds will be invested in the PeopleSoft implementation.
- *Identify and Implement Operational Efficiencies*

As charged through the UHS Strategic Principles, the UH System universities implemented many operational efficiencies this year that will yield significant cost savings. In FY07, the universities will again work together to identify new ways in which they can improve administrative processes on our campuses. Among the projects that will be pursued are a reevaluation and improvement of HR processes, the development of a supervisory training program for staff, the implementation of an employee assistance program to help recruit and retain high performing faculty and staff, and a continuation of energy conservation and recycling efforts.

- Develop a UH System Comprehensive Campaign (\$157,997 New Resources)*

This year, the UH System has begun hiring the additional advancement professionals needed to implement the comprehensive campaign. Central among these is the new Vice Chancellor/Vice President for University Advancement. We have also begun to hire major gifts officers, corporate and foundation officers, and support positions. Currently, a draft of the prospectus on campaign priorities is being completed and will be presented to the Chancellor/President in fall 2006. Also in the fall, we will begin to facilitate external small group briefings with the Chancellor, complete the external assessment report, and continue planning the quiet phase of the campaign. The UH System will invest \$157,997 in new resources to the campaign in FY07.
- UHSA Operations Support (\$163,292 New Resources)*

In executing the budget reallocations needed to cover anticipated revenue shortfalls at the University of Houston next year, the UH System Administration offices were required to reduce their budgets by 5%, as well. Due to the small size and critical services of these offices (e.g., General Counsel, Auditing, Governmental Relations), it was decided that \$163,292 in new and reallocated resources was needed for the UHSA to effectively maintain its operations next year.

Priority 3. Investment of Resources in FY 2007 Initiatives

	New Resources	HEAF	Total
PeopleSoft Implementation		\$2,850,000	\$2,850,000
Develop a UH System Comprehensive Campaign	\$157,997		157,997
UHSA Operations Support	163,292		163,292
Total	\$321,289	\$2,850,000	\$3,171,289

University of Houston-System Administration

Appendix A - Allocation of New FY 2007 Resources

<u>Revenue Changes</u>	
General Revenue	
System Office Operations	\$ 3,432
Service Charge	
Cinco, Sugarland	\$ 282,180
Investment Income	\$ 467,000
UHSA Endowment Income	\$ 79,136
Fund Balance	\$ (224,455)
Total New Funds for Allocation	<u>\$ 607,293</u>

<u>Priority/Initiative</u>	<u>Allocation</u>
Priority 1. Governmental Support	
Priority 2. Collaborative Academic Initiatives	
UH System Centers at Sugar Land & Cinco Ranch	\$ 282,180
Faculty Development and Community Outreach	3,824
Subtotal	<u>\$ 286,004</u>
Priority 3. Administrative Effectiveness	
VC/VP for University Advancement	\$ 157,997
Other (Auditing, Gov Relations, General Counsel)	163,292
Subtotal	<u>\$ 321,289</u>
Total New Investments	<u>\$ 607,293</u>

University of Houston-System Administration

Appendix B - Allocation of FY 2007 HEAF

<u>FY07 Allocation</u>		<u>Priority/Initiative</u>		<u>HEAF</u>
Transfers from components		Priority 1. Academic Excellence		
HEAF	\$ <u>3,258,596</u>	UH System Centers at Sugar Land & Cinco Ranch	\$	408,596
		Priority 2. Administrative Effectiveness		
		PeopleSoft Implementation	\$	2,850,000
		Total New Investments	\$	<u>3,258,596</u>

University of Houston-System Administration
Table 1 - Summary of Sources & Uses of Funds

<u>Operating Budget</u>	FY2006 Budget	-----Change-----		FY2007 Budget
		Dollars	Percent	
Source of Funds				
Operations	\$ 11,793,637	\$ 280,589	2.4%	\$ 12,074,226
Restricted	274,018	3,824	1.4%	277,842
Total	\$ 12,067,655	\$ 284,413	2.4%	\$ 12,352,068
Use of Funds				
Operations	\$ 11,793,637	\$ 280,589	2.4%	\$ 12,074,226
Restricted	274,018	3,824	1.4%	277,842
Total	\$ 12,067,655	\$ 284,413	2.4%	\$ 12,352,068
<u>Capital Budget</u>	FY2006 Budget	-----Change-----		FY2007 Budget
		Dollars	Percent	
Source of Funds	\$ 6,519,763	\$ (5,446)	-0.1%	\$ 6,514,317
Use of Funds	\$ 6,519,763	\$ (5,446)	-0.1%	\$ 6,514,317
<u>Total Operating Budget & Capital Budget</u>	\$ 18,587,418	\$ 278,967	1.5%	\$ 18,866,385

University of Houston-System Administration

Table 2 - Operations

	FY2006 Budget	Change		FY2007 Budget
		Dollars	Percent	
Source of Funds				
General Funds				
State General Revenue Appropriations				
Formula Funding	\$ 1,761,391	\$ 3,431	0.2%	\$ 1,764,822
Special Items	579,735	1	0.0%	579,736
State Benefits Appropriation	1,100,000			1,100,000
Subtotal State General Revenue Appropriations	3,441,126	3,432	0.1%	3,444,558
Service Charge	2,707,647	101,360	3.7%	2,809,007
Subtotal General Funds	6,148,773	104,792	1.7%	6,253,565
Designated				
Investment Income on Non-Endowed Funds	517,000	467,000	90.3%	984,000
Endowment Income	1,667,238	75,312	4.5%	1,742,550
Service Charge	3,255,504	(142,060)	-4.4%	3,113,444
Fund Balance	205,122	(224,455)	-109.4%	(19,333)
Subtotal Designated Funds	5,644,864	175,797	3.1%	5,820,661
Total Current Operating Funds	11,793,637	280,589	2.4%	12,074,226
Total Sources	\$ 11,793,637	\$ 280,589	2.4%	\$ 12,074,226
Use of Funds by Object				
Salaries and Wages	\$ 5,855,922	\$ 73,846	1.3%	\$ 5,929,768
Benefits	1,332,164			1,332,164
M&O	2,343,828	34,488	1.5%	2,378,316
Capital	327,161	(8,565)	-2.6%	318,596
Transfers	1,934,562	180,820	9.3%	2,115,382
Total Uses	\$ 11,793,637	\$ 280,589	2.4%	\$ 12,074,226

University of Houston-System Administration
Table 3 - Restricted

Source of Funds	FY2006	Change		FY2007
	Budget	Dollars	Percent	Budget
Restricted				
Gifts	\$ 100,000			\$ 100,000
Endowment Income	74,018	3,824	5.2%	77,842
Other Restricted(encum, student fees,other E&G)	100,000			100,000
Total Current Operating Funds	<u>274,018</u>	<u>3,824</u>	<u>1.4%</u>	<u>277,842</u>
Total Sources	<u>\$ 274,018</u>	<u>\$ 3,824</u>	<u>1.4%</u>	<u>\$ 277,842</u>
Use of Funds by Object				
M&O	274,018	3,824	1.4%	277,842
Total Uses	<u>\$ 274,018</u>	<u>\$ 3,824</u>	<u>1.4%</u>	<u>\$ 277,842</u>

University of Houston - System Administration

Table 4 - Capital Projects

Project to Date	Project Expenditures		Total Project Budget	Funded From			
	FY2007 Budget	Future Year Budgets		HEAF	Revenue	Bonds	Gifts
\$ -	\$ 6,514,317	\$ -	\$ 6,514,317	\$ 2,850,000	\$ -	\$ -	\$ 3,664,317
\$ -	\$ 6,514,317	\$ -	\$ 6,514,317	\$ 2,850,000	\$ -	\$ -	\$ 3,664,317
\$ -	\$ 6,514,317	\$ -	\$ 6,514,317	\$ 2,850,000	\$ -	\$ -	\$ 3,664,317

Information System Projects

PeopleSoft Project

Subtotal Information System Projects

Total

2.15 (Corrected)

University of Houston-System Administration
Table 5 - Number of Full-Time Equivalent Positions

Employee Classification	FY2006 Budget	Change		FY2007 Budget
		FTE	Percent	
Professional Staff	57	1	2.3%	58
Classified Staff	13			13
Total	70	1	1.9%	71

University of Houston-System Administration
Note to Table 2: Operations Expenditures By Organization

NOTE 1

	FY2006	-----Change-----		FY2007
	Budget	Dollars	Percent	Budget
Use of Funds by Organization				
Regents	\$ 184,553	\$ (7,978)	-4.3%	\$ 176,575
Chancellor	1,301,715	(65,086)	-5.0%	1,236,629
Academic Affairs	1,423,383	(42,748)	-3.0%	1,380,635
Student Affairs	195,938			195,938
Research	227,150			227,150
Administration and Finance	1,897,146	(69,643)	-3.7%	1,827,503
University Advancement	202,003	157,997	78.2%	360,000
Government Relations	716,716	12,502	1.7%	729,218
General Counsel	1,014,940	(25,373)	-2.5%	989,567
Auditing	764,643	50,097	6.6%	814,740
Staff Benefits	1,245,000			1,245,000
Subtotal Operations	9,173,187	9,768	0.1%	9,182,955
NASA Programs	579,735	1	0.0%	579,736
Other Uses				
Transfer to UH for Charter School	106,153			106,153
Service charge Transfer to Victoria	1,934,562	270,820	14.0%	2,205,382
Total Uses	\$ 11,793,637	\$ 280,589	2.4%	\$ 12,074,226

University of Houston-System Administration
Note to Table 3: Operations Expenditures By Organization

NOTE 2

	FY2006 Budget	-----Change-----		FY2007 Budget
		Dollars	Percent	
Use of Funds by Organization				
Academic Affairs	\$ 156,743	\$ 2,941	1.9%	\$ 159,684
Administration and Finance	77,275	22,725	29.4%	100,000
University Advancement	40,000	(21,842)	-54.6%	18,158
Subtotal Operations	274,018	3,824	1.4%	277,842
Total Uses	\$ 274,018	\$ 3,824	1.4%	\$ 277,842

University of Houston Mission

Preamble

The University of Houston (UH), located in the nation's fourth largest metropolitan area, is a public, urban institution of higher education, chartered by the State of Texas. As a major comprehensive university, UH is committed to four shared values: excellence, integrity, innovativeness, and responsiveness, in accomplishing the traditional triad of teaching, research and service. These together form the higher purpose and underlie our three-fold mission, which is designed to address the challenges of an environment characterized by increasing complexity, diversity, and global interdependence.

Mission

The mission of the University of Houston is to:

- Provide a range of educational programs that foster an intellectually and culturally diverse environment that enhances individual growth and development. To prepare a broad community of students (undergraduate, graduate, professional and non-degree seeking) to make lifelong learning commitments that result in personal, social, economic and community contributions to an increasingly globally interdependent world.
- Create, discover, disseminate, and preserve knowledge and understanding by engaging in basic and applied research and scholarly and artistic activities that benefit students, scholars, and external constituencies.
- Serve as a major resource for local, state, national and global communities by applying scholarly analysis and experience to community problems. Recognize its special responsibility to the Houston metropolitan area by making the knowledge base and other resources of the institution readily accessible to its citizens.

Shared Values within the Mission

As its primary goal, the University of Houston is dedicated to becoming a nationally recognized institution in the 21st century. The university will anticipate and respond to changing demographics in an increasingly diverse and globally interdependent world. It will use its resources to:

- Meet the challenges of educating a dynamic mix of nontraditional and traditional students.
- Promote excellence within the context of basic and applied research and scholarship.
- Identify and respond to the economic, social and cultural challenges affecting the quality of life in Houston, the State of Texas and the world through its education, research, and service.

Priority Areas and Associated Goals

Undergraduate Education

Through a commitment to excellence in its faculty and in its learning environments, including classrooms, libraries, laboratories, clinical facilities and the technologies that support them, the University of Houston will provide its undergraduates with an outstanding education.

Graduate and Professional Education

The University of Houston will continue to develop its faculty and the other resources needed to attract the finest graduate and professional students, and to earn national recognition for the quality of its programs.

Research

The University of Houston will pursue a research agenda that capitalizes on its location and on its unique strengths in both basic and applied research, and that enables it to become a tier-one research university.

Diversity and Opportunity

In the face of changing demographics and rising costs, the University of Houston will work to ensure that members of the diverse communities it serves have access to the full range of educational opportunities it provides.

Enrollment Management

The University of Houston will ensure the proper balance of growth, retention and graduation of a diverse, knowledgeable, and skilled undergraduate, professional and graduate student body.

Accountability

Recognizing the need for accountability at all levels, the University of Houston will establish and maintain comprehensive and systematic methods of assessment for educational programs, institutes and centers, human resources, organizational structures, and fiscal operations.

Partnerships and Public Service

The University of Houston will establish and nurture relationships with community organizations, governmental agencies, public schools and the private sector to enhance the educational, economic, and cultural vitality of Houston and Texas.

University Community

The University of Houston will build an environment that is inclusive, positive, and physically accessible, where students will have every opportunity for academic success, where faculty and staff will grow as professionals, and where visitors will feel welcome.

University Priorities

Overview

The past several years have been a time of significant change for the University of Houston. In the late 1990s, recognizing the expanded need for higher education in the city and state, we established a goal of becoming the state's third tier-one research university. Since that time we have made considerable progress toward achieving that goal. Nowhere is this more apparent than in the research productivity of our faculty. In FY 2000, sponsored research awards at UH totaled \$53 million. By the end of FY 2005 they had risen to \$80 million. At the same time we have also worked hard to improve the quality of undergraduate education (another component of becoming a top-tier university), as evidenced through the increase in our six-year graduation rate of first-time freshmen. Over the past five years our graduation rate has increased by approximately one percentage point annually. Resources are another distinguishing feature of tier-one universities, and currently we are planning a comprehensive campaign to raise funds for UH. The nation's finest universities – public and private alike – are increasingly relying on private support to fund their operations. The University of Houston is intent on doing the same.

The University of Houston has accomplished these and other ends by establishing a small set of priorities and directing resources annually to programs and initiatives that move us toward fulfilling them. As we look to FY 2007, our approach will be the same. The plan that follows focuses on five institutional priorities: student success, academic excellence, research excellence, campus infrastructure, and administrative effectiveness, selection of which was made in relation to the UH System Strategic Principles established by our Board of Regents. In developing the plan, we have focused on the revenue sources through which we most commonly invest in new initiatives, including new resources (produced this year either through increased student charges or budget reallocation), HEAF, and indirect cost recovery (IDC). This approach, we believe, provides the clearest, most concise picture of how the university is instituting change and moving forward from year to year. In total, the University of Houston will invest \$53.1 million next year as identified in the table below:

	New Resources	HEAF	IDC	Total
Student Success	\$5,678,111	\$4,981,663		\$10,659,774
Academic Excellence	7,208,093	5,276,180		12,484,273
Research Excellence		3,621,633	\$10,369,763	13,991,396
Campus Infrastructure	6,762,002	4,228,284		10,990,286
Admin. Effectiveness	4,964,611			4,964,611
Total	\$24,612,817	\$18,107,760	\$10,369,763	\$53,090,340

It is important to note that reallocation will constitute a significant way in which the University of Houston funds new initiatives next year. Earlier this year, as we engaged in the planning process that produced this plan, anticipated enrollment decreases and resulting revenue losses next year of \$5 million, plus forecast utilities increases of \$6.6 million, left us with the possibility that no resources would be available to make progress on the UHS strategic plan in FY07. At that point, the UH administration decided that in addition to moderate increases in tuition and fees, deep cuts to administrative budgets would be necessary to cover anticipated deficits and move the university forward next year. To continue building upon the momentum of the past several years, it was decided, was imperative to the future of this institution – even if that meant enduring painful budget reallocations. To that end, budgets in the university divisions were reduced by 5% and non-instructional budgets in the colleges were reduced by 3% to produce \$9.8 million to help meet our needs for next year.

Finally, the priorities and initiatives identified in the FY07 plan support *Closing the Gaps* (the state's plan for higher education) and the related accountability system established by the Coordinating Board last

fall. After each section of the plan, we have included the state performance measures that apply to the UH priority described in that section. The state's performance measures expand upon the measures UH has reported to the Board of Regents annually for the past several years. The state accountability report (submitted in December) was reviewed with the regents at their April 2006 retreat.

Priority 1. Student Success

Context

In higher education student success is often defined in terms of completion of a degree in a timely manner. Indeed, it is the six-year graduation rate of college freshmen that serves as the nationally recognized measure of student success, as well as a major factor in evaluating and ranking universities (by, for example, *U.S. News and World Report*). While the University of Houston has made some progress in recent years, performance in terms of the six-year graduation rate has historically been a challenge. In part this is due to the non-traditional nature of our students, many of whom work while attending school, are the first generation of their families to go to college, and whose education is not being paid for by their parents.

As a result, the University of Houston takes special care to provide students with the support they need to stay in school and complete their degrees. This takes many forms, including financial aid to assist independent students, academic support (e.g., advising and mentoring) to bridge the gap between K-12 and higher education, sufficient class sections to minimize course closings and delays in graduation, and an overall campus environment that is conducive to student life and academic success. UH also works to ensure that students have access to efficient administrative services (e.g., admissions, registration, financial aid), state-of-the-art classrooms, and for those who live on campus, excellence in residential life.

During the current fiscal year, the University of Houston has taken several specific steps to enhance student success: (1) we have tripled merit-based scholarship offers to first time in college (FTIC) freshmen; (2) we have created a \$500,000 merit-based scholarship program for high achieving community college transfer students; (3) we have enhanced our marketing and recruitment efforts in the Office of Enrollment Services and increased our FTIC applications; (4) we are implementing different pricing strategies on weekends and during the summer to encourage students to take more classes; and (5) we have created a four-year graduation pledge and scholarship reward program for students who complete at least 30 credit hours per year. The UH plan for FY07 will build upon these accomplishments, in support of the state, board, and university priority that student success be significantly enhanced.

FY 2007 Initiatives

- *Financial Aid Set Aside (\$1,575,038 New Resources)*

In FY07, the University of Houston will increase student financial assistance by \$1,575,038. This will take the form of scholarships (distributed on the basis of need and merit) and loans we must set aside as a result of increases in designated tuition.

- *Enrollment Management Initiatives (\$781,875 New Resources)*

Providing adequate student advising is one of the greatest challenges facing the University of Houston. Currently, student-advisor ratios at UH are far higher than the national standard, a disparity that leads to increased student drop-outs and longer time periods to graduation. To address this issue we will invest \$515,625 in new advisor positions next year. The positions will be strategically allocated to the areas of greatest need within the university: the University Studies Division, the College of Liberal Arts & Social Sciences, and the College of Natural Sciences and Mathematics. In addition, we will continue implementation of the Enrollment Services plan begun this year. In FY07 we will invest \$166,250 to enhance operations in the Offices of Admissions and Registration. Finally, we will allocate \$100,000 to increase course availability during the summer session.

- *Academic Buildings and Classrooms (\$4,981,663 HEAF)*
In FY07, the University of Houston will allocate \$4,981,663 to improve academic facilities on campus. This includes addressing important HVAC, electrical and life safety issues in college buildings (\$4,540,000) and renovating classrooms (\$441,663). Depending on the progress of the proposed UH Northwest Campus, some resources may be used to renovate facilities at the new location.
- *Student Services Programs (\$2,537,982 New Resources)*
In FY07, the University of Houston will invest \$2,537,982 to enhance student services programs. Resources will be used in the Center for Students with DisAbilities (\$200,000) to ensure adequate support for hearing impaired students; cover increased operational and utilities costs in the Campus Recreation and Wellness Center (\$567,749); and enhance services, cover increased operational costs, and fund salary increases in Student Housing (\$273,206). In addition, a \$1.3 million increase in the student services fee, recommended by the Student Fees Advisory Committee (SFAC), will enhance support for multiple student support and student organizations on campus, including Student Government, the Urban Experience Program, Campus Activities, the student video network, Counseling & Psychological Services, Career Services, Frontier Fiesta, and the Health Center.
- *General Program Support (\$783,216 New Resources)*
In FY07, it is anticipated that the University of Houston will receive \$783,216 in additional tuition from students who exceed state-mandated credit hour caps or who repeat a course more than three times. For FY07, these resources will be applied to the university's general operating budget to lessen the impact of funding shortfalls due to enrollment decreases and increased utilities costs. In FY08 and beyond, these resources will be used to replace the formula funding the state doesn't provide for students who exceed the caps or repeat courses.

Priority 1. Investment of Resources in FY 2007 Initiatives

	New Resources	HEAF	Total
Financial Aid Set Aside	\$1,575,038		\$1,575,038
Enrollment Management Initiatives	781,875		781,875
Academic Buildings and Classrooms		\$4,981,663	4,981,663
Student Services Programs	2,537,982		2,537,982
General Program Support	783,216		783,216
Total	\$5,678,111	\$4,981,663	\$10,659,774

State Key Student Participation and Success Measures

- Headcount enrollment by ethnicity, gender, academic level and age
- Full-time equivalent enrollment by ethnicity, gender, academic level and age
- Four-, five- and six-year graduation rates of FTIC freshmen by ethnicity
- Number of graduates by level, ethnicity and gender
- Six-year graduation and persistence rate of FTIC freshmen by ethnicity
- Computer science, engineering, math & physical science graduates at the undergraduate level
- Students taking education certification exam and pass rates by ethnicity and gender

Priority 2. Academic Excellence

Context

The UH System Board of Regents has identified excellence as its first strategic principle, the achievement of which requires a commitment on the part of the university to attracting and retaining high quality faculty and students. For faculty this means recruiting scholars of national reputation (or the potential to achieve it) and rewarding current faculty members of exceptional merit with appropriate compensation increases and other professional development opportunities. For students this means communicating the institution's quality and opportunities to prospective applicants and providing them with academic and financial incentives comparable to those offered at other top universities.

For the past several years, building upon the exceptional faculty and student body at the University of Houston has been a top institutional priority. Since 1997, we have increased on an annual basis the number of faculty positions on campus in areas of academic strength and promise for the university; we have created the Graduate Tuition Fellowship program, through which we cover the tuition of students serving as graduate assistants; and we have created two fellowship programs (Erhardt, Cullen) for the recruitment of the nation's finest graduate students. Over the past year, we have hired 36 new faculty members to begin work at UH next year; we have opened the new addition to the MD Anderson Library; and we began offering instruction in the classroom building of the SERCC complex. All of these improvements will serve to enhance the academic quality of the University of Houston.

FY 2007 Initiatives

- *New Faculty and Academic Positions (\$3,000,000 New Resources)*

In FY07, the University of Houston will invest \$3,000,000 (salary plus benefits) to create new faculty lines and other academic positions. Although the final distribution of these lines is still being determined, the following considerations guide the decisions and the final distribution: Existing commitments were in place to strengthen two professional schools, Business and Architecture. The commitment for Business was for approximately \$590,000; the commitment for Architecture was for approximately \$85,000. We will put those commitments in place in this budget, leaving approximately \$2.3 million for other priorities. The University normally has a need to fill academic administrative positions in the units, and this year will not be an exception. The amounts required are under negotiation. The University of Houston has the opportunity to recruit two members of national academies to the institution, one of whom would likely be less than full time. We are reserving approximately \$300,000 for these "targets of opportunity." If these efforts are not successful, we will redistribute those funds to other priorities. The largest single area in which the University of Houston will invest is disciplines related to the health sciences, including biomedical engineering, the neurosciences (psychology), biology and biochemistry, etc. Additional investments will be made in high enrollment programs and in the Honors College and the Library.
- *Faculty Compensation Increases (\$1,017,003 New Resources)*

While it is imperative that the University of Houston recruit new faculty of exceptional talent, it is equally important that we retain the exceptional faculty we already have. In FY07, the university will invest \$1,017,003 to increase faculty salaries in January by an average of 2.0 percent (based on merit) and pay for associated benefits.
- *University Libraries (\$200,000 New Resources, \$5,276,180 HEAF)*

In FY06, the University of Houston will allocate \$200,000 in new funding to join the Houston Academy of Medicine-Texas Medical Center Library. This membership will provide students and faculty in the health-related disciplines with access to much needed academic resources and

strengthen our ties to the Medical Center. In addition, \$3,577,467 in HEAF funds will be used to maintain journal subscriptions and expand collections at both the M.D. Anderson and John O'Quinn Libraries. Finally, \$1,698,713 in HEAF will be used to cover debt service on the new addition to the M.D. Anderson Library.

- *Graduate Assistant Tuition Fellowships (\$666,514 New Resources)*

Each year the University of Houston must increase its investment in the Graduate Tuition Fellowship program in order to cover new qualifying students and increased tuition charges. (Last fall, 1,346 students received the fellowships.) For FY07, an additional \$666,514 will be needed to fulfill our obligation to graduate students, primarily as a result of the tuition increases planned for next year.

- *Support for Professional Programs (\$2,324,576 New Resources)*

The University of Houston's professional programs in Law, Pharmacy, Optometry, Architecture, Business, Engineering, and other disciplines are critical to the future of Houston's workforce. In FY07, we will invest an additional \$2,324,576 in these programs to hire new faculty and other academic personnel, as well as provide operations support. Major investments for FY07 include two new executive master's programs in Geosciences and Industrial Engineering (\$886,600). The resources needed to fund these initiatives and others in our professional programs come primarily from differential designated tuition and college-based academic fees, which apply only to students (primarily graduate students) who are enrolled in these programs.

Priority 2. Investment of Resources in FY 2007 Initiatives

	New Resources	HEAF	Total
New Faculty and Academic Positions	\$3,000,000		\$3,000,000
Faculty Compensation Increases	1,017,003		1,017,003
University Libraries	200,000	\$5,276,180	5,476,180
Graduate Assistant Tuition Fellowships	666,514		666,514
Support for Professional Programs	2,324,576		2,324,576
Total	\$7,208,093	\$5,276,180	\$12,484,273

State Key Institutional Excellence Measures

- Percent of lower division semester credit hours taught by tenured/tenure-track faculty
- FTE student/FTE faculty ratio
- Percent of baccalaureate graduates either employed or enrolled in a Texas graduate or professional school within one year of graduation
- Licensure/certification rate on state and national exams (law, pharmacy, nursing, engineering)
- Average class size of lower division classes
- Percent of FTE teaching faculty that are tenured/tenure-track

Priority 3. Research Excellence

Context

The University of Houston's primary research goal is to achieve a level of external funding commensurate to that of the nation's leading public research institutions. To accomplish this goal requires that we recruit and retain outstanding faculty and graduate students, develop and maintain excellent research facilities, and build research programs that capitalize on both institutional strengths and external funding opportunities. Research areas in which the University of Houston has invested over the past several years include the biosciences, the computational sciences, and materials science/engineering.

To date, investments in these areas have met with considerable success. From FY00 to FY05, total sponsored research awards at the University of Houston increased from \$53 million to \$80 million, with federal awards (the most sought after nationally) increasing from \$29 million to \$37 million. Additionally, the University of Houston has been very successful in recent years in building research partnerships and securing funding for new programs. For example, the Methodist Hospital affiliation agreement has positioned us for extraordinary success in the health sciences, while a federal award of \$1.2 million through the Alliance for NanoHealth is enabling us to equip the new Science and Engineering Research Building with critical infrastructure. This year, the university has also made significant improvements to our animal care facilities (\$1 million) and has conducted a search for a new vice president for research (to begin next year), so that as we enter FY07 we will be well-positioned for continued success.

Annual investments in research programs are made primarily through indirect cost recovery (IDC) and HEAF resources. In any given year, the research needs identified at the university greatly exceed the resources available to fund them. As described below, the University of Houston will allocate \$10,369,763 in new IDC and \$3,621,663 in HEAF resources to our research priorities.

FY 2007 Initiatives

- *Faculty Start-up, Grant Matching, Lab Renovations & Equipment Purchases (\$3,621,633 HEAF, \$6,673,024 IDC)*

There are three core elements to the university's research investment program: faculty start-up, through which research facilities are set up for new faculty members; grant matching, through which the university meets the institutional contribution required by granting agencies; and lab renovations and equipment purchases, to maintain and enhance existing research infrastructure. For FY07 the University of Houston has allocated \$3,621,633 in HEAF funds and \$6,673,024 in IDC for these purposes.

- *Core Research Operations (\$2,801,413 IDC)*

In FY07, the University of Houston will allocate \$2,801,413 to cover core central research services provided on behalf of the colleges. These include, among others, grants and contracts management, the research information center, animal care, biosafety, and reserves to address research opportunities and emergencies that arise during the year.

- *Health Sciences Initiative (\$371,744 IDC)*

In conjunction with The Methodist Hospital, the University of Houston is working to create a health science center that will take a broad-based approach (e.g., research, academic programs, outreach) to address health-related issues. In support of this venture, IDC investments totaling \$371,744 will be allocated to the following initiatives in FY07: the Alliance for NanoHealth; the Institute for Molecular Design; strategic planning workshops with Methodist; expanded access to imaging

technology; and support for the development of project proposals in bioengineering, clinical and translational research.

- *Faculty Research & Scholarship Development (\$523,582 IDC)*

In FY07, the University of Houston will invest \$523,582 in internal activities designed to cultivate faculty research and scholarship productivity. These include the UH small grants program and workshops on how to secure external funding and publications. These programs are especially valuable for faculty in non-science fields.

Priority 3. Investment of Resources in FY 2007 Initiatives

	HEAF	IDC	Total
Faculty Start-Up, Grant Matching, Lab Renovations & Equipment Purchases	\$3,621,633	\$6,673,024	\$10,294,657
Core Research Operations		2,801,413	2,801,413
Health Sciences Initiative		371,744	371,744
Faculty Research & Scholarship Development		523,582	523,582
Subtotal	\$3,621,633	\$10,369,763	\$13,991,396

State Key Research Measures

- Ratio of federal research expenditures to FTE tenured/tenure-track faculty
- Research expenditures by source of funds
- Amount of sponsored (external/federal) research funds as a percent of general revenue appropriations

Priority 4. Campus Infrastructure

Context

As fundamental as instruction and research are to the University of Houston, these endeavors cannot take place without the land, facilities, equipment and information technology needed to support them. The University of Houston's physical plant is currently valued at \$1.3 billion, including 551 acres of land, 110 buildings, and 7.7 million gross square feet. Sustaining this infrastructure year round requires tremendous investments in utilities, maintenance, repairs, renovations and improvements. Since FY95 facilities repairs and renovations have taken place primarily through the UH Capital Renewal/Deferred Maintenance program, a coordinated, annual effort through which projects are prioritized based on comprehensive condition audits. The University of Houston invests approximately \$10 million in HEAF resources annually to fund the CRDM program (although less will be invested in FY07 due to budget reallocations). CRDM investments, as well as many others we make in campus infrastructure throughout the year, enhance the University of Houston's ability to recruit and retain high quality faculty and students, support research and provide instruction, and protect the public's investment in our campus. This year, for example, the University of Houston has opened a new student dormitory addition (Cullen Oaks, 354 beds) and parking garage (with the new academic services and welcome center to open this fall), all of which will make the university a more desirable place for students, faculty and the community.

FY 2007 Initiatives

- *General Facilities & Parking Improvements (\$117,300 New Resources, \$2,572,049 HEAF)*
In FY07, \$2,689,349 will be invested in general facilities and parking initiatives. These include important HVAC, electrical and life safety projects identified through the university's CRDM program. Depending on the progress of the proposed UH Northwest Campus, some resources may be used to renovate facilities at the new location.
- *Information Technology Improvements (\$1,656,235 HEAF)*
The university's IT infrastructure must be maintained and expanded as our computing needs grow. In FY07, \$1,656,235 in HEAF funds will be used to upgrade the university's network, servers and other IT equipment.
- *Campus Safety Initiatives (\$83,702 New Resources)*
In FY07, the University of Houston will invest \$83,702 to provide the additional officers necessary to monitor security cameras 24 hours a day in order to protect the people and property on campus.
- *Increased Utilities Costs (\$6,561,000 New Resources)*
The University of Houston is once again experiencing significant increases in the cost of utilities. As a result, \$6,561,000 million in new resources must be set aside to cover these costs during FY07.

Priority 4. Investment of Resources in FY 2007 Initiatives

	New Resources	HEAF	Total
General Facilities & Parking Improvements	\$117,300	\$2,572,049	\$2,689,349
Information Technology Improvements		1,656,235	1,656,235
Campus Safety Initiatives	83,702		83,702
Increased Utilities Costs	6,561,000		6,561,000
Total	\$6,762,002	\$4,228,284	\$10,990,286

Priority 5. Administrative Effectiveness

Context

Operating a university is an expensive endeavor for which there is a limited amount of resources. Therefore, achieving a high level of administrative effectiveness is critical to achieving our institutional goals. One key to accomplishing this priority is ensuring excellence in our staff. As UHS Strategic Principle 6 indicates, "faculty and staff constitute the most valuable assets of the UH System universities." Specifically, we need our staff to provide excellent, customer-friendly service to students, as well as have the ambition and skills needed to make UH a better, more efficiently-run operation. To maintain a staff of this caliber (and reduce employee turnover costs), we must pay them competitive salaries, offer them valuable professional development opportunities, and create a campus environment that is attentive to their needs as individuals.

Additionally, the University of Houston must place the resources we currently have available to their best possible use. During the strategic planning process two years ago, the UH System Board of Regents charged the universities with identifying and implementing operational efficiencies that would allow us to reduce costs and shift a greater portion of our resources into academics and research. Several such efficiencies were implemented this year, including direct deposit for vendor payments and employee reimbursements (which will cut down on the costs of distributing checks), new energy conservation measures (which have the potential to save hundreds of thousands of dollars), and more inclusive HUB procedures (mid-year HUB expenditures exceed those from last year). Additional initiatives are now being identified and will be undertaken next year.

Finally, another important measure of administrative effectiveness is the extent to which the University of Houston can expand its resources through the cultivation of private gifts. Over the past year, the University of Houston has appointed a new vice chancellor for university advancement and has begun to hire the advancement professionals needed to implement our comprehensive campaign. These include major gifts officers, corporate and foundation officers, and support positions. The resources secured through this campaign will enable the university to pursue its goals to an extent that state funds and tuition and fees will not allow.

FY 2007 Initiatives

- *Staff Compensation Increases (\$1,367,670 New Resources)*
Beginning January 1, 2007, the University of Houston will allocate \$1,367,670 to pay for a salary increase of 2.0 percent and associated benefits for staff members.
- *State Mandated New-Hire Benefits (\$2,800,000 New Resources)*
During the 2003 legislative session, benefits coverage for state employees was reduced. Since that time, the University of Houston has paid for these benefits through one-time resources. In FY07, \$2,800,000 will be used to base fund these costs.
- *Leadership Institute (\$75,000 New Resources)*
Building upon the success of the Management Institute, the University of Houston will expand its professional development programs for staff with the Leadership Institute. UH will invest \$75,000 next year to develop this program.

- *Employee Assistance Program (\$63,000 New Resources)*
In FY07, the University of Houston will allocate \$63,000 to create an employee assistance program. Services available will include manager/supervisory training, legal and financial counseling, and emergency services among others.
- *SACS Reaffirmation Process (\$459,117 New Resources)*
Every ten years, the University of Houston must reaffirm its accreditation with the Southern Association of Colleges and Schools. The process is an extensive one that requires two years of preparation and involves a broad cross-section of the university community. Next year, \$459,117 will be allocated to the SACS process, including the personnel and other resources needed to execute it.
- *Police Step Pay Plan (\$125,000 New Resources)*
Retention and recruitment of police officers at UH has become a struggle due to salaries that are not as competitive with other law enforcement organizations in the region as they should be. Investing \$125,000 in the UH Police Step Pay Plan will allow the University of Houston to begin bridging this gap.
- *Administrative Support Initiatives (\$74,824 New Resources)*
In FY07, the University of Houston will invest \$74,824 to improve the operations of the central administration, including increased support for the Office of Governmental Relations, a new auditor position, technology support for the Office of General Counsel, and resources for the new UH System student regent.

Priority 5. Investment of Resources in FY 2007 Initiatives

	New Resources
Staff Compensation Increases	\$1,367,670
State Mandated New-Hire Benefits	2,800,000
Leadership Institute	75,000
Employee Assistance Program	63,000
SACS Reaffirmation Process	459,117
Police Step Pay Plan	125,000
Administrative Support Initiatives	<u>74,824</u>
Total	\$4,964,611

State Key Institutional Effectiveness Measures

- Appropriated funds per FTE student and per FTE faculty
- Historically underutilized business trends
- Educational and general (E&G) expenses per FTE student
- Total revenue per FTE student and per FTE teaching faculty

University of Houston

Appendix A - Allocation of New FY 2007 Resources

<u>Revenue Changes</u>	
General Revenue	\$ (913,071)
Tuition	
Statutory & Grad Premium Tuition	\$ 747,253
Less: Change for enrollment decrease	(3,500,000)
General Designated Tuition	8,718,960
Less: Change for enrollment decrease	(1,500,000)
Differential Designated Tuition	2,007,953
Subtotal	<u>\$ 6,474,166</u>
Student Fees	
Utility Assessment Fee	\$ 6,444,449
Academic Fees	316,623
Student Service / Rec Ctr / UC Fees	2,064,776
Housing / Meal Plans	273,206
Parking Revenue	117,300
Subtotal	<u>\$ 9,216,354</u>
Departmental Reductions & Reallocations	\$ 9,835,368
Total New Funds for Allocation	<u><u>\$ 24,612,817</u></u>

<u>Priority/Initiative</u>	<u>Allocation</u>
Priority 1. Student Success	
Financial Aid Set Aside	\$ 1,575,038
Enrollment Management Initiatives	781,875
Student Services Programs	2,537,982
General Program Support	783,216
Subtotal	<u>\$ 5,678,111</u>
Priority 2. Academic Excellence	
New Faculty and Academic Positions	\$ 3,000,000
Faculty Compensation Increases	1,017,003
University Libraries	200,000
Graduate Assistant Tuition Fellowships	666,514
Support for Professional Programs	2,324,576
Subtotal	<u>\$ 7,208,093</u>
Priority 3. Research Excellence	
<i>See Appendix B</i>	
Priority 4. Campus Infrastructure	
General Facilities & Parking Improvements	\$ 117,300
Campus Safety Initiatives	83,702
Increased Utilities Costs	6,561,000
Subtotal	<u>\$ 6,762,002</u>
Priority 5. Administrative Effectiveness	
Staff Compensation Increases - UH	\$ 1,367,670
State Mandated New-Hire Benefits	2,800,000
Leadership Institute	75,000
Employee Assistance Program	63,000
SACS Reaffirmation Process	459,117
Police Step Pay Plan	125,000
Administrative Support Initiatives	74,824
Subtotal	<u>\$ 4,964,611</u>
Total New Investments	<u><u>\$ 24,612,817</u></u>

University of Houston

Appendix B - Allocation of FY 2007 HEAF and Indirect Cost Recovery

<u>FY07 Allocation</u>	
HEAF	\$ 23,517,426
Less: Transfer to UHSA for Cinco Ranch, Sugarland & People Soft Implementation	(2,199,015)
Less: Reallocation to General Fund	(3,210,651)
Subtotal	<u>\$ 18,107,760</u>
Indirect Cost Recovery	\$ 10,369,763
Total Available	<u>\$ 28,477,523</u>

<u>Priority/Initiative</u>	<u>HEAF</u>	<u>Indirect Cost Recovery</u>	<u>Total</u>
Priority 1. Student Success			
Academic Buildings and Classrooms	\$ 4,981,663		\$ 4,981,663
Priority 2. Academic Excellence			
University Libraries	\$ 5,276,180		\$ 5,276,180
Priority 3. Research Excellence			
Faculty Start-Up, Grant Matching, Equipment & Renovations	\$ 3,621,633	\$ 6,673,024	\$ 10,294,657
Core Research Operations		2,801,413	2,801,413
Health Sciences Initiative		371,744	371,744
Faculty Research & Scholarship Development		523,582	523,582
Subtotal	<u>\$ 3,621,633</u>	<u>\$ 10,369,763</u>	<u>\$ 13,991,396</u>
Priority 4. Campus Infrastructure			
General Facilities Improvements	\$ 2,572,049		\$ 2,572,049
Information Technology Improvements	1,656,235		1,656,235
Subtotal	<u>\$ 4,228,284</u>		<u>\$ 4,228,284</u>
Priority 5. Administrative Effectiveness			
<i>See Appendix A</i>			
Total New Investments	<u>\$ 18,107,760</u>	<u>\$ 10,369,763</u>	<u>\$ 28,477,523</u>

University of Houston

Appendix C - Projected Availability of Scholarships and Grants

	<u>FY2006</u>	<u>FY2007</u>
Funds from Endowed Scholarships	\$ 3,926,524	\$ 4,162,115
Premium Tuition Scholarships (Law, Pharmacy & Optometry)	1,402,000	855,446
Texas Grant Program Scholarships	10,040,360	9,044,190
Texas Public Education Grant (TPEG)	5,052,783	6,680,066
Early High School Graduation Program Scholarships	145,000	136,308
Property Deposit Scholarships	115,582	292,865
Honors Scholarships	8,000	8,000
International Education Fee Scholarships	86,900	87,000
Designated Tuition Financial Aid Set-Asides		
Undergraduate Scholarships	2,849,294	3,928,144
Graduate Scholarships	639,783	944,189
Be-on-Time Program	1,244,277	1,267,645
Scholarships - PreMed	224,000	224,000
Academic Excellence Scholarships	3,550,000	6,250,000
National Merit Supplemental Scholarships	729,843	665,115
Academic Recognition Scholarships	400,000	275,000
Alumni Annual Fund Scholarships	275,000	200,000
Cullen Leaders Scholarships	467,000	396,000
Band Grant-in-Aid Scholarships	218,615	250,000
Undergraduate Scholarships	-	370,099
UH Transfer Scholarships	212,859	212,859
UH Grant-in-Aid Scholarships	583,000	583,000
Grad Teaching Asst/Teaching Fellow Tuition Asst Fellowships	5,195,443	5,861,957
Presidential Fellowship Stipend Augmentation	458,448	458,448
Federal College Work Study	1,397,621	1,668,098
Federal Pell Grants	24,000,000	24,000,000
Federal Supplemental Education Opportunity Grants (SEOG)	1,534,473	1,257,373
Total	\$ 64,756,805	\$ 70,077,917

University of Houston
Table 1 - Summary of Sources & Uses of Funds

<u>Operating Budget</u>	FY2006 Budget	-----Change-----		FY2007 Budget
		Dollars	Percent	
Source of Funds				
Operations	\$ 502,810,905	\$ 19,210,354	3.8%	\$ 522,021,259
Restricted	131,277,422	(293,434)	-0.2%	130,983,988
Total	<u>\$ 634,088,327</u>	<u>\$ 18,916,920</u>	<u>3.0%</u>	<u>\$ 653,005,247</u>
Use of Funds				
Operations	\$ 502,810,905	\$ 19,210,354	3.8%	\$ 522,021,259
Restricted	131,277,422	(293,434)	-0.2%	130,983,988
Total	<u>\$ 634,088,327</u>	<u>\$ 18,916,920</u>	<u>3.0%</u>	<u>\$ 653,005,247</u>
 <u>Capital Budget</u>				
Source of Funds	\$ 72,026,813	\$ (8,468,332)	-11.8%	\$ 63,558,480
Use of Funds	\$ 72,026,813	\$ (8,468,332)	-11.8%	\$ 63,558,480
 <u>Total Operating Budget & Capital Budget</u>	<u>\$ 706,115,140</u>	<u>\$ 10,448,588</u>	<u>1.5%</u>	<u>\$ 716,563,727</u>

University of Houston

Table 2 - Operations

Source of Funds	FY2006 Budget	-----Change-----		FY2007 Budget
		Dollars	Percent	
General Funds				
State General Revenue Appropriations				
Formula Funding	\$ 122,937,105	\$ (898,696)	-0.7%	\$ 122,038,409
Special Items	13,285,335	90	0.0%	13,285,425
Tuition Revenue Bonds	6,674,510	(14,465)	-0.2%	6,660,045
State Benefits Appropriation	26,803,360			26,803,360
Dedicated Appropriations-TX Grant/College Work Study	10,327,539	(993,667)	-9.6%	9,333,872
Subtotal State General Revenue Appropriations	180,027,849	(1,906,738)	-1.1%	178,121,111
Tuition and Fees				
Statutory & Graduate Premium	58,843,021	(2,529,881)	-4.3%	56,313,140
Premium (Law, Pharmacy, Optometry)	8,722,659			8,722,659
Lab/other Student Fees	354,466	(15,740)	-4.4%	338,726
Subtotal Tuition and Fees	67,920,146	(2,545,621)	-3.7%	65,374,525
HEAF	23,517,426			23,517,426
Indirect Cost	1,120,505	118,404	10.6%	1,238,909
Aux Admin Chg/Opt Clinic/Institutes/Cont. Ed/Other	3,670,857	71,867	2.0%	3,742,724
Income on State Treasury Deposits	300,000	74,000	24.7%	374,000
Fund Balance	80,597	(80,597)	-100.0%	
Subtotal General Funds	276,637,380	(4,268,685)	-1.5%	272,368,695
Designated				
Tuition and Fees				
Designated Tuition - General	63,587,630	7,365,501	11.6%	70,953,131
Designated Tuition - Differential	10,699,732	1,974,922	18.5%	12,674,654
Library Fee	7,038,558	(262,048)	-3.7%	6,776,510
Technology Fee	9,651,410	(147,410)	-1.5%	9,504,000
Major/Department/Class Fees	50,129,800	8,177,879	16.3%	58,307,679
Subtotal Tuition and Fees	141,107,130	17,108,844	12.1%	158,215,974
Indirect Cost	9,992,445	(861,591)	-8.6%	9,130,854
Investment Income on Non-Endowed Funds	3,300,000	1,381,000	41.8%	4,681,000
Endowment Income	2,959,305	3,873,012	130.9%	6,832,317
Contracts / Grants / Gifts	3,915,672	(93,475)	-2.4%	3,822,197
Arte Publico Press/Opt Clinic/Other Self Supporting Org	11,749,318	(681,124)	-5.8%	11,068,194
Fund Balance	390,500	(390,500)	-100.0%	
Subtotal Designated Funds	173,414,370	20,336,166	11.7%	193,750,536
Auxiliary Enterprises				
Student Fees				
Student Service Fee	12,478,636	529,977	4.2%	13,008,613
Recreation and Wellness Center	6,060,576	337,007	5.6%	6,397,583
Other Student Fees	2,409,345	619,475	25.7%	3,028,820
Subtotal Student Fees	20,948,557	1,486,459	7.1%	22,435,016
Sales & Service - Student Housing/Meal Plan	8,180,131	(881,203)	-10.8%	7,298,928
Sales & Service - Parking	5,621,725	280,009	5.0%	5,901,734
Sales & Service - Athletics/Hotel/UC/Other	25,423,405	(312,973)	-1.2%	25,110,432
Subtotal Auxiliary Funds	60,173,818	572,292	1.0%	60,746,110
Total Current Operating Funds	510,225,568	16,639,773	3.3%	526,865,341
Interfund transfer	(7,414,663)	2,570,581	-34.7%	(4,844,082)
Total Sources	\$ 502,810,905	\$ 19,210,354	3.8%	\$ 522,021,259
Use of Funds by Object				
Salaries and Wages	\$ 255,277,124	\$ 7,903,515	3.1%	\$ 263,180,639
Benefits	57,451,427	2,015,495	3.5%	59,466,922
M&O	88,202,902	8,687,924	9.8%	96,890,826
Capital	17,668,687	(3,717,267)	-21.0%	13,951,420
Scholarships	35,409,157	1,720,634	4.9%	37,129,791
Debt Service	21,207,606	(146,568)	-0.7%	21,061,038
Utilities	15,178,505	6,000,000	39.5%	21,178,505
Transfers	12,415,497	(3,253,379)	-26.2%	9,162,118
Total Uses	\$ 502,810,905	\$ 19,210,354	3.8%	\$ 522,021,259

University of Houston

Table 3 - Restricted

Source of Funds	FY2006 Budget	-----Change-----		FY2007 Budget
		Dollars	Percent	
Restricted				
Contracts and Grants				
Research	\$ 65,000,000	\$ 900,000	1.4%	\$ 65,900,000
Financial Aid	29,631,417	(2,631,439)	-8.9%	26,999,978
Gifts	14,876,389	(490,932)	-3.3%	14,385,457
Endowment Income	11,151,945	781,087	7.0%	11,933,032
Other Restricted	112,406	115	0.1%	112,521
KUHT/KUHF	13,728,678	1,059,743	7.7%	14,788,421
Total Current Operating Funds	134,500,835	(381,426)	-0.3%	134,119,409
Interfund Transfer	(3,223,413)	87,992	-2.7%	(3,135,421)
Total Sources	\$ 131,277,422	\$ (293,434)	-0.2%	\$ 130,983,988
Use of Funds by Object				
Salaries and Wages	\$ 44,558,075	\$ (2,472,474)	-5.5%	\$ 42,085,601
Benefits	2,774,431	24,375	0.9%	2,798,806
M&O	46,939,278	6,810,045	14.5%	53,749,323
Capital	4,376,479	(2,035,718)	-46.5%	2,340,761
Scholarships	32,629,159	(2,619,662)	-8.0%	30,009,497
Total Uses	\$ 131,277,422	\$ (293,434)	-0.2%	\$ 130,983,988

University of Houston
Table 4 - Capital Projects

	Project Expenditures		Future Year Budgets	Total Project Budget	Funded From				
	Project to Date (1)	FY2007 Budget			HEAF	Revenue Bonds	Gifts	Other	
New Construction									
Science and Engineering Building	\$ 50,873,834	\$ 8,070,166		\$ 58,944,000	\$ 250,000	\$ 51,000,000		\$ 7,694,000	
New UH Northwest Facility		100,000		100,000				100,000	
Burdette Keeland Exploration Center (Band Annex)	\$ 52,851	820,149		873,000	456,000		417,000		
Subtotal New Construction	\$ 50,926,686	\$ 8,890,315		\$ 59,917,000	\$ 706,000	\$ 51,000,000	\$ 417,000	\$ 7,794,000	
Major Repair and Rehabilitation									
Parking Lot Upgrades	\$ 3,228,711	\$ 798,660		\$ 4,027,371				\$ 4,027,371	
Energy Conservation	36,527	525,052		561,579				561,579	
Campus Security Cameras ⁽³⁾	331,342	11,280		342,623				342,623	
Minor Capital Projects	6,750,252	2,486,436		9,236,688	2,513,270		587,718	6,135,700	
Projects Budgeted Annually									
Capital Renewal/Deferred Maintenance	15,596,603	9,064,905		24,661,508	23,816,272	845,236			
General Purpose Classroom Renovations	682,790	1,535,054		2,217,843	2,217,843				
Research Lab Renovations	1,147,813	1,636,580		2,784,393	2,784,393				
Campus Sidewalks/Streets	434,199	260,199		694,398	694,398				
Subtotal Major Repairs & Rehabilitation	\$ 28,208,238	\$ 16,318,166		\$ 44,526,404	\$ 32,026,177	\$ 845,236	\$ 587,718	\$ 11,067,273	
Land Acquisition									
Land Acquisition		\$ 250,000		\$ 250,000				\$ 250,000	
New UH Northwest Facility		38,000,000		38,000,000		38,000,000			
Subtotal Land Acquisition	\$ -	\$ 38,250,000		\$ 38,250,000		\$ 38,000,000		\$ 250,000	
Total	\$ 79,134,923	\$ 63,558,480		\$ 142,693,404	\$ 32,732,177	\$ 89,845,236	\$ 1,004,718	\$ 19,111,273	

(1) Project expenditures to date, estimated through August 31, 2006
(2) Add'l funding for Security Camera Project in the amount of \$1,106,310 from CRDM

University of Houston
Table 5 - Number of Full-Time Equivalent Positions

Employee Classification	FY2006 Budget	Change		FY2007 Budget
		FTE	Percent	
Faculty	1,148	42	3.7%	1,190
Part-time Faculty	761			761
Professional Staff	1,983	17	0.9%	2,000
Classified Staff	1,153	1	0.1%	1,154
Temporary Staff	739			739
Total	5,784	60	1.0%	5,844

University of Houston
Table 6 - Student Credit Hours, Headcount, and FTE

	FY2003 Actuals	FY2004 Actuals	FY2005 Actuals	FY2006 Budget	FY2007 Budget	FY07 vs FY06 Change
Semester Credit Hours						
Lower Division	398,514	396,253	403,102	398,826	387,672	(11,154)
Upper Division	276,498	283,895	264,966	281,899	288,355	6,456
Masters	83,593	81,313	82,996	78,755	65,778	(12,977)
Doctoral	20,434	21,711	23,904	23,018	22,510	(508)
Special Professional	61,906	62,322	62,416	60,815	60,685	(130)
Total	840,945	845,494	837,384	843,313	825,000	(18,313)
Semester Credit Hours-On/Off Campus						
On Campus	801,031	794,161	766,325	784,178	754,992	(29,186)
Off Campus	39,914	51,333	71,059	59,135	70,008	10,873
Total	840,945	845,494	837,384	843,313	825,000	(18,313)
Fall Headcount	34,443	35,066	35,180	34,868	34,100	(768)
Fall FTE	26,988	27,483	27,662	27,529	27,154	(375)

University of Houston
Table 7 - Allocation of Student Service Fees

Sources	FY2006	-----Change-----		FY2007
	Budget	Dollars	Percent	Budget
Current Year Revenue	\$ 12,478,636	\$ 529,977	4.2%	\$ 13,008,613
Budgeted Fund Balance	120,368	(120,368)	-100.0%	
Total Sources	\$ 12,599,004	\$ 409,609	3.3%	\$ 13,008,613
Allocations				
* Academic Achievers - Ctr. Mexican-Am. Studies	\$ 51,181			\$ 51,181
Activities Funding Board (AFB)	108,441	5,366	4.9%	113,807
Band Program	201,400	(101,400)	-50.3%	100,000
Blaffer Art Gallery	15,000			15,000
Campus Activities	576,296	49,665	8.6%	625,961
Center for Students w/Disabilities	352,797	11,210	3.2%	364,007
Child Care Center	101,417	15,000	14.8%	116,417
Counseling and Psychological Services	1,032,778	33,861	3.3%	1,066,639
Council of Ethnic Organizations (CEO)	105,431	(1,054)	-1.0%	104,377
Dean of Students (DOS) Handbook	40,376	(404)	-1.0%	39,972
DOS Success Programs	95,908	(959)	-1.0%	94,949
DOS SIAC/Ombudservice	164,765	12,074	7.3%	176,839
Forensics Society	74,160	17,390	23.4%	91,550
Frontier Fiesta Association	72,062	2,623	3.6%	74,685
Intercollegiate Athletics	3,795,419	138,067	3.6%	3,933,486
Recreation	475,609	90,135	19.0%	565,744
Learning Support Services	394,606	4,982	1.3%	399,588
Metropolitan Volunteer Program	41,840	(418)	-1.0%	41,422
Student Affairs		51,774	100.0%	51,774
Student Government Association	120,065	9	0.0%	120,074
Student Legal Services	84,598	1,362	1.6%	85,960
Student Needs Assessment	6,590	4,500	68.3%	11,090
Student Program Board	216,141	2,789	1.3%	218,930
Student Publications	177,958	710	0.4%	178,668
University Career Services	766,016	(7,660)	-1.0%	758,356
University Center	1,249,099	19,821	1.6%	1,268,920
University Health Center	1,634,581	(121,641)	-7.4%	1,512,940
Urban Experience Program - VPSA	91,929	43,130	46.9%	135,059
Veterans' Services	69,390	26,950	38.8%	96,340
VPSA Business Office	59,644	1,587	2.7%	61,231
Wellness Center	186,083	793	0.4%	186,876
SFAC Operating	4,500	66,900	1486.7%	71,400
Budgeted Reserve	232,924	42,447	18.2%	275,371
Total Allocations	\$ 12,599,004	\$ 409,609	3.3%	\$ 13,008,613

* Formerly, "Urban Experience Program - Ctr. Mexican-American Studies"

University of Houston

Note to Table 2: Operations Expenditures By Organization

NOTE 1

	FY2006 Budget	-----Change-----		FY2007 Budget
		Dollars	Percent	
Use of Funds by Organization				
President	\$ 2,083,104	\$ (52,124)	-2.5%	\$ 2,030,980
University Advancement	7,199,324	3,025,881	42.0%	10,225,205
Student Affairs	28,880,872	1,901,661	6.6%	30,782,533
Research Division	17,692,507	(544,023)	-3.1%	17,148,484
Academic Affairs				
Office of the Provost	76,917,671	1,305,195	1.7%	78,222,866
Library	15,437,478	(231,210)	-1.5%	15,206,268
Architecture	4,156,823	(88,250)	-2.1%	4,068,573
Business Administration	30,651,273	(842,624)	-2.7%	29,808,649
Education	13,479,505	85,225	0.6%	13,564,730
Engineering	18,926,591	(741,609)	-3.9%	18,184,982
Hotel & Restaurant Management	8,994,593	243,534	2.7%	9,238,127
Law	19,272,547	691,587	3.6%	19,964,134
Liberal Arts and Social Sciences	44,364,106	1,900,831	4.3%	46,264,937
Natural Sciences & Mathematics	32,566,965	213,329	0.7%	32,780,294
Optometry	12,034,761	778,447	6.5%	12,813,208
Pharmacy	7,875,680	449,205	5.7%	8,324,885
Social Work	3,121,162	(51,733)	-1.7%	3,069,429
Technology	9,032,306	14,084	0.2%	9,046,390
Honors	1,372,354	41,735	3.0%	1,414,089
Subtotal Academic Affairs	298,203,815	3,767,746	1.3%	301,971,561
Administration and Finance	38,663,076	105,852	0.3%	38,768,928
Utilities	15,178,505	6,000,000	39.5%	21,178,505
Staff Benefits	43,502,651	2,551,993	5.9%	46,054,644
Athletics	21,518,011	747,027	3.5%	22,265,038
Institutional Reserves		2,250,663		2,250,663
Legislative Mandates	1,717,066	334,288	19.5%	2,051,354
Debt Service	21,207,606	(146,568)	-0.7%	21,061,038
System Service Charge	1,742,321	(470,940)	-27.0%	1,271,381
Information System Project to UHSA	5,222,047	(261,102)	-5.0%	4,960,945
Total Uses	\$ 502,810,905	\$ 19,210,354	3.8%	\$ 522,021,259

University of Houston
Note to Table 3: Restricted Expenditures By Organization

NOTE 2

	FY2006	-----Change-----		FY2007
	Budget	Dollars	Percent	Budget
Use of Funds by Organization				
President	\$ 129,092	\$ (58,405)	-45.2%	\$ 70,687
Student Affairs	647,310	13,744	2.1%	661,054
Research Division	11,591,428	44,225	0.4%	11,635,653
Academic Affairs				
Office of the Provost	46,700,360	(140,050)	-0.3%	46,560,310
Library	2,271,539	(1,976,594)	-87.0%	294,945
Architecture	765,435	163,903	21.4%	929,338
Business Administration	4,192,660	666,447	15.9%	4,859,107
Education	6,203,604	(483,393)	-7.8%	5,720,211
Engineering	12,668,038	(524,076)	-4.1%	12,143,962
Hotel & Restaurant Management	2,655,846	(16,351)	-0.6%	2,639,495
Law	446,685	(232,921)	-52.1%	213,764
Liberal Arts and Social Sciences	10,360,770	1,978,278	19.1%	12,339,048
Natural Sciences & Mathematics	20,764,096	(1,193,104)	-5.7%	19,570,992
Optometry	5,222,911	(397,122)	-7.6%	4,825,789
Pharmacy	1,795,799	1,137,242	63.3%	2,933,041
Social Work	2,964,043	595,207	20.1%	3,559,250
Technology	1,098,359	210,721	19.2%	1,309,080
Honors	722,137	(81,185)	-11.2%	640,952
Subtotal Academic Affairs	118,832,282	(292,998)	-0.2%	118,539,284
Administration and Finance	77,310			77,310
Total Uses	\$ 131,277,422	\$ (293,434)	-0.2%	\$ 130,983,988

Faculty Academic Instructional Workload

[Revised as of February 9, 1999.]

In accordance with UHS Board of Regents; policy 21.05, the University of Houston has developed the following faculty academic workload rules and regulations.

The general workload responsibilities of a faculty member at a complex institution such as the University of Houston can neither be defined simply nor summarized easily. Faculty members have fundamental obligations above and beyond organized teaching and research. They perform their normal classroom duties and carry out a multitude of essential functions including, but not limited to, academic advising and counseling, the supervision of undergraduate and graduate students, direction of individual study, special projects, theses and dissertations, and curriculum development. In addition, they accept many institutional and public service obligations.

The variety of faculty responsibilities that must be undertaken for the university to function in an effective and efficient manner makes it impossible to equate faculty workload with the sum total of semester credit hours taught, or with any other single criterion. Indeed, it is inappropriate to adopt any measure of faculty workload that is fundamentally numerical in nature without consideration of qualitative issues. While recognizing these facts, however, the university must develop a minimum teaching load requirement and report its fulfillment to the state. This is necessary to comply with the Texas Education Code, to meet the expectations of the Legislature for direct instructional activities tied to compensation from the faculty salary appropriation line item, and to quantify for all university constituencies the basic commitment the faculty have to the students at the University of Houston.

These institutional rules and regulations distinguish between *minimum teaching load requirements* and *general workload* requirements. While the university requires that every faculty member fulfill a certain minimum teaching load and assume a comparably high level of general workload, it does not insist that each one have the same teaching load. The university administration will provide chairs of individual academic units the flexibility to achieve maximum effectiveness in teaching effort as related to student enrollment and to adjust each individual's instructional assignment within the regulations and standards stated below. Each department chair and college dean must certify that the duties of each faculty member actually constitute an appropriate workload responsibility in accordance with the following rules and regulations, which have been approved by the University of Houston Board of Regents.

The minimum faculty teaching load requirement described in this policy does not apply to graduate teaching assistants. The Provost, as the chief academic

officer of the university, is responsible for assuring that all teaching assistants are carefully supervised.

General Workload Expectations

Given the quality and variety of work necessary to support this university's fundamental obligation to the discovery, transmission, and application of knowledge, the administration understands there always will be a significant differential between a faculty member's minimal requirements and his/her total actual commitment of time and energy. General workload expectations vary greatly by academic department, discipline, and college. Therefore, specific common workload expectation criteria are not delineated for the university. The regulation of general workload requirements is the responsibility of the appropriate department chair and college dean. New faculty should be informed at the time of hire of the discipline specific general workload requirements associated with the department or college. An individual's fulfillment of these requirements should be used when evaluating merit, in promotion and tenure decisions, as well as in the post-tenure review process.

Faculty Workload Assignments and Professional Activities

Only participation in the specific professional activities listed below, which are defined in state regulations as "faculty salary elements of cost," qualifies a faculty member for compensation from the faculty salary appropriation line. In defining those general workload activities that can be supported from the faculty salary appropriation line, each college must adhere to the following categories:

- A. Direct instructional activities, which include interaction with students related to instruction, preparation for such instruction, and evaluation of student performance. The various types of instruction include: lecture, laboratory, practicum, seminar, independent study, private lessons, alternative learning activities, and supervision of theses and dissertations.
- B. Administrative assignments that directly support the institution's teaching function, e.g., department chairs, graduate directors, undergraduate directors, and coordinators of special programs or multi section courses.
- C. Basic and applied research, professional development and service activities that directly support the institution's teaching and research function. Professional development activities are those activities which enable faculty members to enhance their teaching and research knowledge and/or capabilities and thus improve significantly the university's capabilities.

Minimum Teaching Load Requirements

The University of Houston must comply with two different teaching load requirements. The first concerns an average of organized classes within the university. The second concerns an average of instructional hours per faculty member within a department.

Each department shall be required to produce eighteen teaching load equivalency hours per faculty FTE Minimum paid from the appropriation item "faculty salaries" during each academic year (fall and spring semesters). For example, a department with 12.3 state instructional FTE faculty must produce at least 221.4 equivalency hours ($12.3 * 18 = 221.4$) during the fall and spring semesters of each academic year from courses or appropriate activities by the individuals holding these appointments.

To comply with Texas Higher Education Coordinating Board policies, each year the university must account for a minimum of two organized courses per semester per faculty member averaged across the campus and averaged also across the fall/spring semesters. Each academic unit should reach that average internally. If the unit finds it necessary to go below that average, permission must be given at the next higher administrative level. Each semester a report must be filed by each unit with the next higher administrative level.

Faculty paid, in full or in part, from a source of funds other than the faculty salary element of cost will have no minimum teaching load requirement associated with these appointments or portion of appointments. When more than one faculty member participates in the instruction of a single course section, the teaching hours are proportioned according to the effort expended per faculty member. Load adjustments are permitted for the teaching load equivalencies listed below, but such adjustments must have the appropriate approvals at the college and university levels when specified.

Teaching loads will, of course, fluctuate because of illness, sudden emergencies, and unforeseeable needs, which may force a faculty member to accept a higher load temporarily or to request a lighter load during a stated period. All temporary exceptions to the basic teaching load policy should be in writing and should carry the approval of the dean of the appropriate college. Chairs and deans are encouraged to ask outstanding faculty to offer courses central to the unit's teaching mission, if appropriate.

No two colleges at the University of Houston are identical in the mixture and nature of teaching responsibilities expected of individual faculty in order to meet student needs. Each dean should require direct instructional activities in excess of the university minimum teaching load whenever such duties are necessary to meet the college's obligations to students. Each college or disciplinary area must establish a minimum greater than the university minimum if required to meet the instructional obligations of the college to students and to operate effectively within the available level of faculty salary resources. No college may adopt a minimum teaching load requirement below the university's minimum stipulated in this policy. Colleges may, however, have additional stipulations so long as they do not conflict with the general policy. Workload policies for colleges that have included additional requirements must be available in the office of the dean of the college or in the Office of the Provost.

Teaching Load Equivalencies

Instruction of regularly scheduled organized undergraduate courses, except as specified in adjustments B and G below, shall provide teaching load hours at the rate of one hour per each contact hour of instruction per week per long semester. Teaching load equivalencies for other types of instruction and instructional administration are defined in the following adjustments.

- A. One contact hour of organized graduate instruction is equivalent to one and one-half contact hours of organized undergraduate instruction.
- B. Instruction of regularly scheduled laboratory courses, physical-activity courses, and studio art and studio music instruction shall provide teaching load units at the rate of two units of teaching load for each three contact hours of instruction per week per long semester.
- C. Supervision of practice student teachers and clinical and intern supervision shall be credited such that 24 contact hours per week is equivalent to nine units of teaching load. This adjustment must be reported by the department, approved by the college dean, and reported to the administration on the 'Additional Duties' form.
- D. Supervision of student practicum courses and teaching credit for individual instruction courses shall be credited on the basis of one-third unit for each semester credit unit of individual doctoral instruction, one-fifth unit for each semester credit unit of individual master's instruction, and one-tenth unit for each semester credit unit of individual undergraduate instruction.
- E. Supervision of graduate theses and dissertations provides teaching units and shall be credited on the basis of one-third of the dissertation research semester credit hours and one-sixth of the thesis research semester credit hours. Thesis and dissertation teaching hours may be divided among the dissertation supervisor and other committee members who contribute to the supervision of the dissertation.
- F. Supervision of tutorial sessions in the pharmaceutical sciences connected to organized classes but not reflected in specifically identified sections shall be credited such that 30 contact hours per semester are equal to three units of teaching load credit in addition to teaching load credit generated by the organized classes. This adjustment must be reported by the department, approved by the college dean, and reported to the administration on the 'Additional Duties' form.
- G. Teaching credit for large and small organized classes will be awarded in the following fashion.

Class size	Inflator
59 or fewer	*1.0
60 - 69	1.1
70 - 79	1.2
80 - 89	1.3
90 - 99	1.4
100 - 124	1.5
125 - 149	1.6
150 - 174	1.7
175 - 199	1.8
200 - 249	1.9
250 - 299	2.0
300 - 349	2.1
350 - 399	2.2
400 - 449	2.3
450 - 499	2.4
500 - larger	2.5

When undergraduate classes have fewer than ten students and graduate classes have fewer than five students, credit for small classes will be deflated in the following fashion.

<u>Small Class Deflator</u>							
Undergraduate	Class size	10	9	8	7	6	5
	Deflator	1.0	0.9	0.8	0.7	0.6	0.5
Graduate	Class size	5	4				
	Deflator	1.0	0.8				

When a department does not meet its instructional hour requirements under the provisions above, the following teaching load equivalencies for other professional activities allowable under state law may be used to comply.

- A. Equivalency credit may be granted for other professional assignments that the college documents as related directly to the teaching function. The sum of such equivalencies shall not exceed one one-thousandth (0.001) of the total semester credit hours generated by the college in the corresponding semester of the previous year. *Example: Assume that a college taught a total of 11,935 semester credit hours in the corresponding semester of the*

previous year. Using the factor of 0.001 the college would have a credit of 11.93 units that could be assigned to individuals for other activities which are related directly to the college's teaching responsibilities (such as major course revision). This equivalency will be calculated at the college level, and its distribution is the responsibility of the dean. This adjustment must be reported by the department, approved by the college dean, and reported to the administration on the 'Additional Duties' form.

- B.** Coordination of several sections of a single course may provide teaching load credit up to a maximum of three units where one hour is awarded for each six sections so coordinated. This adjustment must be reported by the department, approved by the college dean, and reported to the administration on the 'Additional Duties' form.
- C.** When the budget allows, the department chair and the dean of the college may request that the provost approve, by individual faculty member, up to twelve work load units per faculty member per semester for basic and applied research or professional development activities which directly support the institution's teaching and research function. This adjustment must be reported by the department, approved by the college dean, and reported to the administration on the 'Additional Duties' form.
- D.** Departmental administrative assignments will receive equivalent teaching units per semester based on the size of the department:

< 15 FTE	9 units
12 - 24 FTE	12 units
25 - 39 FTE	15 units
40 FTE>	18 units

No more than six units may be awarded to any one faculty member during a semester. This adjustment must be reported by the department, approved by the college dean, and reported to the administration on the 'Additional Duties' form.

- E.** If a class is canceled due to low enrollments, substitute teaching loads should be assigned to the faculty member by the department chair. However, for extenuating circumstances, the department chair can petition the dean for a waiver of the forfeited teaching load for one semester. This adjustment must be reported by the department, approved by the college dean, and reported to the administration on the 'Additional Duties' form.

Teaching Load Compliance

The chief academic officer shall designate the officer of the institution who will monitor faculty teaching load and submit the reports to the chief academic officer for approval and comment, as appropriate, prior to submitting the reports to the University of Houston Board of Regents following the standard reporting format and deadlines as provided by the Texas Higher Education Coordinating Board in accordance with Section 51.402 of the Texas Education Code and any applicable riders in the current General Appropriations Act.

Every department's compliance with these minimum teaching load requirements shall be assessed each academic year. If a department is found to be out of compliance, the institution shall take appropriate steps to address the noncompliance and to prevent such noncompliance in the future.

See University of Houston Faculty Academic Instructional Workload Additional Duties Form.

UH-Clear Lake Mission Statement

The University of Houston-Clear Lake is an upper-level educational institution with a distinct identity, whose primary role is to provide fair and equitable learning opportunities to graduate and undergraduate students. The University services a diverse student population from the state, the nation, and abroad, particularly from the Houston-Galveston metropolitan area by offering programs on and off campus. Reflective of the University's upper-level program orientation, a statutorily created council, composed of the presidents of the area's nine community colleges, advises the University's president.

The University offers a variety of programs in liberal arts and human sciences, education, business and public administration, and the natural and applied sciences, (including computer engineering and science). The University emphasizes high standards for teaching and learning in undergraduate, graduate, and professional programs, as well as in its collaboration in any doctoral programs. Each program develops the critical, creative, quantitative, and communication skills of students.

The University enhances the educational, economic, cultural, scientific, business, and professional environment of the area. The University is committed to supporting research and scholarship. The University develops and strengthens programs which support the region's various commercial, engineering, human services and trade sectors, especially in the computing, medical, petrochemical, and space industries. The University pursues global outreach consistent with the community's international perspective.

The University's faculty, staff, and administrators are committed to providing a humane, responsive, and intellectually stimulating environment for productive learning and working. The University of Houston-Clear Lake emphasizes (a) learning through teaching, research, scholarship, and professional and community service; (b) the advancement of knowledge; (c) delivery of educational opportunities through new instructional technologies and through distance learning; (d) a commitment to high academic standards; (e) sensitivity to the needs of the students and communities served by the institution; and (f) above all, integrity in all institutional functions.

UH-Clear Lake Goals

The University of Houston-Clear Lake will:

1. Prepare well-educated students satisfied with their UHCL experience.
2. Create and maintain an array of excellent educational programs.
3. Strengthen the professional effectiveness of faculty and staff through collaborative working relationships.
4. Promote research and creative activities of both faculty and students.
5. Develop a diverse university community with a global perspective.
6. Establish UHCL as a leading institution, particularly in the Upper Gulf Coast region.
7. Manage enrollment to attract and retain well-qualified students and optimize financial resources.
8. Provide a physical and operationally efficient environment to adequately support the successful achievement of the university's programs.
9. Increase the financial and human resources available to the university.

UH-Clear Lake Planning Process

The planning process at UHCL not only includes planning, but budgeting, implementation, and assessment as well. The "bottom-up" process starts at the unit or departmental level and proceeds upward to the division and then component levels. At UHCL there are three major components including Academic Affairs, Administration and Finance, and the Office of the President.

Faculty, staff, students, and administrators are involved in the planning and budgeting process via two major university shared governance committees, the University Planning Committee and the Facilities and Resources Committee. Each of these two committees provides recommendations to UHCL's president. UHCL's president, senior vice president for academic affairs and provost, and the vice president for administration and finance present the university's priorities for funding in a meeting open to faculty, staff, and students.

The goals of the university along with the University of Houston System's strategic initiatives provide the impetus and direction for our planning and budgetary expenditures. Our Office of Institutional Effectiveness provides various measures that assess our progress. Among those measures are standardized instruments, portfolios, and annual reports from each school. Senior administrators use those data to make decisions that will benefit the campus in its effort to become more effective in meeting our goals and delivering on our mission as an upper-level university.

Overall, for fiscal year 2007, UHCL will continue to address the challenges of both quantity and quality. The quantity dimension centers on providing access to higher education for an increasing number of students to enhance the college participation and graduation rate in the greater Houston metropolitan region.

The quality dimension has been and will continue to be to offer high quality academic programs that meet state, regional, and national accreditation standards while serving the educational needs of our students, employers, and the community.

UH-Clear Lake Priorities for FY 2007

Overview

UH-Clear Lake served a student body of 7,853 students in fall 2005 which was the highest enrollment level in UHCL's 32-year history. The majority of UHCL students are working either full or part-time and thus a majority of the classes offered are in the evening. At the present time, UHCL offers 37 undergraduate majors and 43 graduate majors to a student body that is almost evenly split between undergraduate (juniors and seniors) and graduate students. In order to be even more responsive to our current and prospective students and to fulfill the requirements of the UH System strategic principles, UHCL will need to increase the number of academic programs offered; provide additional alternatives in course delivery including online and off-campus programs; form additional partnerships with area school districts, community colleges, and universities; increase the amount of funding available for student financial aid; and plan for the expansion and renovation of campus facilities to add space for classroom instruction and laboratories.

The following section will provide an overview of UHCL's priorities and initiatives for FY2007. The major priorities include:

1. Instruction and Instructional Support
 - Academic Programs
 - Accredited Programs
 - Instructional Support
2. Faculty and Staff Recruitment and Retention
 - Faculty and Staff Compensation
 - Faculty and Staff Support
3. Academic, Student, and Administrative Support
 - Information Systems and PeopleSoft Project
 - University Advancement
 - Information Technology, Library and Computing Resources
 - Facilities and Capital Support
4. Student Financial Aid and Services
 - Financial Assistance
 - Student Services

Priority 1. Instruction and Instructional Support

Context

As an upper-level and graduate institution, UHCL serves two very different student groups. The undergraduate student body (4,151 in Fall 2005) consists primarily of community college transfer students. Over 80% of UHCL undergraduates have attended one or more community colleges prior to enrollment. The graduate student body (3,702 in Fall 2005) is represented primarily by individuals who are working full-time and pursuing graduate study on a part-time basis in the evening.

In addition to our undergraduate and graduate student markets, UHCL must be increasingly responsive to the employers in our community. The Clear Lake area is marked by a heavy concentration of aerospace firms due to the location of NASA's Johnson Space Center. In addition, the Bayport Industrial Complex includes a large number of companies in the petrochemical business. Other major employers of UHCL graduates include public school districts, healthcare institutions, and a variety of business and professional service firms (e.g., public accounting, banking, psychological counseling, environmental services, and communications.)

UHCL's off-campus initiatives currently include ten different locations. During 2005-2006, UHCL offered thirty-five courses at Alvin Community College's Pearland Center. UHCL is working closely with the City of Pearland in the planning for a building on Pearland Parkway, which would be built by the City of Pearland, in which UHCL would initially lease and possibly eventually purchase space. UHCL, in collaboration with the University of Houston System, has leased space in the Texas Medical Center, for classrooms and faculty offices to enable the delivery of the bachelor of science in Healthcare Administration and the Master of Healthcare Administration/Master of Business Administration joint degree in 2006-2007. The delivery of the undergraduate healthcare administration program, in partnership with Houston Community College (HCC), will also utilize classrooms in HCC's Coleman Campus. UHCL's School of Education is now offering the master's degree in Educational Management at four off-campus locations including University of Houston System at Cinco Ranch, Alief Independent School District, Alvin Community College, and San Jacinto College North.

Additional online course and program development is currently underway. Two master's level programs in Instructional Technology and Software Engineering are offered online. During 2006-2007, UHCL will complete online course development for the Master of Business Administration (MBA) program. Two additional programs, the master's degrees in Healthcare Administration and Systems Engineering, are targeted for online program development. UHCL's online course offerings have increased from 90 in 2004-2005 to 161 in 2005-2006.

FY 2007 Initiatives

Academic Programs - \$556,525

In fiscal year 2006, UHCL received approval to offer a master of science degree in Biotechnology. UHCL anticipates approval from the Texas Higher Education Coordinating Board in July 2006 to offer the doctoral degree in Educational Leadership with the first class starting in January 2007. For fiscal year 2007, UHCL, through new and reallocated funds, will provide additional support for degree programs in Criminology, Educational Leadership, and Healthcare Administration as well as delivery of academic programs off-campus in Alvin and Pearland.

\$ 6,000	School of Education Doctoral Program
\$ 63,875	Criminology Program
\$140,000	Educational Leadership Program
\$ 90,000	Healthcare Administration Program
\$256,650	Pearland and Alvin Programs

Accredited Programs - \$334,156

UHCL has a continuing commitment to achieving and maintaining state, regional, and national accreditation of its academic programs. UHCL's School of Business is accredited by the Association to Advance Collegiate Schools of Business (AACSB) and the School of Education is accredited by the National Council for Accreditation of Teacher Education (NCATE). Funds for full-time tenure-track positions are allocated to the Schools of Business and Education to maintain program level standards required by accrediting agencies.

\$ 277,156	Base funding for School of Business Accreditation
\$ 57,000	Base funding for School of Education Accreditation

Instructional Support - \$575,000

UHCL will allocate a total of \$575,000 in HEAF to enhance classroom and instructional technology, student lab upgrades, and renovations to classrooms and labs.

\$ 75,000	Classroom and Instructional Technology
\$300,000	Students Lab Upgrades
\$200,000	Classroom/Lab Renovations

Priority 1 – Investment of Resources – \$1,465,681

	<u>State & Local</u>	<u>HEAF</u>
Academic Programs	\$ 556,525	
Accredited Programs	\$ 334,156	
Classroom and Instructional Technology		\$ 75,000
Student Lab Upgrades		\$ 300,000
Classroom/Lab Renovations		<u>\$ 200,000</u>
TOTAL	<u>\$890,681</u>	<u>\$ 575,000</u>

Priority 1 - Accountability Measures

- Headcount Enrollment by ethnicity and level
- Four-Year Graduation Rate
- Teacher Certification Pass Rate
- Number of graduates by ethnicity and level
- Ratio of federal research expenditures to all FTE tenured/tenure track faculty
- Research expenditures
- Amount of sponsored (external/federal) research funds as a percent of general revenue appropriations
- Percent of baccalaureate graduates either employed or enrolled in a Texas graduate or professional school within one year of graduation
- Number of Technical Degrees – total and by level

Priority 2. Faculty and Staff Recruitment and Retention

Context

The success of UHCL can be directly traced to the faculty, staff, and administration that make up the university's workforce. The long-term success of UHCL requires that individuals not only be recruited and retained, but also receive professional development opportunities, which will make them even more valuable employees for the university.

For the 2005-2006 academic year, UHCL's faculty salaries averaged \$82,600 at the professor level, \$65,500 at the associate professor level, and \$57,900 at the assistant professor level. Relative to some of UHCL's peer institutions, UHCL, on average, ranked higher than Texas A&M-Corpus Christi, Indiana University-South Bend, and the University of West Florida; ranked nearly the same as University of Illinois-Springfield; and ranked lower than Arizona State University-West and University of Michigan-Dearborn.

UHCL conducts pay plan reviews every two years using national, regional and local compensation surveys. Depending on the type of staff position, our objective is for professional staff and support staff to be at 94% and 91% of the relevant market, respectively. For many of our staff positions, we are not only competing with other higher education institutions, but also with corporations and other government agencies.

UHCL has implemented an employee tuition and fee reimbursement program for job-related coursework. UHCL's Leaders in Action is a ten-month professional development program for supervisors to enhance their leadership and management skills. The Stepping-Up-to-Supervisor Program was initiated to enhance the skills of emerging or newly appointed supervisors. UHCL also established a chapter of the Texas Educational Support Staff Association which offers training and certification courses for support staff. All of these activities are directly related to UHCL's goal to strengthen the professional effectiveness of our faculty and staff, which will lead to a more productive and student-friendly environment.

In support of the goal to provide a physical and operationally efficient environment to adequately support the successful achievement of the university's programs, UHCL periodically upgrades all faculty and staff computing workstations. This allows UHCL to maintain a state-of-the-practice information technology capability, including high-speed access to mission-critical applications and the Internet with maximum security.

FY 2007 Initiatives

Faculty and Staff Compensation - \$1,231,255

For fiscal year 2007, UHCL will have a 2.0% pool for compensation increases, including merit and equity for faculty and an across-the-board adjustment for eligible staff.

\$ 655,034 Base Funding for Faculty and Staff Compensation
\$ 22,000 Base Funding for Faculty Promotions
\$ 554,221 Base Funding for Staff Benefits

Faculty and Staff Support - \$370,000

HEAF funds will be used to provide workstations for new faculty and staff and replace desktop computers on a 3 year rotating basis for all faculty and staff.

\$ 370,000 HEAF funding for Faculty and Staff Computing Upgrades

Priority 2 – Investment of Resources - \$1,601,255

	<u>State & Local</u>	<u>HEAF</u>
Faculty and Staff Compensation	\$ 655,034	
Faculty Promotions	\$ 22,000	
Staff Benefits	\$ 554,221	
Faculty and Staff Computing Upgrades		<u>\$ 370,000</u>
TOTAL	<u>\$ 1,231,255</u>	<u>\$ 370,000</u>

Priority 2 - Accountability Measures

- Percent of FTE teaching faculty who are tenure/tenure-track
- FTE student/FTE faculty ratio

Priority 3. Academic, Student, and Administrative Support

Context

One of UHCL's goals is to provide a physical and operationally efficient environment to adequately support the successful achievement of the university's programs. UHCL makes a commitment to maintain and enhance the learning resources for our students through continuous support of our library and computing resources while supporting the work of our faculty and staff with these critical resources. UHCL has an on-going program of deferred maintenance to maintain our physical infrastructure. A major challenge for fiscal year 2007 is the significant increase in the cost of utilities.

For fiscal year 2007, UHCL is planning for the conversion to PeopleSoft 8.9 in March 2007 which will enhance our student and human resource information systems. UHCL is working closely with the University of Houston and University of Houston-Victoria who will also be implementing version 8.9 at the same time as UHCL.

UHCL is adding resources to support UHCL's involvement in the University of Houston System's comprehensive campaign. Additional staff will be hired to support the Office of University Advancement which leads and coordinates UHCL's initiatives in fund-raising, alumni and community relations and communications.

FY 2007 Initiatives

Information Systems and PeopleSoft Project - \$342,786

UHCL will add a functional analyst in our office of student financial aid as well as continue our commitment of HEAF resources for the support of the PeopleSoft project.

\$ 45,000 Functional analyst in the Office of Student Financial Aid
\$297,786 HEAF funding for PeopleSoft Project Support

University Advancement - \$101,169

UHCL will add two staff positions to the Office of University Advancement to increase stewardship and outreach to current and prospective university donors and alumni.

\$101,169 Staff positions in the Office of University Advancement

Information Technology, Library and Computing Resources - \$1,553,754

Funds will be allocated to the library to provide additional scholarly subscriptions and electronic journals to support new and existing programs, including the new Educational Leadership doctoral program, existing web-based programs in Instructional Technology and Software Engineering, new online MBA program, new and existing web-enhanced

courses and existing programs at new off-campus locations such as Pearland and the Texas Medical Center. A continuing commitment of resources will be provided for network server projects and for technological enhancements of classrooms.

\$1,125,283 HEAF funding for Library
 \$ 352,471 HEAF funding for Network/Server Projects
 \$ 76,000 HEAF funding for Instructional Technology Upgrades

Facilities and Capital Support - \$2,224,168

Adequate maintenance of facilities and replacement of equipment are essential to create an environment that is conducive to learning. UHCL is also expecting a substantial increase in utilities expense due to rate increases. UHCL will continue renovation of the Bayou Building and start planning for renovation and expansion of the Arbor Building.

\$ 1,019,816 Base funding for Utilities
 \$ 990,000 HEAF funding for Capital Renewal/Deferred Maintenance
 \$ 170,000 HEAF funding for Capital Equipment
 \$ 44,352 MITC Support

Priority 3 - Investment of Resources - \$4,221,877

	<u>State & Local</u>	<u>HEAF</u>
University Advancement	\$ 101,169	
Functional Analyst-Financial Aid	\$ 45,000	
Utilities	\$1,019,816	
Library		\$ 1,125,283
Network/Server Projects		\$ 352,471
Instructional Technology Upgrades		\$ 76,000
Capital Renewal/Deferred Maintenance		\$ 990,000
Furniture and Equipment Replacement		\$ 170,000
PeopleSoft Project Support		\$ 297,786
MITC Support		\$ 44,352
TOTAL	<u>\$1,165,985</u>	<u>\$3,055,892</u>

Priority 3 - Accountability Measures

- Space utilization rate of classrooms
- Space utilization rate of labs
- Percent of total expenditures to Historically Underutilized Business
- Amount expended for administrative costs as a percent of operating budget
- Total general revenue per FTE student and FTE faculty

Priority 4. Student Financial Aid and Services

Context

A major challenge and need is to increase the amount of financial aid, and especially scholarships, for new and continuing students, at the undergraduate level. For students transferring to UHCL from area community colleges, there is a major tuition and fee increase, especially for those community college students who have been paying in-district tuition to a community college. UHCL has placed a heavy emphasis on recruiting efforts to attract students from the community colleges in the area. In particular, efforts to attract the students attending the Gulf Coast Community College Consortium have been very successful. Major community college feeders to UHCL include San Jacinto College, Alvin Community College, College of the Mainland, Houston Community College, and Lee College. Over 80% of UHCL undergraduate students have attended one or more community colleges prior to enrollment.

FY 2007 Initiatives

Financial Assistance - \$348,665

With respect to increases in designated tuition for fiscal year 2007, UHCL with the University of Houston System Board of Regents' approval, will assess variable designated tuition rates of \$77 per semester credit hour for undergraduate students and \$101 per semester credit hour for graduate students. The stipulation that 20% of the increase in designated tuition be set aside for financial aid will generate additional funds for student financial assistance.

Student Services - \$360,289

UHCL is continuing to create and enhance a student service environment that is supportive of student academic success. New and reallocated financial resources for fiscal year 2007 will be targeted for career and counseling services as well as sign language interpreters for hearing-impaired students. The services of UHCL's Writing Center will be expanded for university-wide student access and UHCL's Student Assistance Center will receive additional funding to provide front-line assistance to students seeking information about admission, registration, and financial aid among other items.

Priority 4 – Investment of Resources - \$708,954

	<u>State & Local</u>	<u>HEAF</u>
Student Financial Assistance	\$348,665	
Writing Center	\$166,076	
Student Assistance Center	\$ 24,300	
Sign Language Interpreters	\$ 50,000	
Fitness Zone	\$ 24,634	
Student Services (Reallocation)		
Student Services – Miscellaneous	\$ 32,570	
Web Developer .5 FTE	\$ 18,007	
Counselor .5 FTE	\$ 24,700	
Fitness Zone	\$ 20,002	
TOTAL	<u>\$708,954</u>	

Priority 4 - Accountability Measures

- Headcount enrollment by ethnicity and level
- Number of graduates by ethnicity and level

University of Houston-Clear Lake
Appendix A - Allocation of New FY 2007 Resources

<u>Revenue Changes</u>	
General Revenue	
General Revenue Appropriation	\$ (162,464)
Staff Benefits Appropriation	25,673
Subtotal	<u>\$ (136,791)</u>
Tuition	
Statutory and Grad Premium Tuition	\$ 267,641
Designated Tuition - General	2,187,625
Designated Tuition - Differential	283,156
Subtotal	<u>\$ 2,738,422</u>
Student Fees	
Student Service Fee	\$ 96,055
Utility Surcharge	619,064
Other Student Fees	175,599
Subtotal	<u>\$ 890,718</u>
Other Revenue Changes	\$ (134,403)
<u>Reallocations</u>	
Student Services	95,279
New Academic Initiatives	543,650
Subtotal	<u>\$ 638,929</u>
Total New Funds for Allocation	<u><u>\$ 3,996,875</u></u>

<u>Priority/Initiative</u>	<u>Allocation</u>
Priority 1. Instruction and Instructional Support	
New Academic Initiatives (Reallocation)	
Pearland/Alvin faculty	\$ 256,650
Healthcare Administration Program - Program Director	90,000
Ed Leadership faculty	140,000
School of Education Accreditation	57,000
Human Sciences and Humanities - Criminology faculty	63,875
School of Business Accreditation	277,156
School of Education Doctoral Program	6,000
	<u>\$ 890,681</u>
Priority 2. Faculty and Staff Recruitment & Retention	
Faculty Compensation	\$ 298,898
Staff Compensation	356,136
Faculty Promotions	22,000
Staff Benefits	554,221
	<u>\$ 1,231,255</u>
Priority 3. Academic, Student and Administrative Support	
University Advancement	\$ 101,169
Functional Analyst - Financial Aid	45,000
Utilities	1,019,816
	<u>\$ 1,165,985</u>
Priority 4. Student Financial Aid	
Student Services (Reallocation)	
Student Services - misc department needs	\$ 32,570
Web Developer .5 FTE - Student Services	18,007
Counselor - .5 FTE	24,700
Fitness Zone	20,002
Financial Assistance	348,665
Sign Language Interpreters	50,000
Student Assistance Center	24,300
Fitness Zone	24,634
Writing Center	166,076
	<u>\$ 708,954</u>
Total New Investments	<u><u>\$ 3,996,875</u></u>

University of Houston-Clear Lake
Appendix B - Allocation of FY 2007 HEAF

FY07 Allocation	
HEAF	\$ 4,000,892

<u>Priority/Initiative</u>	<u>Allocation</u>
Priority 1. Instruction and Instructional Support	
Classroom and Instructional Technology	\$ 75,000
Student Lab Upgrades	300,000
Classroom/Lab Renovations	200,000
	<u>\$ 575,000</u>
Priority 2. Faculty and Staff Recruitment & Retention	
Faculty and Staff Computing Upgrades	\$ 370,000
Priority 3. Academic, Student and Administrative Support	
Library	\$ 1,125,283
Network/Server Projects	352,471
Univ Computing/Instructional Technology Upgrades	76,000
Deferred Maintenance	990,000
Furniture & Equip Replacement	170,000
MITC Support	
Cinco Ranch	10,212
Sugarland	34,140
PeopleSoft Project Support	297,786
	<u>\$ 3,055,892</u>
Total New Investments	<u>\$ 4,000,892</u>

University of Houston-Clear Lake

Appendix C - Projected Availability of Scholarships and Grants

	FY2006	FY2007
Funds from Endowed Scholarships	\$ 375,000	\$ 375,000
Texas Grant Program Scholarships	80,000	85,000
Texas Public Education Grant (TPEG)	1,010,362	1,070,368
Property Deposit Scholarships	10,000	10,000
Designated Tuition Financial Aid Set-Asides		
Undergraduate Scholarships	282,602	429,800
Graduate Scholarships	262,987	415,388
B-on-Time Program	94,201	143,267
New Student Scholarships	161,000	161,000
Alumni Annual Fund Scholarships	27,875	28,000
Cullen Leaders Scholarships	23,000	23,000
Federal College Work Study	141,723	200,000
Federal Pell Grants	3,150,000	3,200,000
Federal Supplemental Education Opportunity Grants (SEOG)	196,659	216,599
Total	\$ 5,815,409	\$ 6,357,422

University of Houston-Clear Lake
Table 1 - Summary of Sources & Uses of Funds

<u>Operating Budget</u>	FY2006 Budget	-----Change-----		FY2007 Budget
		Dollars	Percent	
Source of Funds				
Operations	\$ 73,320,100	\$ 3,284,183	4.5%	\$ 76,604,283
Restricted	6,063,281	487,552	8.0%	6,550,833
Total	<u>\$ 79,383,381</u>	<u>\$ 3,771,735</u>	<u>4.8%</u>	<u>\$ 83,155,116</u>
Use of Funds				
Operations	\$ 73,320,100	\$ 3,284,183	4.5%	\$ 76,604,283
Restricted	6,063,281	487,552	8.0%	6,550,833
Total	<u>\$ 79,383,381</u>	<u>\$ 3,771,735</u>	<u>4.8%</u>	<u>\$ 83,155,116</u>
<u>Capital Budget</u>	FY2006 Budget	-----Change-----		FY2007 Budget
		Dollars	Percent	
Source of Funds				
	\$ 1,138,518	\$ 280,906	24.7%	\$ 1,419,424
Use of Funds				
	\$ 1,138,518	\$ 280,906	24.7%	\$ 1,419,424
<u>Total Operating Budget & Capital Budget</u>	FY2006 Budget	-----Change-----		FY2007 Budget
		Dollars	Percent	
	\$ 80,521,899	\$ 4,052,641	5.0%	\$ 84,574,540

University of Houston-Clear Lake
Table 2 - Operations

Source of Funds	FY2006 Budget	Change		FY2007 Budget
		Dollars	Percent	
General Funds				
State General Revenue Appropriations				
Formula Funding	\$ 25,351,557	\$ (154,395)	-0.6%	\$ 25,197,162
Special Items	473,172			473,172
Tuition Revenue Bonds	2,294,225	(8,069)	-0.4%	2,286,156
State Benefits Appropriation	5,535,904	25,673	0.5%	5,561,577
Subtotal State General Revenue Appropriations	33,654,858	(136,791)	-0.4%	33,518,067
Tuition and Fees				
Statutory & Graduate Premium	12,137,610	267,641	2.2%	12,405,251
Lab/other Student Fees	55,800	(55,000)	-98.6%	800
Subtotal Tuition and Fees	12,193,410	212,641	1.7%	12,406,051
HEAF	4,000,892			4,000,892
Aux Admin Chg/Opt Clinic/Institutes/Cont. Ed/Other	(102,000)	(11,798)	11.6%	(113,798)
Income on State Treasury Deposits	100,000	80,000	80.0%	180,000
Fund Balance	725,000	(225,000)	-31.0%	500,000
Subtotal General Funds	50,572,160	(80,948)	-0.2%	50,491,212
Designated				
Tuition and Fees				
Designated Tuition - General	10,801,067	2,187,625	20.3%	12,988,692
Designated Tuition - Differential		283,156		283,156
Library Fee	810,915	3,941	0.5%	814,856
Technology Fee	1,984,164	11,260	0.6%	1,995,424
Major/Department/Class Fees	2,536,128	834,799	32.9%	3,370,927
Subtotal Tuition and Fees	16,132,274	3,320,781	20.6%	19,453,055
Indirect Cost	204,594	144,020	70.4%	348,614
Investment Income on Non-Endowed Funds	376,000	274,000	72.9%	650,000
Endowment Income	188,175	23,167	12.3%	211,342
Contracts / Grants / Gifts	131,730	(10,400)	-7.9%	121,330
Self Supporting Organizations/Others	1,049,992	(23,845)	-2.3%	1,026,147
Fund Balance	1,178,936	(456,340)	-38.7%	722,596
Subtotal Designated Funds	19,261,701	3,271,383	17.0%	22,533,084
Auxiliary Enterprises				
Student Fees				
Student Service Fee	2,837,459	96,055	3.4%	2,933,514
Other Student Fees	603,834			603,834
Subtotal Student Fees	3,441,293	96,055	2.8%	3,537,348
Sales & Service - Parking	644,300	65,480	10.2%	709,780
Sales & Service - Athletics/Hotel/UC/Other	776,296	102,000	13.1%	878,296
Fund Balance	250,000			250,000
Subtotal Auxiliary Funds	5,111,889	263,535	5.2%	5,375,424
Total Current Operating Funds	74,945,750	3,453,970	4.6%	78,399,720
Interfund transfer	(1,625,650)	(169,787)	10.4%	(1,795,437)
Total Sources	\$ 73,320,100	\$ 3,284,183	4.5%	\$ 76,604,283
Use of Funds by Object				
Salaries and Wages	\$ 39,733,997	\$ 1,140,575	2.9%	\$ 40,874,572
Benefits	10,077,449	582,605	5.8%	10,660,054
M&O	13,446,962	510,092	3.8%	13,957,054
Capital	2,920,370	(378,116)	-12.9%	2,542,254
Scholarships	1,913,542	418,279	21.9%	2,331,821
Debt Service	2,665,713	(10,051)	-0.4%	2,655,662
Utilities	2,444,120	1,019,816	41.7%	3,463,936
Transfers	117,947	983	0.8%	118,930
Total Uses	\$ 73,320,100	\$ 3,284,183	4.5%	\$ 76,604,283

University of Houston-Clear Lake
Table 3 - Restricted

Source of Funds	FY2006 Budget	Change		FY2007 Budget
		Dollars	Percent	
Restricted				
Contracts and Grants				
Research	\$ 2,099,247	\$ 331,306	15.8%	\$ 2,430,553
Financial Aid	3,007,327	105,122	3.5%	3,112,449
Gifts	96,837	20,985	21.7%	117,822
Endowment Income	233,622	30,185	12.9%	263,807
Other Restricted(encum, student fees, other E&G)	604,300	4,925	0.8%	609,225
Total Current Operating Funds	6,041,333	492,523	8.2%	6,533,856
Interfund Transfer	21,948	(4,971)	-22.6%	16,977
Total Sources	\$ 6,063,281	\$ 487,552	8.0%	\$ 6,550,833
Use of Funds by Object				
Salaries and Wages	\$ 670,563	\$ 136,820	20.4%	\$ 807,383
Benefits	117,736	38,694	32.9%	156,430
M&O	1,402,429	142,338	10.1%	1,544,767
Capital	42,315	23,682	56.0%	65,997
Scholarships	3,830,238	146,018	3.8%	3,976,256
Total Uses	\$ 6,063,281	\$ 487,552	8.0%	\$ 6,550,833

University of Houston-Clear Lake

Table 4 - Capital Projects

Project to Date (1)	FY2007 Budget	Future Year Budgets	Total Project Budget	Funded From			
				HBAF	Revenue Bonds	Gifts Other	
New Construction							
Student Services/Classroom Bldg	\$ 36,856,500	\$ -	\$ 36,856,500	\$ 1,110,000	\$ 35,646,500	\$ 100,000	\$ -
Subtotal New Construction	\$ 36,856,500	\$ -	\$ 36,856,500	\$ 1,110,000	\$ 35,646,500	\$ 100,000	\$ -
Major Repair and Rehabilitation Projects Budgeted Annually							
Capital Renewal Deferred Maintenance	1,267,184	1,190,000	2,457,184	2,188,499	-	-	268,685
Parking Lot/Roadway Maintenance	144,320	229,424	373,744	-	-	-	373,744
Subtotal Major Repairs & Rehabilitation	\$ 1,411,504	\$ 1,419,424	\$ 2,830,928	\$ 2,188,499	\$ -	\$ -	\$ 642,429
Total	\$ 38,268,004	\$ 1,419,424	\$ 39,687,428	\$ 3,298,499	\$ 35,646,500	\$ 100,000	\$ 642,429

(1) Project expenditures to date, estimated through August 31, 2006

University of Houston-Clear Lake
Table 5 - Number of Full-Time Equivalent Positions

Employee Classification	FY2006 Budget	Change		FY2007 Budget
		FTE	Percent	
Faculty	185	2	1.3%	187
Part-time Faculty	94	(1)	-0.6%	93
Professional Staff	232	4	1.7%	236
Classified Staff	275	(2)	-0.7%	273
Temporary Staff	85	9	10.9%	94
Total	871	13	1.5%	884

University of Houston-Clear Lake

Table 6 - Student Credit Hours, Headcount, and FTE

	FY2003 Actuals	FY2004 Actuals	FY2005 Actuals	FY2006 Budget	FY2007 Budget	FY07 vs FY06 Change
Semester Credit Hours						
Upper Division	88,539	90,317	90,948	92,931	95,518	2,587
Masters	58,001	60,195	58,436	59,939	58,402	(1,537)
Total	146,540	150,512	149,384	152,870	153,920	1,050
Semester Credit Hours-On/Off Campus						
On Campus	137,375	140,810	139,895	143,086	142,376	(710)
Off Campus	9,165	9,702	9,489	9,784	11,544	1,760
Total	146,540	150,512	149,384	152,870	153,920	1,050
Fall Headcount	7,753	7,776	7,785	7,901	7,950	49
Fall FTE	4,561	4,668	4,680	4,726	4,810	84

Note: FY2007 Budget is based on a 1.5% increase in resident students and a 2% decrease in non-resident students as compared to FY06 projected actuals.

University of Houston-Clear Lake
Table 7 - Allocation of Student Service Fees

Sources	FY2006	-----Change-----		FY2007
	Budget	Dollars	Percent	Budget
Current Year Revenue	\$ 2,808,985	\$ 95,091	3.4%	\$ 2,904,076
Total Sources	\$ 2,808,985	\$ 95,091	3.4%	\$ 2,904,076
Allocations				
AVP, Student Affairs	\$ 95,618	\$ 23,647	24.7%	\$ 119,265
Career and Counseling	657,408	43,489	6.6%	700,897
Financial Aid	474,541	20,152	4.2%	494,693
Health Service	277,175	4,271	1.5%	281,446
Intercultural/International Student Serv	189,326	2,189	1.2%	191,515
Student Life	243,843	3,043	1.2%	246,886
Orientation and Welcome Week	10,000			10,000
Annual Leadership Conference	12,500			12,500
Dean of Students	333,242	44,622	13.4%	377,864
Student Cultural Arts	20,000			20,000
Student Government Association	22,500			22,500
Fitness and Wellness	9,161	44,636	487.2%	53,797
Student Life Programs	14,120			14,120
Student Publications	67,320	5,494	8.2%	72,814
Women's Services	11,277			11,277
Utilities	90,000			90,000
Custodial	26,961	407	1.5%	27,368
Administrative Charge	104,160			104,160
System Service Charge	23,000			23,000
SGA Executive Council	2,500			2,500
SSF Unallocated	124,333	(96,859)	-77.9%	27,474
Total Allocations	\$ 2,808,985	\$ 95,091	3.4%	\$ 2,904,076

University of Houston-Clear Lake

Note to Table 2: Operations Expenditures By Organization

NOTE 1

Use of Funds by Organization	FY2006	-----Change-----		FY2007
	Budget	Dollars	Percent	Budget
President				
President's Office	\$ 756,711	\$ 17,886	2.4%	\$ 774,597
University Advancement	974,198	236,412	24.3%	1,210,610
International Initiatives	151,885	3,313	2.2%	155,198
Subtotal President	1,882,794	257,611	13.7%	2,140,405
Academic Affairs				
Sr. VP and Provost	2,507,960	(415,626)	-16.6%	2,092,334
Environmental Institute of Houston	344,151			344,151
Student Services	5,203,984	766,337	14.7%	5,970,321
Academic Affairs (Enrollment Management)	2,912,131	36,485	1.3%	2,948,616
Information Resources	1,037,851	149,089	14.4%	1,186,940
University Computing and Telecommunications	5,024,578	44,654	0.9%	5,069,232
Library	2,967,382	27,079	0.9%	2,994,461
Business	7,974,824	511,321	6.4%	8,486,145
Education	5,770,461	268,851	4.7%	6,039,312
Human Sciences and Humanities	6,360,402	276,325	4.3%	6,636,727
Science and Computer Engineering	5,494,515	41,936	0.8%	5,536,451
Subtotal Academic Affairs	45,598,239	1,706,451	3.7%	47,304,690
Administration and Finance				
VP Administration & Finance	5,151,004	266,662	5.2%	5,417,666
Facilities Management & Construction	3,853,709	(102,920)	-2.7%	3,750,789
Utilities	2,444,120	1,019,816	41.7%	3,463,936
Subtotal Administration & Finance	11,448,833	1,183,558	10.3%	12,632,391
Other				
Information System Project to UHSA	403,022	(20,151)	-5.0%	382,871
Unallocated: Other	87,068	(41,572)	-47.7%	45,496
Debt Service	2,665,713	(10,051)	-0.4%	2,655,662
System Service Charge	1,213,901	23,681	2.0%	1,237,582
Other Transfers	117,947	983	0.8%	118,930
Staff Benefits	8,190,377	283,673	3.5%	8,474,050
Fund Balance Contingency	1,350,000	(100,000)	-7.4%	1,250,000
Insurance Premiums	362,206			362,206
Subtotal Other	14,390,234	136,563	0.9%	14,526,797
Total Uses	\$ 73,320,100	\$ 3,284,183	4.5%	\$ 76,604,283

University of Houston-Clear Lake

Note to Table 3: Restricted Expenditures By Organization

NOTE 2

	FY2006	-----Change-----		FY2007
	Budget	Dollars	Percent	Budget
Use of Funds by Organization				
President				
President's Office	\$ 4,927	\$ 2,464	50.0%	\$ 7,391
University Advancement	7,874	2,962	37.6%	10,836
Subtotal President	12,801	5,426	42.4%	18,227
Academic Affairs				
Student Services	3,386,530	174,857	5.2%	3,561,387
Library	246,167	78,625	31.9%	324,792
Environmental Institute of Houston	35,248	40,893	116.0%	76,141
Business	269,598	(167,490)	-62.1%	102,108
Education	781,192	(30,317)	-3.9%	750,875
Human Sciences & Humanities	236,449	135,349	57.2%	371,798
Science and Computer Engineering	485,996	244,959	50.4%	730,955
Subtotal Academic Affairs	5,441,180	482,302	8.9%	5,918,056
Administration and Finance	9,300	5,250	56.5%	14,550
Fund Balance Contingency	600,000			600,000
Total Uses	\$ 6,063,281	\$ 487,552	8.0%	\$ 6,550,833

WORKLOAD POLICY FOR FACULTY

Approved by University Council May 8, 1997

1.0 Purpose and Scope

The purpose of this policy is to provide guidelines for the assignment of workload for full time non-tenure and tenure track faculty. A separate policy applies to part time faculty and is given in the faculty handbook.

2.0 Policy Statement

The faculty and administration of the University of Houston-Clear Lake adhere to the following guidelines to ensure the delivery of the highest quality instructional program possible to students and to promote scholarship and professional service.

3.0 Responsibility for Administration of Policy

The deans of the schools, in collaboration with their respective associate deans, are responsible for implementing procedures to ensure adherence to the university workload policy for faculty. The deans are responsible to the senior vice president and provost who has overall responsibility for UHCL's workload policy, including academic assignments. The office of the Senior Vice President and Provost is responsible for preparing the faculty workload reports, based on the information provided by the schools.

Within their areas of responsibility, the deans certify that faculty have been assigned professional duties that are appropriate to the individual faculty member and which ensure effective management of the academic component.

3.1 Faculty: Non-Tenure Track

Normal Workload. The normal teaching load for a full-time, non-tenure track faculty member is twelve (12) semester credit hours, but deans may make exceptions for good and sufficient reasons. Visiting faculty members should have the same classroom teaching load as tenure track faculty. Other responsibilities for non-tenure track faculty will be assigned by the dean as appropriate.

3.2 Faculty: Tenure Track

Normal Workload. The normal teaching load for a full-time tenure-track faculty member is nine (9) semester credit hours per long semester. In addition to carrying the normal teaching load, faculty members are responsible for student advising and mentoring; school, university and system curriculum development; and maintaining an active involvement in research, scholarship, or creative activity. Faculty members are also responsible for service activities, such as academic program reviews; accreditation studies; shared governance; and faculty service to their profession and to the local community. Those activities beyond the normal nine hour teaching load shall be counted as the equivalent of three (3) semester credit hours.

4.0 Course-Load Equivalencies

Definition. A course is equated to three semester credit hours.

4.1 Laboratory teaching where the faculty member is present in the laboratory with or without an assistant. Two laboratory class hours are normally equated to one semester credit hour.

4.2 Supervision of student teachers/teaching interns. Supervision of six student teachers is normally equated to one three semester credit hour course.

4.3 Supervision of student interns. Supervision of six student interns is normally equated to one three semester credit hour course with the approval of the appropriate dean. Program requirements agreed upon by the program faculty and dean will determine the specific number of interns equivalent to one course.

4.4 Independent Studies. Course-load equivalencies for faculty supervising Independent Studies will be handled by the individual schools.

4.5 Thesis direction. A faculty member will receive one course release for every 24 credit hours of thesis research completed. A faculty member cannot count one student for more than six (6) credit hours of thesis credit for purpose of this policy.

4.6 Master's Projects. Course-load equivalencies for faculty chairing Master's Projects will be handled by the individual schools.

5.0 Flexible Teaching Assignments

Faculty may request, and deans may assign, with the approval of the faculty member involved, an additional course in one long-semester in return for a reduction of one course in a long semester to be decided in negotiation between the faculty member and the dean.

Tenured faculty members may request to teach an additional three hour class in order to be evaluated primarily in teaching. The weights (Research, Teaching, Service) would be negotiated with the appropriate dean's office. This agreement must be renewed each academic year. The faculty member is advised to consider the effect the choice of weights may have on promotion.

The weighting structure (Research, Teaching, and Service) plays an important role in the granting of tenure. Untenured faculty should not be assigned duties outside this structure that diminish the likelihood of being granted tenure. Additionally, untenured faculty should not be given the option to teach more courses than required by the normal workload.

6.0 Course Releases

6.1 New tenure-track faculty.

Course releases for newly appointed, terminally-degreed, tenure-track faculty will be determined at the school level.

6.2 University Funded Course Releases.

The dean may approve an internally funded reduction in a faculty member's teaching load to allow the faculty member additional time for special research, administrative assignments, professional service, or other legitimate activity of value to the university. These assignments will be reviewed by the provost. If the provost requests a dean to release a faculty member from a course for a special assignment, then the provost will be expected to reimburse the school at a negotiated rate. Faculty are still responsible for their non-instructional duties. However, in special cases some or all non-instructional duties may be reassigned with the approval of the dean of

the school involved.

6.3 Cost of Releases Not Funded by the University.

Normally, each course release must provide for funding at a rate of 1/8 of the faculty member's 9 month salary plus cost of benefits. The university may set a different funding rate for individual releases at the discretion of the appropriate dean. Faculty are still responsible for their non-instructional duties. However, in special cases some or all non-instructional duties may be reassigned with the approval of the dean of the school involved.

6.4 Deans and Associate Deans

In consideration of their administrative duties, deans and associate deans normally teach one course per semester.

6.5 Documentation

Course release approvals/disapprovals of both the appropriate dean and academic area administrator are required to be in writing. Annual reports on administrative and other course releases, approved by the provost's office, will be available in the provost's office.

SECTION 1

INSTITUTIONAL MISSION AND GOALS

UH-DOWNTOWN MISSION STATEMENT

UH-Downtown (UHD) is a public, urban university committed to providing quality academic programs that serve the needs of the multicultural population of Houston and surrounding communities. It offers both undergraduate and a limited number of graduate academic degree programs that enable students to acquire the knowledge and skills needed to succeed in their chosen fields. Through instructional excellence, creative and scholarly activities, and community involvement, the University contributes to the business, scientific, economic, technological, social and cultural development of the area.

As an urban university, UH-Downtown has a special responsibility to provide educational access to those who have not had access in the past. Through flexible scheduling of courses, the innovative use of technology and distance learning opportunities, and a policy of open admissions at the undergraduate level, the University provides educational opportunities for many who might not otherwise be able to pursue a college degree. To facilitate the academic success of both its traditional and non-traditional students, the University offers a wide range of support services and recruits a faculty and staff who are dedicated to helping students meet the rigorous standards and requirements of its programs.

In its public service and outreach activities, the University offers numerous pre-collegiate and continuing education programs that maintain and upgrade specialized skills of professionals employed in the Houston area. Through selected programs, research initiatives, and collaborative efforts, the University also seeks to broaden its domestic and international academic programs and relations.

UNIVERSITY GOALS

UHD Goal 1

UH-Downtown will provide quality academic programs to meet the individual academic objectives of students and the workforce needs of the Houston community.

UHD Goal 2

UH-Downtown will provide high quality instruction and support services needed to ensure students every opportunity for academic success.

UHD Goal 3

UH-Downtown will recruit, retain, and graduate a student body representative of the ethnic diversity of the greater Houston metropolitan area.

UHD Goal 4

UH-Downtown will provide the physical facilities conducive to high quality instruction and learning.

UHD Goal 5

UH-Downtown will provide the technological support conducive to high quality instruction and learning.

UHD Goal 6

UH-Downtown will address selected community needs through public service, applied research and non-credit instructional activities.

SECTION 2 PLANNING PROCESS

CONTEXT OF PLANNING AT UH-DOWNTOWN

The FY 2007 Plan was developed through the University's "bottom-up" unit planning process. In the language of the SACS, unit planning involves an "ongoing quest for quality" through a planning and evaluation process that is "systematic, broad-based, interrelated and appropriate" to its mission. The basic features of the University's unit planning process are listed below.

Open Process: Effective planning requires an ongoing dialogue between units and their supervisors. The University's planning calendar was designed to allow ample time for this exchange of ideas to take place at different stages of the planning process.

Measurable Goals: Units were asked to develop a set of goals to address their specific needs and an assessment methodology by which their goals could be measured.

Total Project Costs: During the planning process, units were required to consult with the Information Technology and Facilities Management departments to assess the implementation and support implications of their proposed projects in order to determine the total cost and funding sources of their proposed projects.

Policy and Organizational Issues: At every level of the planning process, consideration was given to initiatives that promoted changes in organization, process and/or policy leading to improved performance.

Best Use of All Possible Resources: Units were encouraged to develop initiatives that could be funded through gifts, state and federal grants, local fees, or the reallocation of existing funds instead of state appropriations.

Unit Initiatives: The planning focus at the unit level was on initiatives to be undertaken by that unit or by that unit in collaboration with others. Issues of more general concern and proposed campus-wide initiatives were addressed in the overall plan.

University-wide Planning Framework: The annual plan was developed through a "bottom-up" process, with units working within the framework established by the University's mission statement and strategic plan and its planning assumptions and institution-wide priorities.

SECTION 3

FY2007 PRIORITIES OVERVIEW

In December 2003, the UH System Board of Regents and Chancellor Jay Gogue initiated a strategic planning process to identify a set of strategic principles that would provide guidance for UH System planning and decision-making. In the tradition of shared governance and collegiality, the process was designed to solicit input from the entire University community. The process was led by a steering committee that included the presidents, provosts, chief financial officers, and faculty senate presidents from each of our universities, as well as student and staff representatives. This planning process resulted in the development of a set of strategic principles and supporting initiatives that were endorsed by the UHS Board of Regents. These principles and initiatives were incorporated into the University's existing unit planning process with little difficulty.

While the University uses a "bottom-up" planning model, unit managers are reminded at the beginning of every planning cycle that as a public university, UH-Downtown is expected to support those strategic priorities for higher education established by the state legislature and The Texas Higher Education Coordinating Board (THECB). They are also reminded that as a component of the University of Houston System, UHD has the responsibility of working with its sister institutions within the System to address the goals established by the UHS Board of Regents.

The President's cover memo accompanying the FY 2007 planning guidelines made clear that the "university's mission statement along with the strategic priorities established at the state and system level provide a framework for our annual operating plan." The cover memo also stressed that all of UHD's "planning activities should be both mission driven and assessment driven." Included in the unit planning guideline were a list of planning assumptions and a University SWOT analysis identifying areas of strengths and opportunities as well as listing threats and weaknesses. Departments were cautioned in the planning assumptions document that any new spending initiatives in FY 2007 would have to be funded through enrollment growth, increased fees, and reallocations rather than through an increase in state appropriations.

In ranking the various spending initiatives put forward during its FY 2007 planning process, **the University gave highest priority to those that most directly addressed the Board's Strategic Planning Principles.**

The spending initiative in UHD's FY 2007 Plan and Budget to which the greatest number of dollars is allocated is the **construction of a 132,000 gross square foot academic building** on Shea Street that will house the UHD College of Business. The UHS Strategic Plan recognizes that more and better facilities will be needed if UHD and its sister institutions

are to meet the goals established in the State's "Closing the Gaps" Plan. The Shea Street building is listed as one of the specific actions to be taken in **support of Strategic Principle 2**—"The universities of the UH System will continue to provide broad access to higher education opportunities in the upper Gulf Coast region and Texas."

Other major spending initiatives in the FY 2007 Plan and Budget **also directly support the UHS Board's Strategic Principles**. **Strategic Principle 1** recognizes that to achieve academic excellence, the System's component universities **must increase "the number of faculty to enhance academic and research excellence and accommodate enrollment growth."** The high percentage of credit hours taught by part-time adjunct faculty has long been a concern at UHD, and the University established a goal several years ago of teaching at least 60% of its SCHs with full-time, tenured or tenure-track faculty. **In order to keep current with both of these goals**, the FY 2007 plan will add seven new tenure-track faculty positions.

The **\$225,000 in funding budgeted to support the SACS mandated Quality Enhancement Plan**, "Student Engagement through Active Learning Strategies", along with a number of other academic support initiatives all reflect additional ways the University is committed to **support the Board's first strategic priority of the continued pursuit of academic excellence**.

Through increased support for **off-campus teaching centers and distance education**, UHD is showing its commitment to **Strategic Priority 2**, to "continue to provide broad access to higher education opportunities in the upper Gulf Coast region and Texas". The FY 2007 Plan and Budget also supports **UHS Strategic Priority 3** by providing for **additional scholarship dollars** and an **expansion of its recruitment efforts** to maintain the student diversity for which UHD has long been known.

UHS Strategic Principle 6 recognizes that the faculty and staff constitute the most valuable assets of the University and call for compensation packages that are competitive relative to other universities. UHD's FY 2007 Plan and Budget provides for a **2% employee pay raise plus an additional \$250,000 to fund the findings of a staff compensation study** conducted this summer by Deloitte Consulting, LLP. A major faculty salary study was conducted two years ago and will be revisited next year to determine whether additional monies will need to be budgeted in FY 2008 to keep pace with pay offered faculty at peer institutions.

As guided in **Strategic Principle 8**, the University will work to **make more effective use of its resources** by budgeting funds for a variety of technology upgrades and for other initiatives designed to **safeguard university resources and improve efficiencies**. The budget also shows major increases for electricity and insurance, items over which the University has little control.

The increased costs of day-to-day operations expenses combined with the limited amount of available new revenue have **forced the University to defer action on a number of other**

important planning initiatives. While the allocation of funds has been more challenging this year than it was last, **the University's five main planning priorities remain unchanged** from FY 2006. They are listed below along with the specific areas of need that will be addressed in FY 2007.

- 1) Expanding Student Access and Providing the Programs and Services Needed to Support Student Success
 - Scholarship Support
 - Quality Enhancement Plan (QEP) Implementation
 - Library Support
 - Other Academic Programs and Support
 - Student Labs and Classroom Equipment

- 2) Providing the Faculty and Staff Needed to Support Educational Excellence
 - New Faculty Positions
 - Faculty Pay Raises
 - Staff Pay Raises/Staff Compensation Study
 - Adjunct Adjustments
 - Faculty Research Support
 - Faculty and Staff Benefits

- 3) Providing and Maintaining High Quality Facilities
 - New Shea Street Academic Building
 - Continued Campus Repair and Rehabilitation
 - Parking and Security

- 4) Providing the Technological Support Conducive to High Quality Instruction and Learning
 - Support Ongoing Technology Projects
 - Maintain and Update Existing Technology

- 5) Supporting Ongoing Commitments and General Administration
 - Insurance and Utilities
 - General Administration and Operations

These priorities are described in greater detail in the next section along with the specific spending initiatives that will support them.

SECTION 4 FY2007 PRIORITIES AND SUPPORTING INITIATIVES

PRIORITY 1: EXPANDING STUDENT ACCESS AND PROVIDING THE PROGRAMS AND SERVICES NEEDED TO SUPPORT STUDENT SUCCESS

CONTEXT

Expanding access to quality higher education has been a central component of the University's mission since its founding in 1974. UHD realizes that it has a major role to play in serving the educational needs of the region's growing and increasingly diverse population. **UHD's mission statement recognizes a special responsibility to provide educational access to those who have not had access in the past.** Through flexible scheduling of courses, innovative use of technology and distance learning opportunities, and a policy of open admissions at the undergraduate level, the University provides educational opportunities for many who might not otherwise be able to pursue a college degree.

A Fall 2005 enrollment of 11,484 placed UHD 14th in size among Texas' 35 universities and **third among public universities in southeast Texas.** This year's enrollment represents a **28% increase** over UHD's Fall 2000 headcount enrollment of 8,951. The University is projecting continued strong growth in the future and **this growth can only be accommodated by expanding its physical facilities.** With a student body that is 38% Hispanic, 26% African-American, 24% white, and 10% Asian, **UHD remains the most ethnically diverse University in the state.** The 1,719 undergraduates who earned a degree from UHD in 2004-2005 **represented a 32% increase** over the number who graduated in 2000-2001. **Minority graduates have increased at an even higher rate—about 62% for the same time frame.**

UHD recognizes that if it is to fulfill its urban mission, it must do more than simply provide access. **UHD's top planning priority for FY 2007 is the same as it has been in previous years, and that is to provide the programs and support services that students need in order to achieve their academic objectives.** For that reason, the new **Quality Enhancement Plan** that the University developed as part of its accreditation review **focuses on helping its first generation college students develop the knowledge, skills and values they will need to succeed in college.** The University's FY 2007 plan also reflects its commitment to student success in the priority that it gives to academic support areas such as scholarships, advising, library resources, instructional technologies, and other academic program support initiatives.

FY 2007 INITIATIVES

Scholarship Support (\$498,803)—UHD is committed to aggressively pursuing the public and private scholarship dollars needed to ensure that economic hardship not be a barrier to quality higher education. The recent increase in tuition and fees will make even more students dependent on some form of financial aid. **Scholarship dollars also enable the University to compete more effectively for high performing students from all educational backgrounds.** The University is not only increasing the amount of scholarship aid available, but is revising and streamlining its award process so that scholarship monies can be distributed in a more efficient manner. **In addition to the \$2.7 million** the University has budgeted for scholarship aid in FY 2007, it is anticipated that **an additional \$3.9 million of state grant funds and \$11.7 million of federal grant money** will be available for UH-Downtown students. More information on the availability of scholarship/grant funds can be found on the last table in the Bridge Table section of this document.

Amount	Initiative	Fund Source
\$423,803	State-mandated 20% set-aside of designated tuition	New funds
\$ 75,000	Remissions/Exemptions	New funds
\$498,803	TOTAL	

QEP Implementation (\$160,000 new, \$65,000 reallocated \$\$)—During the 2005-2006 academic year, UHD underwent its ten-year reaffirmation of accreditation review by the Commission on Colleges of the Southern Association of Colleges and Schools (SACS). In addition to demonstrating that they are in full compliance with all SACS standards, universities are asked to prepare a **Quality Enhancement Plan (QEP)** that sets forth a series of actions they will be taking over the next five years to improve quality within the context of their individual missions. UHD chose as the theme of its QEP **“Student Engagement Through Active Learning Strategies.”** Because of UHD’s commitment to expanding education access, the major strategies of its QEP are designed to **help its new, predominantly first-generation students gain the knowledge and skills they will need to make the most of their college experience.**

UHD’s QEP has two major components. **The first involves an expansion of its current one-day orientation program for new students into a series of activities throughout the first year.** These activities are designed to help students understand the University’s academic policies, appreciate the rationale behind the University curriculum, and demonstrate good study skills and an active engagement in their learning process. **The second major component of UHD’s QEP consists of course enhancements designed to provide students a wider range of opportunities to practice active learning early in their academic careers.** These include establishing supplemental instruction sections for a

limited number of courses that have the highest attrition rates, providing peer tutoring and learning communities for group study outside of the regular classroom, and funding curriculum development grants for faculty wishing to introduce other active learning projects into their classes.

Amount	Initiative	Fund Source
\$ 65,000	support of supplemental instruction	Reallocated funds
\$ 50,000	support of supplemental instruction	New funds
\$ 35,000	freshmen summer success program	New funds
\$ 48,000	faculty development to support active learning strategies	New funds
\$ 12,000	release time for faculty member to serve as QEP Director	New funds
\$ 15,000	technology and support materials	New funds
\$225,000	TOTAL	

Other Academic Program Support (\$1,126,141)—The ongoing support needs of all units were analyzed during the planning process with HEAF funds being allocated by formula to cover basic equipment needs of the academic departments. Other support initiatives were funded because of the direct impact they will have on the University's ability to offer quality programs and services to its students. An example is UHD's upgrade of its course management system (WebCT to Vista), needed to respond adequately to the growing demand for online course support. Several positions are being added to support this effort.

Amount	Initiative	Fund Source
\$ 46,000	Web Technician—University College/ College of Sciences & Technology	New funds
\$ 56,000	Special Projects Coordinator/Business Manager—College of Business	New funds
\$ 83,000	Vista Administrator	New funds
\$ 58,000	Training Specialist—Vista Support	New funds
\$ 58,000	Technology Specialist—Student Services & Enrollment Management	New funds
\$ 81,920	Financial Aid Counselor (2)	New funds
\$ 58,000	Technology Specialist—Registrar's Office	New funds
\$ 35,840	Testing Specialist—Testing Services	New funds
\$ 99,795	Adjustments to DOE budgets— Academic Affairs/Student Services & Enrollment Management	New funds
\$ 148,458	Additional support costs for MITCs	New funds

\$ 13,378	Cinco Ranch MITC allocation	HEAF
\$ 327,750	Equipment needs in academic departments	HEAF
\$ 60,000	Remodeling biotechnology lab suite	HEAF
\$1,126,141	TOTAL	

Library Support (\$1,243,280)—The library initiatives listed below are necessary to respond to the University's growth in enrollment, the implementation of new degree programs, and the increasing use of technology in the delivery of services. The new library instruction room will allow more faculty to bring their classes into the library for instruction on the most efficient ways to perform research.

Amount	Initiative	Fund Source
\$ 1,171,280	Continued development of library collection	HEAF
\$ 72,000	Equip new library instruction room	HEAF
\$ 1,243,280	TOTAL	

Student Labs and Classroom Equipment (\$530,000)— As computers become integral to more fields of study, more specialized computer labs and other instructional technologies are needed. To ensure that students are prepared for a technology-based workplace, the University must provide them with access to current technology in its labs and classrooms.

Amount	Initiative	Fund Source
\$ 225,000	Upgrades in the Academic Computing Lab	HEAF
\$ 215,000	Upgrades in satellite computing labs	HEAF
\$ 40,000	Electronic presentation systems in four additional classrooms	HEAF
\$ 15,000	Licenses for ADA software	HEAF
\$ 35,000	Laptop computers for field-based urban education students	HEAF
\$ 530,000	TOTAL	

New Funds Committed to Support Priority 1

New Funds	\$ 1,383,816
Reallocated Funds	\$ 65,000
HEAF	\$ 2,174,408
TOTAL	\$ 3,623,224

KEY PERFORMANCE INDICATORS

The following accountability measures will be used to indicate the University's success in expanding student access and providing the programs and services needed to support student success.

- Enrollment Headcount by ethnicity, gender, level, age
- Full-time-equivalent (FTE) enrollment by ethnicity, gender, level, age
- Graduation Rates of first-time, full-time degree seeking undergraduates by ethnicity at same or another Texas public or independent institution over four, five, and six years
- Graduates by level, race/ethnicity, gender
- Graduation and persistence rate by ethnicity of first-time, degree-seeking undergraduates who have graduated or are still enrolled in public higher education after six academic years
- Graduates/Majors in Computer Science, Engineering, Math, and Physical Sciences
- Certification rate of Teacher Education graduates by ethnicity and gender
- Percent baccalaureate graduates employed or enrolled in a Texas graduate or professional school within one year of graduation

See also the accountability measures listed under Priority Two. The university must provide appropriate faculty and staff support if it is to provide the programs and services needed to support student success.

PRIORITY 2: PROVIDING THE FACULTY AND STAFF SUPPORT NEEDED TO SUPPORT EDUCATIONAL EXCELLENCE

CONTEXT

The quality of UHD's academic program is related directly to the **quality of its faculty and academic support personnel**. Strategic Principle 6 of the UHS Strategic Plan recognizes that **faculty and staff constitute the most valuable assets of the University** and that the University must offer competitive salaries to maintain and enhance institutional excellence. The University has been using the national faculty salary survey conducted by the College and University Personnel Association (CUPA) to benchmark UHD salaries against the average salaries paid at other master's level universities to faculty in comparable ranks and disciplines. The University will fall slightly behind the CUPA averages next year because it was **only able to budget a 2% faculty raise** pool for FY 2007. This raise pool will be distributed according to the University's faculty merit pay policy. A high priority in the FY 2008 planning cycle will be to bring faculty salaries back to the CUPA averages.

For **staff, the University is also providing a 2% raise pool** that will be given as an across-the-board adjustment in salary in FY07. In addition, it is budgeting **\$250,000 to fund the staff compensation study** that was conducted this summer by Deloitte Consulting, LLP. When faculty salaries were adjusted according to the CUPA benchmarks two years ago, no effort was made at that time to make similar market adjustments for staff. The Deloitte study will identify similar adjustments that may be needed for staff members.

Linked closely to the compensation issue is the issue of course coverage with tenured or tenure-track faculty. Because of past funding limitations, the growth of the full-time faculty has not kept up with the growth of the student body. With improved salaries, UHD is now in a better position to recruit and retain well-qualified full-time faculty members. In FY 2002, the University set a goal of teaching at least 60% of its non-developmental SCHs with full-time, tenured or tenure-track faculty. A top priority in each of the last three planning cycles has been to add the number of new faculty positions required to achieve 60 %, assuming all budgeted positions were filled. In its past five budgets, the University, using a formula to determine the number of positions needed to reach its coverage goals, has added 68 new faculty positions. The FY2007 budget adds seven new tenure-track positions, bringing the total number of new tenure-track faculty positions added during the past six years to 75.

The University's reliance on adjuncts continues to grow even as it adds more full-time faculty. The FY 2007 budget increases funding for adjunct faculty salaries to reflect what was actually spent for adjuncts in FY 2007. Other increased personnel costs shown in the FY 2007 budget are for the in-year salary adjustments and position reclassifications made to the base FY 2006 budget.

FY 2007 INITIATIVES

New Faculty Positions (\$560,000)—UHD continues to have a small number of full-time, tenure-track faculty compared to universities serving similar-sized student bodies. The University's goal is to teach at least 60% of its total non-developmental SCHs with no department having less than 50% coverage. Currently department coverage ranges from a low of 39% to a high of 78%. While UHD has been fortunate in attracting qualified adjunct faculty members, it recognizes that part-time faculty members cannot be expected to serve the institution in all the ways full-time faculty members do.

Amount	Initiative	Fund Source
\$ 560,000	Seven new faculty positions	New funds

Faculty Pay Raises (\$304,000)—The 2% budgeted for faculty salary increases will keep UHD faculty salaries close to the average paid at other master's level universities. According to UHD policy, faculty pay raises are awarded on the basis of a faculty member's annual performance evaluation rating.

Amount	Initiative	Fund Source
\$ 266,000	Faculty merit raises per policy	Reallocated funds
\$ 38,000	Faculty promotion raises	New funds
\$ 304,000	TOTAL	

Adjunct Adjustments (\$50,000)—Adjunct faculty costs were under-budgeted in FY 2006. While the University was able to cover these cost over-runs with lapsed salary dollars, the FY2007 budget for adjuncts has been adjusted to reflect what the actual costs are likely to be.

Amount	Initiative	Fund Source
\$50,000	Increase adjunct budgets to reflect actual costs	New funds

Staff Pay Raises (\$736,573)—The 2% budgeted for a staff salary increase will provide staff with some relief from higher costs brought about by inflation. In addition to this 2% across the board pay increase, \$250,000 has been budgeted to fund the findings of the Deloitte Consulting, LLP staff compensation study.

Amount	Initiative	Fund Source
\$ 312,000	Across-the-board pay increases for eligible staff	Reallocated funds
\$ 56,027	Fund staff compensation study outcomes	Reallocated funds
\$ 193,973	Fund staff compensation study outcomes	New funds
\$ 174,573	In-year salary adjustments	New funds
\$ 736,573	TOTAL	

Faculty and Staff Benefits (\$145,000)—The FY 2007 budget also contains several benefits-related initiatives. In addition to an increase in basic benefits, the University will begin providing first-day medical coverage for new faculty hires in order to be more competitive in its faculty recruitment efforts.

Amount	Initiative	Fund Source
\$ 20,000	Faculty bridge insurance for 90-day waiting period	New funds
\$ 125,000	Net increase in staff benefits	New funds
\$ 145,000	TOTAL	

Faculty Research Support (\$50,000)—The University continues to support faculty research and development through its Office of Sponsored Programs, through a HEAF set-aside for matching grants, and through a limited number of internally funded grants. During the last ten years, UHD has seen a dramatic increase in the grants and awards received from federal, state, and private sponsors, such as the National Science Foundation, the U.S. Department of Education, NASA, the Department of Defense and many others. As a Hispanic Serving Institution and a Minority Institution, UHD is poised to increase its sponsored project funding over the next ten years.

Amount	Initiative	Fund Source
\$50,000	Set-aside for matching grants	HEAF

New Funds Committed to Support Priority 2

New Funds	\$1,161,546
Reallocated Funds	\$ 634,027
HEAF	\$ 50,000
TOTAL	\$1,845,573

KEY PERFORMANCE INDICATORS

The following accountability measures will be used to indicate the University's success in providing the faculty and staff support needed to support educational excellence.

- Percent lower division SCH taught by tenure/tenure-track faculty
- FTE Student/FTE faculty ratio
- Average class size of lower division classes
- Percent of FTE teaching faculty who are tenured or tenure-track
- Ratio of federal research expenditures to all FTE tenured/tenure-track faculty
- Research expenditures
- Sponsored research funds as a percent of general revenue appropriations
- Appropriated funds per FTE faculty
- Total general revenue per FTE faculty

PRIORITY 3: EXPANDING STUDENT ACCESS BY PROVIDING PHYSICAL FACILITIES CONDUCTIVE TO HIGH QUALITY INSTRUCTION AND LEARNING

CONTEXT

The UHS Strategic Plan recognizes that **more and better facilities will be needed** if UHD and its sister institutions are to **meet the goals established in the State's "Closing the Gaps" Plan** which calls for increasing UH System enrollment to between 70,000 and 75,000 students by 2015. With **the most diverse student body of any of the state's universities**, UHD is well positioned to take a leadership role in responding to the region's growing demand for access to quality higher education.

To ensure that the UH System would be prepared to continue providing broad access to higher education, the UHS Board of Regents endorsed a number of planning initiatives, including the construction of new facilities. Earlier this year, **UHD began construction of its new Shea Street classroom building**, approved by the Board in 2005. A request was made of the 79th Legislature to support this project with Tuition Revenue Bond (TRB) funding, but the request, along with others from across the state, was denied. Given its severe space deficit, particularly in instructional space, and mindful of future growth needs, UHD felt it had little choice but to go forward with this critical project. To fund construction, the University issued bonds backed with HEAF, designated tuition, and auxiliary revenue funds. For FY 2007, the University has budgeted \$2,083,634 in HEAF funds and \$657,932 in designated/auxiliary funds for debt service on these bonds. During the **special session of the Texas Legislature** that ended May 14, **legislators authorized the issuance of \$31.6 million in TRB bonds** that UHD will use to retroactively fund the Shea Street project. The plan approved during the special session is for the 80th Legislature to provide debt service funding beginning with the next biennium, so no money will be freed up in FY2007. The approval of the TRB bonds will, however, have major long-term benefits for the University. Over the next 20 years, with principal and interest figured in, over \$50 million (HEAF and Non-HEAF combined) will be freed up for other uses.

Hitting UH-Downtown in FY2007 is the reinstatement of \$641,008 of debt service expense relating to the UHD Academic Building. As a result of an earlier bond refinancing exercise, UHD enjoyed considerable debt service relief from FY2004-FY2006. As we move into FY2007, however, the debt service obligation reverts to that indicated in the original schedule.

The University's FY2007 plan also provides for the continued maintenance and security of the existing physical plant. Ongoing efforts to improve campus facilities have greatly enhanced the University's image in the community and created a much more appealing environment for students pursuing their educational objectives. Well-designed and maintained facilities are important to the satisfaction of faculty, staff and students, and also to overall institutional effectiveness. Providing the space that will be adequate to meet the demands of its growing student body will be a continuing challenge for the University.

FY 2007 INITIATIVES

Shea Street Building (\$2,824,642)—This new facility, scheduled to open in Fall 2007, will house the College of Business' administrative and faculty offices, provide high quality classroom space and ultimately free up room for library expansion in the One Main building. Even with this new building, the University will continue to have a space deficit of 176,294 square feet, according to the Coordinating Board's Space Projection Model.

Amount	Initiative	Fund Source
\$ 100,000	Start-up costs for new building	New funds
\$ 641,008	Debt service for new building	New funds
\$2,083,634	Debt service for new building	HEAF
\$2,825,642	TOTAL	

Continued Campus Repair and Rehabilitation (\$745,000)—The University continuously seeks to identify maintenance needs and systematically address them. UHD will address selected non-critical planned maintenance items that appear on the MP3 listing, part of the Campus Master Plan on file with the THECB, and attend to some much needed upgrades in its auditorium and special events spaces.

Amount	Initiative	Fund Source
\$345,000	Other planned maintenance needs on the MP3 list	HEAF
\$300,000	Elevator modernization	HEAF
\$100,000	Upgrades in the auditorium, special events area and lecture halls	HEAF
\$745,000	TOTAL	

Parking and Security (\$185,000)—To recruit and retain students, the University must provide a secure campus environment with adequate parking. The following initiatives address campus security and parking needs.

Amount	Initiative	Fund Source
\$ 25,000	Upgrade Senior Parking Clerk to Manager of Transportation Services	New funds
\$160,000	Electronic access control for all One Main entry points	HEAF
\$185,000	TOTAL	

New Funds Committed to Support Priority 3

New Funds	\$ 766,008
Reallocated Funds	\$ 0
HEAF	\$2,988,634
TOTAL	\$3,754,642

KEY PERFORMANCE INDICATORS

Many of the enrollment-related accountability measures listed under Priority One are indicators of the University's success in expanding student access. The accountability measures listed below pertain specifically to the University's physical facilities. Facilities is one of the major areas in which the University can address those UHS strategic goals pertaining to HUBs.

- Classroom and lab utilization rates
- Historically Underutilized Business (HUB) trends

PRIORITY 4: PROVIDING THE TECHNOLOGICAL SUPPORT CONDUCTIVE TO HIGH QUALITY INSTRUCTION AND LEARNING

CONTEXT

Changes in technology are taking place at an increasing pace; and today's high tech facilities and services quickly become obsolete if not evaluated regularly. The University has made major investments over the years to upgrade its technology infrastructure and it continues to rely on incorporating new technology to gain competitive advantage and provide better service.

During this past year, the Division of Information Technology has led a comprehensive review of current and future technology needs and issues facing UHD. In the process, a set of long-term strategies were developed to serve as a roadmap for technology-related initiatives over the next three to five years. The key areas examined were:

- Enterprise Systems Management (planning, developing and implementing Information Systems that support major institutional functions)
- Training and Support Services (helping faculty, staff and students make use of available technology at UHD to achieve their goals and objectives)
- Technology Infrastructure (creating an internal and external technological environment that will allow delivery of services to users in an efficient and effective manner)
- Distance Education Technology (developing a technology plan to support UHD's efforts to deliver distance programs)

A number of key concerns facing the University in its efforts to address technology support have also been identified. Some of the more critical are:

- The demand for individuals with specialized technology skill sets presents a significant challenge in terms of attracting and retaining qualified personnel;
- Further integration of technology into its operations requires that UHD be able to respond adequately to issues such as individual privacy, security, copyright compliance, misuse of resources, expanded web-based service delivery and disaster recovery.
- The expectations of users to have online access to operations continue to grow. While online services provide necessary convenience and efficiency, their implementation continues to tax the resources of the information technology division and collaborating departments throughout the University.

UHD is committed to providing high quality information technology support and products. Some of the University's current and upcoming information technology projects include the following:

- Implementation of a new course management system (WebCT Vista) that will provide significant enhancements in teaching and learning processes;
- Information technology security and risk assessments for key application systems;
- Implementation of a data analysis system that will improve reporting and assessment capabilities;
- Implementation of a web-based human resources appraisal system;
- Integration of the Texas Common Application into the University's student database;
- Upgrade of the University's phone mail system to a unified messaging system, integrated with faculty and staff e-mail;
- Technology infrastructure upgrades to support systems availability and improved disaster recovery capabilities;
- Technology design and support planning for the new College of Business building;

While UHD's technology initiatives are presented under a separate priority, they are not isolated from other priorities and are integral to most.

FY 2007 INITIATIVES

Support for Ongoing Technology Projects (\$570,000)—UHD has implemented technology standards in order to facilitate electronic communication and streamline technology support. The University's Desktop Project, begun in FY 1997, provides faculty and staff with the basic level of computing support needed to effectively perform job responsibilities. This project provides an orderly upgrade of hardware and software through centralized purchases. The Technology Teaching and Learning Center (TTLC) supports the faculty in their efforts to successfully use and understand the many new technology tools and strategies at their command. Support staff in the center assist faculty in the development and implementation of interactive technologies that increase the effectiveness of their pedagogy.

Amount	Initiative	Fund Source
\$ 75, 000	Application consulting	New funds
\$255,000	Scheduled updates of the Desktop Project	HEAF
\$200,000	TTLC equipment upgrades	HEAF
\$ 40, 000	Multimedia upgrades	HEAF
\$570,000	TOTAL	

Protect, Maintain and Upgrade Existing Technology (\$608,000)—Significant expenditures must be made each year to maintain and upgrade the University's existing investments in technology. The computer-related equipment on which the University

depends for its instructional programs and administrative operations has a short shelf life and must be replaced in a systematic manner. The University's FY 2007 plan addresses a number of equipment replacement and upgrade needs. These include:

Amount	Initiative	Fund Source
\$100,000	Increases in current hardware/software maintenance contracts	New funds
\$ 58,000	Network application support specialist	New funds
\$100,000	VAX and server upgrades	HEAF
\$350,000	Network infrastructure upgrades	HEAF
\$608,000	TOTAL	

New Funds Committed to Support Priority 4

New Funds	\$ 233,000
Reallocated Funds	\$ 0
HEAF	\$ 945,000
TOTAL	\$1,178,000

KEY PERFORMANCE INDICATORS

The enrollment and performance measures listed under Priority One are indirect indicators of how effectively the University is using technology to support high quality instruction and learning. Technology support is also area in which the University can address those UHS strategic goals pertaining to HUBs.

- Historically Underutilized Business (HUB) trends

PRIORITY 5: SUPPORT FOR SYSTEM-WIDE INITIATIVES AND GENERAL ADMINISTRATION

CONTEXT

Runaway utilities costs presented one of the greatest operational/budgetary challenges faced by the UH System in FY2006. UHD was able to deal with this problem primarily through the application of funds captured from lapsed salaries from vacant positions. With the electricity market remaining very volatile and the UH System still very exposed to further price spikes, UHD is increasing its base budget for utilities by 40%, or \$750,000. This increase will be covered by the new Utilities Surcharge Fee that UHD will begin assessing in Fall 2006.

Strategic Principle 5 of the UHS Strategic Plan recognizes that “partnerships with business, industry, government, the community, and alumni are critical to achieving institutional goals of excellence and ensuring the financial health of the UH System Universities.” The strategic plan continues to call for a comprehensive campaign to raise funds for the UH System universities. UHD is not directly budgeting any additional university funds for this initiative in FY2007, but it will be making a significant indirect contribution through the recently announced 200 percent increase in the endowment assessment (from .5% to 1.5% of the market value of the existing endowments), which goes to support the UHS Development operation.

To support the ongoing operation of the University, funding also must be provided for general administrative expenses. As in past years, a portion of the University’s HEAF funds are allocated to administrative units to ensure that their basic equipment needs can be met. Utilities (addressed above), insurance costs, and bank charges are externally determined and the University has little control over them. The HR document imaging project is a discretionary item the University is acting on at this time since it promises to allow the University to carry out its operations in a more efficient and effective manner in the long term.

FY 2007 INITIATIVES

Insurance and Utilities (\$825,000)—Events of the past year have pushed prices much higher for both electricity and property insurances. While the University has little control over these costs, it is exploring with other System components ways in which some of these cost increases might be contained.

Amount	Initiative	Fund Source
\$ 75,000	Projected increase in property insurance	New funds
\$750,000	Projected increase in electricity	New funds
\$825,000	TOTAL	

General Administration and Operations (\$405,750)—The following represent expenditures necessary to maintain and improve the efficiency and effectiveness in which the University carries out basic administrative activities.

Amount	Initiative	Fund Source
\$ 25,000	Adjustments to DOE budgets for administrative units	New funds
\$ 40,000	Bank charges	New funds
\$ 43,500	ESO document imaging staff	New funds
\$ 32,500	Graphics and web designer for the President's Office	New funds
\$ 46,000	Staff position in Contract Compliance/Compliance Office	New funds
\$192,250	Equipment set-aside for administrative units	HEAF
\$ 26,500	Bar code readers for conducting annual property inventory	HEAF
\$405,750	TOTAL	

New Funds Committed to Support Priority 4

New Funds	\$1,012,000
Reallocated Funds	\$ 0
HEAF	\$ 218,750
TOTAL	\$1,230,750

KEY PERFORMANCE INDICATORS

The funding initiatives supporting this priority were adopted to provide the basic administrative support and infrastructure needed for efficient and effective operations. The university believes that these initiatives will have an indirect impact on a number of the measures listed earlier. The following are the state performance indicators are most directly linked to general administration and funding.

- Amount expended for administrative costs as a percent of operating budget.
- Appropriated funds per FTE student and per FTE faculty
- Historically Underutilized Business (HUB) trends
- Operating expenses per FTE student
- Total revenue per FTE student and per FTE teaching faculty

**SECTION 5
BRIDGE TABLES**

University of Houston-Downtown
Appendix A - Allocation of New FY 2007 Resources

<u>Revenue Changes</u>	
General Revenue	
G/R Apprn	\$ 438,876
Tuition - S/M	(67,612)
Subtotal	<u>\$ 371,264</u>
Tuition	
Designated Tuition	\$ 2,119,015
Designated Other	639,273
Utility Surcharge	762,107
Aux-SSF,UCF	242,817
Aux-Other	(38,106)
Subtotal	<u>\$ 3,725,106</u>
Other - Investment Income	\$ 475,000
Reallocations:	
SACS Funds	\$ 50,000
Shea St. Bldg pre-bond money	334,027
Comp. campaign start-up (cfwd)	150,000
NW Corridor start-up (cfwd)	150,000
Subtotal	<u>\$ 684,027</u>
Total New Funds for Allocation	<u><u>\$ 5,255,397</u></u>

<u>Priority/Initiative</u>	<u>Allocation</u>
Priority 1. Student Success	
Scholarships - 20% Tuit-Des set-aside	\$ 423,803
Remissions/Exemptions	75,000
Implementation of the QEP - Year 1	225,000
Web master - shared - S&T, UC - w/ben.	46,000
Business Mgr/Special Projects COB w/ben.	56,000
Vista (WebCT) Administrator w/ben.	83,000
Training Specialist - Vista Support	58,000
Information Systems Tech for SS/EM w/ben	58,000
Add'l Financial Aid Counselors (2) w/ben.	81,920
Technology Specialist - Registrars Ofc w/ben.	58,000
Testing Specialist w/ben.	35,840
Add'l DOE funds - Student Serv./Acad. Aff.	99,795
Add'l support costs - MITCs	148,458
Subtotal	<u>\$ 1,448,816</u>
Priority 2. Faculty/Staff Support	
Seven (7) new T/TT faculty positions w/ben	\$ 560,000
Fac merit pay (2%) per UHD policy w/ben.	266,000
Faculty promotion pay	38,000
Incr. adjunct faculty budgets to reflect actual	50,000
Across-the-board pay increase - eligible staff	312,000
Staff Compensation Study pool	250,000
In-year salary adjustments to base (staff)	174,573
Bridge (90 day) insurance - new faculty	20,000
Staff ben. increase (on 2% & Staff Study \$s)	125,000
Subtotal	<u>\$ 1,795,573</u>
Priority 3. Provide High Quality Facilities	
Start-up costs for new Shea St. building	\$ 100,000
Debt service refinance - end of windfall	641,008
Mgr. of Transport. Serv w/ben. (upgrade)	25,000
Subtotal	<u>\$ 766,008</u>
Priority 4. Technology	
Application Consulting	\$ 75,000
Add'l funds for maintenance agreements	100,000
Network Appl. Support Specialist w/ben.	58,000
Subtotal	<u>\$ 233,000</u>
Priority 5. Commitments/General Admin	
Projected increase - property insurance	\$ 75,000
Increase in utilities costs (electricity)	750,000
Add'l DOE funds - Administrative units	25,000
Add'l bank charges (credit card costs)	40,000
Document Imaging staff - ESO	43,500
Graphics & Web Designer - upgd, add ben.	32,500
Contract Admin./Compliance pos. w/ben.	46,000
Subtotal	<u>\$ 1,012,000</u>
Total New Investments	<u><u>\$ 5,255,397</u></u>

University of Houston-Downtown
Appendix B - Allocation of FY 2007 HEAF

<u>FY07 Allocation</u>		
HEAF	\$	5,948,079
Fund Balance		428,713
Total Available	\$	<u>6,376,792</u>

<u>Priority/Initiative</u>	<u>Allocation</u>
Priority 1. Student Success	
Equipment funds for academic units	\$ 327,750
Cinco Ranch MITC - HEAF allocation (new)	13,378
Biotechnology Lab Suite	60,000
Library collection	1,171,280
Library Instruction Room - Equip	72,000
Upgrades - Academic Computing Lab	225,000
Upgrades - Satellite Computing Labs	215,000
Electronic presentation systems - 4 add'l classrooms	40,000
Licenses for ADA software	15,000
Laptops for field-based Urban Educ. Interns	35,000
Subtotal	<u>\$ 2,174,408</u>
Priority 2. Faculty/Staff Support	
Set-aside for matching grants	\$ 50,000
Priority 3. Provide High Quality Facilities	
Debt service for new Shea St. building	\$ 2,083,634
Planned Maintenance Projects	345,000
Elevator Modernization (#10 / #11)	300,000
Special Events/Auditorium upgrades	100,000
Electronic Access Control - Perimeter Doors - OMB	160,000
Subtotal	<u>\$ 2,988,634</u>
Priority 4. Technology	
Desktop Support Project	\$ 255,000
Equipment Upgrades - TTLC	200,000
Multimedia upgrades	40,000
VAX and Server upgrades	100,000
Network Infrastructure Enhancement	350,000
Subtotal	<u>\$ 945,000</u>
Priority 5. Commitments/General Admin	
Equipment for Admin. units	\$ 192,250
Barcode Readers (for capital equipt. Inventory)	26,500
Subtotal	<u>\$ 218,750</u>
Total New Investments	<u><u>\$ 6,376,792</u></u>

University of Houston-Downtown

Appendix C - Projected Availability of Scholarships and Grants

	FY2006	FY2007
TEXAS Grant	\$ 1,828,528	\$ 2,076,000
Texas Public Education Grants (TPEG)	1,811,963	1,808,818
Designated Tuition - Scholarship set-aside (20%)	865,290	1,289,093
 <u>Endowed Scholarships</u>		
UHD endowed scholarship funds:		
Scholarship Match - Jeff Davis program (Edmonds)	\$ 143,500	\$ 122,500
AMP Match - Scholars Academy (Edmonds/Jones)	123,000	100,000
Jesse H. Jones Scholars (Jones)	48,000	48,000
Red Rose Scholarships funded through endowments	25,000	40,000
All Other UHD endowed scholarship funds	144,500	197,800
	\$ 484,000	\$ 508,300
 UHD portion of shared UH System scholarship endowments	 \$ 59,437	 \$ 64,975
Autrey, Cullen Leadership, Cullinan, Southland, Enron Project GRAD		
Endowed scholarships held at the UH Foundation	\$ 93,000	\$ 130,000
Dykes, A/B & Hearst-UHD, Hugh Roy Cullen-UHS		
 <u>Non-Endowed Scholarships</u>		
UCSS/STEM Matching Scholarship (Designated Tuition)	\$ 71,000	\$ 83,000
Scholarship Match - National Science Foundation (Designated Tuition)	58,200	71,400
Teacher Education Scholarships - Cain (1)	320,000	320,000
Red Rose Scholarships (RRB proceeds)	50,000	35,000
Deans' Transfer Scholarships (RRB proceeds)	40,000	40,000
100 Club Scholarships	217,000	200,000
All Other UHD non-endowed scholarship funds:	\$ 756,200	\$ 749,400
 Total	 \$ 5,898,418	 \$ 6,626,586

- (1) Gift from The Gordon and Mary Cain Foundation. FY2007 will be the 8th year of this \$3.9 million gift being paid out over 10 years.
UHD expects to process over \$11.7 million in PELL, SEOG, and CWSP grants in FY2007.

University of Houston-Downtown
Table 1 - Summary of Sources & Uses of Funds

<u>Operating Budget</u>	FY2006 Budget	-----Change-----		FY2007 Budget
		Dollars	Percent	
Source of Funds				
Operations	\$ 79,637,279	\$ 5,013,104	6.3%	\$ 84,650,383
Restricted	17,055,985	702,688	4.1%	17,758,673
Total	<u>\$ 96,693,264</u>	<u>\$ 5,715,792</u>	<u>5.9%</u>	<u>\$ 102,409,056</u>
Use of Funds				
Operations	\$ 79,637,279	\$ 5,013,104	6.3%	\$ 84,650,383
Restricted	17,055,985	702,688	4.1%	17,758,673
Total	<u>\$ 96,693,264</u>	<u>\$ 5,715,792</u>	<u>5.9%</u>	<u>\$ 102,409,056</u>

<u>Capital Budget</u>	FY2006 Budget	-----Change-----		FY2007 Budget
		Dollars	Percent	
Source of Funds				
	\$ 15,779,280	\$ 9,885,720	62.7%	\$ 25,665,000
Use of Funds				
	\$ 15,779,280	\$ 9,885,720	62.7%	\$ 25,665,000

<u>Total Operating Budget & Capital Budget</u>	FY2006 Budget	-----Change-----		FY2007 Budget
		Dollars	Percent	
	\$ 112,472,544	\$ 15,601,512	13.9%	\$ 128,074,056

University of Houston-Downtown

Table 2 - Operations

Source of Funds	FY2006 Budget	Change		FY2007 Budget
		Dollars	Percent	
General Funds				
State General Revenue Appropriations				
Formula Funding	\$ 20,995,646	\$ (195,222)	-0.9%	\$ 20,800,424
Special Items	332,500			332,500
Tuition Revenue Bonds	3,155,645	634,098	20.1%	3,789,743
State Benefits Appropriation	4,065,525	94,939	2.3%	4,160,464
Dedicated Appropriations-TX Grant/College Work Study	1,872,825	8,703	0.5%	1,881,528
Subtotal State General Revenue Appropriations	30,422,141	542,518	1.8%	30,964,659
Tuition and Fees				
Statutory & Graduate Premium	15,093,659	(17,740)	-0.1%	15,075,919
Lab/other Student Fees	40,000	28,000	70.0%	68,000
Subtotal Tuition and Fees	15,133,659	10,260	0.1%	15,143,919
HEAF	6,418,768	(2)	0.0%	6,418,766
Income on State Treasury Deposits	40,000	36,000	90.0%	76,000
Fund Balance	440,000	651,209	148.0%	1,091,209
Subtotal General Funds	52,454,568	1,239,985	2.4%	53,694,553
Designated				
Tuition and Fees				
Designated Tuition - General	16,124,189	2,109,014	13.1%	18,233,203
Library Fee	755,195	42	0.0%	755,237
Technology Fee	2,569,073	413,702	16.1%	2,982,775
Major/Department/Class Fees	1,971,291	985,043	50.0%	2,956,334
Subtotal Tuition and Fees	21,419,748	3,507,801	16.4%	24,927,549
Indirect Cost	131,364	(28,725)	-21.9%	102,639
Investment Income on Non-Endowed Funds	80,000	270,000	337.5%	350,000
Endowment Income	48,810	2,732	5.6%	51,542
Contracts / Grants	25,505	48,000	188.2%	73,505
Self Supporting Organizations/Others	948,000	73,100	7.7%	1,021,100
Fund Balance	647,979	33,841	5.2%	681,820
Subtotal Designated Funds	23,301,406	3,906,749	16.8%	27,208,155
Auxiliary Enterprises				
Student Fees				
Student Service Fee	2,468,414	243,119	9.8%	2,711,533
Recreation and Wellness Center	660,662	(2,802)	-0.4%	657,860
Other Student Fees	80,000	15,000	18.8%	95,000
Subtotal Student Fees	3,209,076	255,317	8.0%	3,464,393
Sales & Service - Parking	762,122	(38,106)	-5.0%	724,016
Sales & Service - Athletics/Hotel/UC/Other	1,185,000	106,000	8.9%	1,291,000
Fund Balance	175,252	(60,205)	-34.4%	115,047
Subtotal Auxiliary Funds	5,331,450	263,006	4.9%	5,594,456
Total Current Operating Funds	81,087,424	5,409,740	6.7%	86,497,164
Interfund transfer	(1,450,145)	(396,636)	27.4%	(1,846,781)
Total Sources	\$ 79,637,279	\$ 5,013,104	6.3%	\$ 84,650,383
Use of Funds by Object				
Salaries and Wages	\$ 40,374,926	\$ 1,909,273	4.7%	\$ 42,284,199
Benefits	9,905,195	747,035	7.5%	10,652,230
M&O	12,628,640	429,540	3.4%	13,058,180
Capital	4,703,799	(258,532)	-5.5%	4,445,267
Scholarships	4,819,074	413,259	8.6%	5,232,333
Debt Service	5,505,645	1,022,529	18.6%	6,528,174
Utilities	1,700,000	750,000	44.1%	2,450,000
Total Uses	\$ 79,637,279	\$ 5,013,104	6.3%	\$ 84,650,383

University of Houston-Downtown
Table 3 - Restricted

Source of Funds	FY2006 Budget	Change		FY2007 Budget
		Dollars	Percent	
Restricted				
Contracts and Grants				
Research	\$ 2,680,839	\$ 36,560	1.4%	\$ 2,717,399
Financial Aid	11,139,730	627,385	5.6%	11,767,115
Gifts	1,645,087	(163,580)	-9.9%	1,481,507
Endowment Income	558,817	54,684	9.8%	613,501
Other Restricted(encum, student fees, other E&G)	765,362	135,228	17.7%	900,590
Total Current Operating Funds	16,789,835	690,277	4.1%	17,480,112
Interfund Transfer	266,150	12,411	4.7%	278,561
Total Sources	\$ 17,055,985	\$ 702,688	4.1%	\$ 17,758,673
Use of Funds by Object				
Salaries and Wages	\$ 1,351,183	\$ (85,549)	-6.3%	\$ 1,265,634
Benefits	309,211	(42,241)	-13.7%	266,970
M&O	3,172,550	100,502	3.2%	3,273,052
Scholarships	12,223,041	729,976	6.0%	12,953,017
Total Uses	\$ 17,055,985	\$ 702,688	4.1%	\$ 17,758,673

University of Houston-Downtown

Table 4 - Capital Projects

Project to Date (1)	FY2007 Budget	Future Year Budgets	Total Project Budget	Funded From			
				HEAF	Revenue Bonds	Gifts	Other
New Construction							
Shea Street Building	\$ 10,500,000	\$ 24,640,000	\$ 35,140,000	\$ -	\$ 31,626,000	\$ -	\$ 3,514,000
Subtotal New Construction	\$ 10,500,000	\$ 24,640,000	\$ 35,140,000	\$ -	\$ 31,626,000	\$ -	\$ 3,514,000
Major Repair and Rehabilitation							
Elevator #10, #11 Controller Modernization Projects Budgeted Annually	\$ -	\$ 300,000	\$ 300,000	\$ 300,000	\$ -	\$ -	\$ -
Capital Renewal Deferred Maintenance	-	325,000	325,000	325,000	-	-	-
Subtotal Major Repairs & Rehabilitation	\$ -	\$ 625,000	\$ 625,000	\$ 625,000	\$ -	\$ -	\$ -
Land Acquisition							
Willow Street Pump Station	\$ -	\$ 400,000	\$ 400,000	\$ 400,000	\$ -	\$ -	\$ -
Subtotal Land Acquisition	\$ -	\$ 400,000	\$ 400,000	\$ 400,000	\$ -	\$ -	\$ -
Total	\$ 10,500,000	\$ 25,665,000	\$ 36,165,000	\$ 1,025,000	\$ 31,626,000	\$ -	\$ 3,514,000

(1) Project expenditures to date, estimated through August 31, 2006

University of Houston-Downtown
Table 5 - Number of Full-Time Equivalent Positions

Employee Classification	FY2006 Budget	-----Change-----		FY2007 Budget
		FTE	Percent	
Faculty	212	6	2.8%	218
Part-time Faculty	228	(1)	-0.6%	227
Professional Staff	196	15	7.9%	211
Classified Staff	232	1	0.3%	233
Temporary Staff	117	8	6.5%	125
Total	985	28	2.9%	1,013

University of Houston-Downtown
Table 6 - Student Credit Hours, Headcount, and FTE

	FY2003 Actuals	FY2004 Actuals	FY2005 Actuals	FY2006 Budget	FY2007 Budget	FY07 vs FY06 Change
Semester Credit Hours						
Lower Division	125,593	131,308	126,550	139,811	130,944	(8,867)
Upper Division	104,329	112,707	124,411	120,005	128,854	8,849
Masters	1,848	2,004	2,187	2,393	2,089	(304)
Total	231,770	246,019	253,148	262,209	261,887	(322)
Semester Credit Hours-On/Off Campus						
On Campus	212,937	223,015	228,347	237,692	236,222	(1,470)
Off Campus	18,833	23,004	24,801	24,517	25,665	1,148
Total	231,770	246,019	253,148	262,209	261,887	(322)
Fall Headcount	10,528	10,974	11,408	11,750	11,829	79
Fall FTE	7,055	7,404	7,655	7,867	7,765	(102)

University of Houston-Downtown
Table 7 - Allocation of Student Service Fee

	FY2006 Budget	-----Change-----		FY2007 Budget
		Dollars	Percent	
Sources				
Current Year Appropriations	\$ 2,473,914	\$ 245,619	9.9%	\$ 2,719,533
Remissions/Exemptions	(5,500)	(2,500)	45.5%	(8,000)
Other Income	150,000	20,000	13.3%	170,000
Budgeted Fund Balance	-	2,425		2,425
Total Sources	\$ 2,618,414	\$ 265,544	10.1%	\$ 2,883,958
Allocations				
Bayou Review	\$ 6,000	\$ 4,500	75.0%	\$ 10,500
Campus Activities Board	39,500	3,900	9.9%	43,400
Career Services	321,069	(65,231)	-20.3%	255,838
Clubs and Organizations	79,595	(5,000)	-6.3%	74,595
Disabled Student Services	20,252	158	0.8%	20,410
Drama Production	30,715	7,040	22.9%	37,755
Financial Aid Office	645,306	151,809	23.5%	797,115
Graduation/Diplomas	105,400	15,000	14.2%	120,400
Handbook	8,000			8,000
One Main Event	38,000			38,000
Registrar - SSF	159,566	56,407	35.4%	215,973
Student Academic Competition	13,000			13,000
Student Activities	296,235	6,741	2.3%	302,976
VP Student Services/Enroll Mgmt	134,776	59,407	44.1%	194,183
Student Assistant Program	237,000			237,000
Student Awards	1,500	200	13.3%	1,700
Student Government	31,945			31,945
Student Health Service	212,551	9,065	4.3%	221,616
Student Newspaper	33,000	2,870	8.7%	35,870
Student Services	103,908	1,779	1.7%	105,687
Utilities/Other Overhead	61,731	16,899	27.4%	78,630
Volunteer Center	39,365			39,365
Total Allocations	\$ 2,618,414	\$ 265,544	10.1%	\$ 2,883,958

University of Houston-Downtown
Note to Table 2: Operations Expenditures by Organization

NOTE 1

Use of Funds by Organization	FY2006 Budget	-----Change-----		FY2007 Budget
		Dollars	Percent	
President	\$ 1,034,281	\$ 50,869	4.9%	\$ 1,085,150
University Advancement	1,074,669	101,795	9.5%	1,176,464
Employment Services and Operations	788,765	610,516	77.4%	1,399,281
Academic Affairs				
Administration (Provost)	3,020,535	168,793	5.6%	3,189,328
Business Administration	7,221,033	300,770	4.2%	7,521,803
Humanities and Social Sciences	9,195,023	401,973	4.4%	9,596,996
Public Service	3,523,059	183,835	5.2%	3,706,894
Sciences and Technology	6,060,808	230,810	3.8%	6,291,618
University College	948,628	(57,375)	-6.0%	891,253
Subtotal: Academic Affairs	29,969,086	1,228,806	4.1%	31,197,892
Scholarships	4,819,074	413,259	8.6%	5,232,333
Library	2,514,709	179,482	7.1%	2,694,191
Continuing Education	585,452	50,906	8.7%	636,358
Administration				
Administration (VP Administration)	1,703,124	(783,861)	-46.0%	919,263
Budget and Procurement		376,650		376,650
Business Affairs	1,658,217	81,758	4.9%	1,739,975
Computing and Telecommunication	5,685,263	(337,629)	-5.9%	5,347,634
Academic Computing	2,037,090	608,804	29.9%	2,645,894
Physical Plant	5,278,629	193,256	3.7%	5,471,885
Utility	1,700,000	750,000	44.1%	2,450,000
Subtotal: Administration	18,062,323	888,978	4.9%	18,951,301
Student Affairs				
Administration (Student Affairs)	668,603	141,925	21.2%	810,528
Enrollment Services	2,786,962	155,819	5.6%	2,942,781
Student Support Services	918,361	(226,654)	-24.7%	691,707
Student Life	1,204,955	61,052	5.1%	1,266,007
Subtotal: Student Affairs	5,578,881	132,142	2.4%	5,711,023
Staff Benefits	7,455,103	92,302	1.2%	7,547,405
Community Development	332,500			332,500
System Admin - Software Project	746,410	(37,321)	-5.0%	709,089
System Service Charges	828,322			828,322
Insurance Premium	274,080	75,000	27.4%	349,080
Debt Service	5,505,645	1,022,529	18.6%	6,528,174
Fund Balance Contingency	67,979	203,841	299.9%	271,820
Total Uses	\$ 79,637,279	\$ 5,013,104	6.3%	\$ 84,650,383

University of Houston-Downtown
Note to Table 3: Restricted Expenditures by Organization

NOTE 2

Use of Funds by Organization	FY2006 Budget	Change		FY2007 Budget
		Dollars	Percent	
President	\$ 30,000	\$ 92,011	306.7%	\$ 122,011
University Advancement	84,807	(80,503)	-94.9%	4,304
Academic Affairs				
Administration (Provost)	302,000	(158,064)	-52.3%	143,936
Business Administration	140,631	5,461	3.9%	146,092
Humanities and Social Sciences	130,802	(40,309)	-30.8%	90,493
Public Service	775,875	(61,389)	-7.9%	714,486
Sciences and Technology	1,677,205	(10,874)	-0.6%	1,666,331
University College	948,281	232,016	24.5%	1,180,297
Subtotal: Academic Affairs	3,974,794	(33,159)	-0.8%	3,941,635
Scholarships	12,003,191	711,409	5.9%	12,714,600
Continuing Education		6,845		6,845
Administration				
Administration (VP Administration)	73,278	298	0.4%	73,576
Physical Plant		49,100		49,100
Subtotal: Administration	73,278	49,398	67.4%	122,676
Student Affairs				
Enrollment Services		45,500		45,500
Student Life	487	25	5.1%	512
Subtotal: Student Affairs	487	45,525	9348.0%	46,012
Fund Balance Contingency	889,428	(88,838)	-10.0%	800,590
Total Uses	\$ 17,055,985	\$ 702,688	4.1%	\$ 17,758,673

Teaching Load Policy

Memo to: All UH-Downtown/PS Holders
From: Manuel T. Pacheco, President
Subject: Faculty Teaching Workload

UH-Downtown/PS 10.A.04
Issue No. 3
Effective Date: 3/1/86
Page 1 of 1

1. PURPOSE

This PS defines the policy for faculty teaching workload at the University of Houston-Downtown.

2. POLICY/PROCEDURES

2.1 General Statement of Policy

The standard workload for the faculty during each long semester is twelve semester credit hours of classroom instruction or the equivalent. Reductions in the workload of twelve semester credit hours may be approved by the vice president for academic affairs for conditions including, but not limited to, chairing an academic department; supervising special instructional laboratories; supervising directed study; conducting internships and student practicum's; coordinating special instructional programs; developing new instructional programs; and engaging in significant creative activities. Only with approval of the president will full-time faculty members who are not department chairmen be permitted to teach fewer than nine semester hours or the equivalent each long semester.

2.2 Guidelines/Principles

The following principles and guidelines are adopted by this policy to facilitate more effective teaching, increased professional development, improved academic quality, and appropriate response to enrollment growth at the University of Houston-Downtown.

2.2.1 Faculty members may be granted released time for administrative duties, special assignments, and significant creative activities. This last category includes the case of sponsored research when the sponsor provides funds for release time and/or a salary. In all cases, the granting of released time requires the recommendation of the department chair and the dean, and approval of the VPAA.

2.2.2 The department chair will regularly monitor each faculty member's student teaching load to ensure its consistency with sound pedagogical practices and the best interests of the department and the university.

2.2.3 The department chairman, in consultation with the department faculty, the appropriate dean and the VPAA, determines the maximum number of field instruction students whom a faculty member may supervise in a given semester. Any faculty member supervising the maximum number of students in a given semester will be assigned an additional teaching load not to exceed 9 semester hours or the equivalent.

2.2.4 The cumulative supervision of directed study for 10 students entitles the faculty member to a three-hour course load credit, ordinarily taken in the next long semester.

2.2.5 The department chairman, in consultation with the department faculty, the appropriate dean, and the VPAA, determines specific course equivalencies for those courses whose contact hours exceed their assigned credit hours.

2.2.6 The teaching load for department chairmen is 18 semester hours or the equivalent per year.

2.2.7 Administrators must hold faculty rank to teach and may not teach more than three credit hours per semester.

3. REVIEW AND RESPONSIBILITIES

Responsible Party (Reviewer): President

Review: As needed

Reprint of original policy statement. Signed original on file in the President's Office.

University of Houston-Victoria Mission Statement

The University of Houston-Victoria shares with all institutions of higher education the universal mission of teaching, research, and service. It shares with the other institutions of the University of Houston System a special responsibility to serve educational needs, to promote economic well being, and to advance the quality of life in the region.

The university's most distinctive commitment is to make higher education accessible to able students who might otherwise lack the opportunity. Its most compelling commitment is to make the quality of education they receive nonetheless competitive. The university emphasizes student learning, related research, responsiveness to student needs, and collaboration in the development and delivery of academic programs. Outreach has characterized its mission and history.

The university is an upper-level and graduate institution with selected bachelor's and master's degree programs in the Arts and sciences, Business Administration, and Education and Human Development. In cooperation with community colleges, which offer the first two years of instruction, the university provides an opportunity for students to complete baccalaureate degrees. At both the undergraduate and graduate levels, the university admits only students whose records demonstrate successful academic performance at the college level.

The university serves students on campus in Victoria and delivers instruction to other communities in the area. In collaboration with other UH System universities, it offers degree programs at teaching centers in greater Houston. It provides extensive course offerings, selected degree programs, learning support, and many student services entirely online.

In addition to degree programs, the university extends educational, informational, and cultural opportunities to the public through library services, outreach and professional development programs, and a variety of special events.

In reaching out to students online and on site in multiple communities, the University of Houston-Victoria is evolving beyond location. But though its identity may have changed, its basic mission remains the same: to provide able students, often with job and family obligations, convenient access to higher education that is affordable, credible, and relevant to their lives, their communities, and their world.

Core Values

- Academic excellence accessible to a diverse community.
- Continuous improvement and responsiveness to emerging issues.
- Freedom of inquiry and expression of truth in a culture of mutual respect, cooperation, and teamwork.
- The highest standards of ethics, integrity, and accountability.

Standing Goals

Goal 1: Teaching and Learning

UHV will provide high-quality instruction and learning support in selected degree programs, with emphasis upon outreach, collaboration, and responsiveness to the needs of place-bound students.

Goal 2: Research and Scholarly Activities

UHV will contribute through research and scholarly activities to the advancement of knowledge in academic fields of inquiry, in teaching and learning, and in professional communities--commensurate with UHV's mission as a teaching institution.

Goal 3: Public Service and Partnerships

UHV will help to serve the regional community's need for access to information resources, professional expertise, and continuing non-credit education; it will collaborate with other educational, entrepreneurial, governmental, and non-profit entities in promoting the educational, economic, and cultural development of the region.

Goal 4: Enrollment Management and Student Services

UHV will optimally shape the size and characteristics of the student body consistent with conducive access, educational effectiveness, operational efficiency, and provision of responsive services.

Goal 5: Financial and Administrative Support Services

UHV will demonstrate efficient and accountable stewardship of fiscal, human, and physical resources in its efforts to meet educational needs, to comply with oversight authorities, and to maintain public trust.

Goal 6: University Advancement

UHV will complement public support of the institution with private support; will provide accurate and timely information to institutional constituencies; and will maintain positive visibility within the regional and alumni communities.

Goal 7: Planning, Assessment, and Development

UHV will maintain systematic processes for planning and budgeting, for institutional and employee assessment, and for professional development--with the intention of ensuring competitiveness, of improving effectiveness, and of complying with the mandates of the UH System, state legislature, Coordinating Board, and regional accrediting association.

Strategic Priorities and Initiatives for 2006-2007

Overview

Emphases

UHV's universal mission of teaching, research, and service includes these distinctive emphases:

Effective teaching, with attention to individual learners and to learning results;

Responsiveness to the needs of students and to the regional community;

Outreach in delivering programs and services to where the students are;

Collaboration with other institutions and enterprises in advancing the educational, economic, and cultural vitality of the region.

Strategic Priorities

In pursuing its mission, UHV has identified three strategic priorities that guide its long-range and annual planning efforts:

1. *Responsive growth and access*
2. *Quality improvement*
3. *Accountability, efficiency, and stewardship*

Aspiration

In brief, UHV wants to become a bigger and better institution, known and respected for its attentiveness to its students and regional community, for its willingness to collaborate with others in attempting to fulfill those needs as efficiently and effectively as possible, for its stewardship of resources entrusted to its care, and for the satisfaction of its graduates with the education they have received.

Increasingly, the university can be defined more as a delivery system than as a location. It has developed the know-how and capabilities to extend instruction, learning support, student services, and community outreach in any area. Capabilities include organization, communications, logistics, marketing, technology, and a well-trained workforce that understands the institutional mission and is committed to carrying it out. The university aspires to be a model for this new kind of institution.

The distinctive emphases and strategic priorities noted above guide the institution strategic initiatives and resource commitments.

Analysis

The institution's most obvious weakness lies in its being a small, commuter institution, serving a very large region that includes rural and suburban populations. Its small size necessarily affects operational efficiency and to some extent quality--or the perception of that. Its being an upper-level institution means that it turns over its undergraduate student body fairly rapidly and that its recruitment efforts are necessarily affected by those of the surrounding community colleges.

The university's strengths lie in the support of its regional community, in its commitment to teaching, in the quality of its graduates, and in its initiative in seeking out and following through on opportunities to better serve its clientele. Its strength also lies in its understanding of its distinctive mission and of the means requisite to accomplish that mission.

Opportunities currently before the institution include, most notably, expanding credit and non-credit programs to serve a greater range of educational needs, developing further the distance delivery of courses and programs throughout the region, participating fully in the UH System's off-campus centers, and taking advantage of the institution's location and student-friendly reputation to attract students to campus from surrounding metropolitan areas

One evident threat, or disadvantage, is that distance technology enables other institutions to compete for students within our region. Another is that lack of convenient housing, transportation, and student activities are a serious detriment to attracting residential students to campus. We are confident that the competition from other institutions using distance technology can be met by our providing equally convenient access through technology, combined with local familiarity and personal service.

A significant concern that has emerged during the past year in particular is the relative decline in state support. As institutional costs increase and state support declines, tuition and fees must go up to meet operational demands and to maintain quality. Thus, tuition and fees have risen significantly for the coming year. If continued, such significant increases could hinder the institution's ability to grow and to provide access.

Major Initiatives

Although the university has a number of new and continuing initiatives each year, the following are singled out as major ones that we expect to expend significant effort on in the coming year.

Follow through and accountability:

- Continued development and implementation of initiatives that strengthen the international engagement of the university and UH System and that improve the quality of education.
 - Egypt initiatives involving Global MBA and undergraduate programs in Communications and Information Systems
 - Mexico initiatives involving Global MBA and consortium for study abroad with support from the IOMA field test project
- Implementation of other UH System's strategic principles and initiatives involving UHV.
- Continued pursuit of fund-raising efforts as a part of the System-wide comprehensive campaign.

- Follow-through on the state's accountability measures and targets as assigned to UHV's category of institutions (implemented 2005-06).

New Construction:

- Planning and construction of a shared classroom/office building at the UH System center in Sugar Land to house operations of both Wharton County Junior College and UHS institutions (a shared library building that would include Fort Bend County in the collaboration is also in prospect).
- Planning and construction of a shared facility on university property in Victoria to house UHV's Small Business Development Center (SBDC) and other key economic entities, such as the Chamber of Commerce and Golden Crescent Regional Planning Commission. The shared facility is intended to realize operating efficiencies and create opportunities for fruitful collaboration.
- Use of TRB allocation for allied health, probably as an addition to both of the above construction projects, combined with renovation of existing space.

New programs:

- Implementation of a bachelor's degree in Nursing (BSN), to be offered in Victoria and Sugar Land (faculty hiring half done and on target; Board of Nursing Examiners (BNE) and then Coordinating Board approval expected this summer, following the visit of a BNE team to both sites).
- Coordinating Board approval and then fall implementation of a new online master's degree in Economic Development and Entrepreneurship.

Priority 1: Responsive Growth and Access

Although growth and access may be separated as goals, the same enrollment initiatives often serve both, and UHV's continued emphasis on outreach and responsiveness relates to both. For the past several years, the enrollment trend for UHV has climbed steeply upward, owing to increased presence in Fort Bend County, development of online capabilities, expanded program offerings, and aggressive recruiting. Outreach efforts, new programs, and scholarship support have provided access to students who previously lacked it and enabled the institution to grow. The initiatives detailed below are intended to continue these successful efforts.

Initiatives

- ***Continue to Develop and Extend Academic Program Offerings (\$267,884)***
For FY07, UHV will hire additional faculty, increase operating budgets, and make other investments needed for program initiatives. These include implementing the new BS in Nursing; international expansion of the MBA, with the creation of a global MBA option; implementing a new online MS in Economic Development and Entrepreneurship; and continued efforts to increase enrollments for all programs offered at the Fort Bend centers. A new MS in Information Systems has recently been approved and implemented at both of the centers, and the existing bachelor's degree in general Psychology is being introduced at Cinco Ranch.

Additional funding to continue to develop and extend academic program offerings:

New Resources

- Additional 4.5 FTE faculty for Arts & Sciences, Business and Education, less reallocation of 2.0 faculty salaries in Business \$178,046
- Additional faculty summer salaries 34,873
- M&O increases 40,254
- Additional staff salaries 14,711

▪ ***Continue to Provide On-line Courses and To Support UHS Distance Education Efforts (<\$35,454>)***

For several years, UHV has moved rapidly to expand programs and services through distance education. The university will continue to make the investments needed to respond to the growing market for online and off-campus educational services. Specifically, it will continue to enhance electronic library services and resources; add capability to Instructional Support Services to support the WebCT Vista course management platform; improve student orientation and advisement online; and implement more fully the previously piloted online program, called Breeze, which provides real time access and enables remote students to participate in a traditional face-to-face course or in advisement or tutoring sessions.

Additional funding to develop online courses and support UHS distance education

New Resources

- Decrease in WebCT cost <\$35,454>

▪ ***Support UH System Efforts at Sugar Land and at Cinco Ranch (\$319,436)***

As site manager of the Sugar Land and Cinco Ranch centers, UHV will assist in solidifying, supporting, and expanding the UH System presence in the area. To accommodate enrollment growth, improve access, and provide for future growth, UHV will work with WCJC and the Sugar Land community to secure funds for construction of a new building for the Sugar Land center. In FY06, increases to the Sugar Land and Cinco Ranch service charges, in addition to assumption of the Cinco Ranch budget, will enable UHV to fulfill these responsibilities.

Both sites are being placed under the on-site supervision of an academic administrator, Dean of Academic Services, whose primary duties will be focused on the program promotion and support. Infrastructure and administrative support are now being provided to both centers in the same manner as it is to the UHV home campus. E.g., building and grounds maintenance is supervised by Facilities Management, library services by the Library, etc. This arrangement is intended to realize more immediate communications and efficiencies and to enable the dean and office staff to focus on serving students and faculty.

Additional Funding to Support UH System @ Sugar Land and at Cinco Ranch

New Resources

- UHS-Sugar Land Service Charge increases \$14,372
- UHS-Cinco Ranch Service Charge increases 136,722

HEAF

- Capital support for UHS-Sugar Land 117,796
- Capital support for UHS-Cinco Ranch 50,546

▪ ***Continue Recruitment, Retention and Outreach Initiatives (\$305,636)***

In addition to program expansion, enrollment growth requires a strong commitment to student recruitment and retention. UHV will continue to expand student scholarships to ensure a college education remains affordable, continue close collaboration with community colleges as partners in baccalaureate degree programs, extend recruitment directly into the high schools, and continue the LEAD initiative, which is an ongoing effort to inform public school students and their parents about prospects, resources, and reasons for attending college. Should funding permit, the institutional will establish 3-6 competitive graduate fellowships, intended to attract high-quality students and increase the visibility of our graduate programs. In addition to these student-outreach initiatives, UHV will also continue outreach endeavors focused on community and economic development. Specifically, the university will continue to seek funding next year for a facility that would house the Small Business Development Center (SBDC), Greater Victoria Chamber of Commerce, and other non-profit entities engaged in regional economic development.

Additional funding to continue recruitment and outreach initiatives

New Resources

- Marketing \$129,000
- New Scholarships 153,526
- Additional staff salaries 22,610
- Additional M&O 500

▪ ***Expand involvement in international education (\$123,281)***

Expanding international education opportunities is a high priority for UH-Victoria. The university has established a permanent committee on international education implementing the recommendations of a Task Force on International Engagement; is working within the UH System to establish collaborative initiatives abroad; and has initiatives or prospects currently in progress in Egypt, Mexico, and China.

Additional funding to expand involvement in international education in keeping with Regents' Strategic Principles

New Resources

- Additional staff salaries \$109,481
- Additional M&O Support 13,800

Priority 1. Growth and Access

	<u>Source of Funds</u>	
	<u>New Resources</u>	<u>HEAF</u>
Continue to Develop and Extend Academic Program Offerings	\$267,884	
Continue to Develop On-line Courses and Support UHS Distance Education Efforts	<35,454>	
Support UH System Efforts at Sugar Land and at Cinco Ranch	151,094	168,342
Continue Recruitment and Outreach Initiatives	305,636	
Expand Involvement in International Education	123,281	
Total:	\$812,441	\$168,342

Priority 1 total additional funding allocated: \$980,783

State Key Participation & Success Measures:

- Headcount enrollment by ethnicity, gender, level and age
- FTE enrollment by ethnicity gender, level and age
- Graduates by level, ethnicity and gender
- Graduates in key fields
- Teacher production & certification
- International enrollments

Priority 2: Quality Improvement

UHV's commitment to quality and institutional effectiveness are evidenced in the quite successful reaffirmation of its regional accreditation in 2003 and its achievement of AACSB accreditation of its Business programs in 2005, as well as in its comprehensive assessment processes. Nonetheless, quality improvement remains a challenge, and the institution continues to look for ways to enhance programs and services, support our employees, develop credible/affordable means of measuring results, and providing ample student access to current learning technologies and library resources.

Initiatives

- **Support Competitive and Equitable Pay Based on Performance (747,174)**
As the UHS Strategic Principles indicate, faculty and staff are a university's most valuable assets, and so we must ensure that we are providing them competitive compensation and a supportive work environment. UHV conducts biennial salary reviews for both faculty and staff to monitor internal equity and external competitiveness (equity adjustments are not considered in the absence of meritorious performance).

The university conducts annual performance evaluations of both faculty and staff. Additionally, it conducts extensive and rigorous peer review of faculty for initial promotion and tenure and thereafter maintains a post-tenure review process for all tenured faculty. UHV will continue to make the investments in employee compensation increases and other human resources improvements, as resources permit in the coming year.

Additional funding to support competitive and equitable pay

New Resources

▪ Faculty Promotions/Equity	\$2,474
▪ Staff Reclassifications//Equity	42,688
▪ Increased Costs of Employee Benefits	454,512
▪ Classification System Consultant	17,500
▪ Merit	230,000

▪ ***Provide Training and Development Opportunities (\$29,909)***

In addition to compensation, universities must provide their employees with professional development opportunities if institutional quality is to be maintained and enhanced. UHV will continue to provide training and development opportunities for faculty and staff, both on site and online. The university uses a combination of local, endowment, and state funds to support faculty research and participation in professional conferences. It has recently invested in an online training service, called SkillSoft, that will enable it to deliver a wider array of training opportunities, as well as deliver them more equitably and efficiently to employees located at different sites. The training modules are also available for student assignments.

Additional funding to provide training and development opportunities

New Resources

▪ Staff Scholarships	\$10,000
▪ Provision of online training and development (SkillSoft)	\$11,000
▪ Increased Employee Training	8,909

▪ ***Enhance attention to and support of faculty research, especially sponsored research (\$122,805)***

Faculty members have been increasingly productive in publishing their research and in securing external grants in recent years. However, since the institution has not had degree programs in the natural science and health professions, the research has seldom been sponsored and the grants have largely supported instruction and service. The research published and grants secured are no less important; it is simply that they do not fit in the category of sponsored research. With the addition of programs in the life and health sciences, along with faculty in those areas, the institution expects to expand activities in sponsored research. An Assistant VP for Research and Program Development has been hired and has already helped to secure external grants. An office of sponsored research is currently being established with staffing and space assigned.

Additional funding to support faculty research and sponsored programs

New Resources

▪ Faculty development	\$55,879
▪ Additional research support staff	66,926

▪ **Provide Support for Additional Quality Improvements (\$766,712)**

In addition to salary increases and training, UHV will take additional steps to ensure that faculty and staff are well supported in their professional endeavors and that the university's infrastructure is sufficient to support the quality that the university expects in its programs and services. As noted above, UHV has now implemented recommendations of a task group established and reported last year, regarding coordination and consolidation of various training opportunities provided by the institution. The university is implementing a newly developed student-satisfaction survey, which is replacing a commercially available survey that was used for several years. The new survey is more nearly tailored to the university's student clientele and will result in some cost savings. We will continue implementation of the Breeze platform that provides synchronous online communications (useful for instructional and other purposes such as student advising). It is using the newly implemented library fee to improve library resources and services. Following about a year of development, reported in last year's plan, we have now implemented extensive improvements to the university's web site.

Additional funding to provide support for additional quality improvements

New Resources

▪ Additional staff salaries	\$25,848
▪ Additional faculty salaries	3,000
▪ Faculty global expertise	30,000
▪ M&O increase	41,140
▪ Software upgrades	153,800

HEAF

▪ Upgrade postage machine	31,000
▪ Library materials	223,530
▪ Digital Copiers	258,394

Priority 2. Quality Improvement

	<u>Source of Funds</u>	
	<u>New Resources</u>	<u>HEAF</u>
Competitive and Equitable Pay	\$747,174	
Provide Training and Development	29,909	
Enhance Support of Faculty Research	122,805	
Provide Support for Additional Quality Improvements	253,788	\$512,924
Total	\$1,153,676	\$512,924

Priority 2 total additional funding allocated: \$1,666,600

State Key Participation & Success Measures:

- Baccalaureate graduates success (employed or in grad school one year out)
- FTE student/FTE faculty ratio
- Tenure/tenure-track faculty percentage
- All research expenditures
- Federal research expenditures per FTE faculty
- Research as a percent of general revenue

Priority 3: Accountability, Efficiencies, and Stewardship

UHV takes seriously its accountability for the integrity, effectiveness, and efficiency of its efforts, including the stewardship of all resources entrusted to it. This accountability extends to a number of oversight bodies, including the Board of Regents, the Texas Higher Education

Coordinating Board, the state legislature, the regional accrediting body (COC/SACS), and the federal Department of Education. The institution is also accountable to its students, its alumni, its benefactors, and its employees, all of whom have invested trust and more in the university. The university therefore continues to seek means and measures for evaluating, reporting, and improving its performance. It strives to ensure that it complies with known standards related to faculty workload and credentials, to student admissions and the award of financial aid, and to the delivery of degree programs. It emphasizes administrative efficiency, and it has provided for clear, consistent, and participatory processes of decision-making. Also, it seeks to raise private funds that can assist worthy students to go to college, improve the quality of instruction and research, and provide valuable services to the community.

Initiatives

▪ ***Support Emerging Technology Needs (\$624,240)***

As the number of students, faculty and staff increases, so do the university's information technology needs. UHV emphasizes the employment of technology that promotes cost-effective support for students and other users of university services – including improved electronic access to the library, improved e-mail access from off-campus, and support of online and telephone registrations, etc. In FY06, UHV will make new investments in IT technical support, as well as upgrades to computers, servers and other equipment. Join the LEARN Network which will support sufficient bandwidth needed for the next 5 years. This will be cost effective over current costs for bandwidth.

Additional funding to support technology needs

HEAF

▪ Computer replacements for Faculty/Student Labs/Staff	208,000
▪ IT Equipment replacement	185,450
▪ Server equipment upgrades	123,450
▪ EEG equipment	7,340
▪ LEARN Network	100,000

▪ ***Support Needed Development and Efficient Use of Facilities (\$108,494)***

A commitment to maintaining, improving and expanding facilities is necessary if UHV is to ensure quality in the services it provides to students and other constituents. UHV continues to work on two large scale facilities planning initiatives: the funding and construction of a new building to serve the UHS at Sugar Land, as well as Wharton County Junior College, and a new campus facility for the Small Business Development Center and related economic development entities in the region.

Additional funding to support needed development and efficient use of facilities

New Resources

- Increase in utilities \$68,494

HEAF

- Plant support 40,000

▪ **Support Fundraising Efforts (\$65,550)**

As the costs of education rise and the pressure to provide affordable programs to a growing student population builds, universities must look more and more to private support to fund their operations. UHV will continue customary efforts to complement state support with funding from private sources; it will participate in the UH System's comprehensive campaign; and it will enhance the following initiatives in order to sustain and grow the university's annual fund campaigns: greater campaign segmentation, new donor acquisition, payroll deduction, individual giving levels, multiple individual gifts, corporate matching gifts, and special fund-raising events. The university will continue to build on the successes it has had this year in securing an endowed professorship and significant additional support for the new Nursing program, support for a health-care management option in the Business program, and support for the proposed new building in Sugar Land.

Additional funds to support fund raising and stewardship

New Resources

- Continue to establish alumni relations \$21,750
- Additional M&O 4,800
- Additional fundraising support 39,000

▪ **Continue Emphasis on Administrative Efficiency (\$128,831)**

UH-Victoria will continue to make administrative investments needed to ensure that the university is operating efficiently and effectively. These allocations are itemized below.

Additional funds to continue emphasis on Administrative Efficiency

New Resources

- M&O decrease <33,660>
- Increase adjunct salaries 35,000
- Reallocated staff <48,926>

HEAF

- PeopleSoft support 163,626
- Contingency 12,791

▪ **Support State-wide HUB Efforts (No new investments)**

Although it will require no investment of new resources, UHV will aggressively pursue good-faith efforts to increase HUB expenditures (the President is actively supporting the campus initiative and has personally communicated expectations and goals to all unit heads and delegated purchasers). A campus goal has been set to purchase 20% of qualified expenditures from HUB and other minority vendors. UHV has made strides to increase HUB

expenditures in the first half of FY 2006. Of the total purchases reported to the Texas Building and Procurement Commission, 42.5% of purchases with HUB. UHV recognizes a need to increase purchases with Hispanic and African-American vendors and is currently working to increase HUB activity with these groups.

Priority 3. Accountability, Efficiency, and Stewardship

	<u>Source of Funds</u>	
	<u>New Resources</u>	<u>HEAF</u>
Support Technology Needs		\$624,240
Support Needed Development and Efficient Use of Facilities	68,494	40,000
Support Fund Raising and Stewardship	65,550	
Continue Emphasis on Administrative Efficiency	<47,586>	176,417
Total	\$86,458	\$840,657

Priority 3 total additional funding allocated: \$927,115

State Key Participation & Success Measures:

- Administrative cost ratio
- Appropriated funds per FTE faculty & student
- All expenditures per FTE student
- Total revenue per FTE student & faculty
- Historical underutilized business expenditures
- Space utilization

University of Houston-Victoria
Appendix A - Allocation of New FY 2007 Resources

<u>Revenue Changes</u>	
General Revenue	
Special Items Decrease	\$ (1,772)
Tuition Revenue Bond Funding	1,771
Other General Revenue	460,014
Subtotal	<u>\$ 460,013</u>
Tuition	
Statutory and Grad Premium Tuition	\$ 57,235
Designated Tuition	781,228
Subtotal	<u>\$ 838,463</u>
Student Fees	
Extended Access Fee	\$ 53,448
Library Use Fee	6,681
Other Student Fee	2,000
Student Service Fee	33,405
Subtotal	<u>\$ 95,534</u>
Other Revenue Changes	\$ 169,110
Reallocations	\$ 489,455
Total New Funds for Allocation	<u><u>\$ 2,052,575</u></u>

<u>Priority/Initiative</u>	<u>Allocation</u>
Priority 1. Growth and Access	
Extend Academic Program Offerings	\$ 267,884
On-line Courses and Distance Education Support	(35,454)
UHS@Sugar Land and UHS@Cinco Ranch Support	151,094
Increased Student Recruitment Efforts	305,636
Expand International Education	123,281
Subtotal	<u>\$ 812,441</u>
Priority 2. Quality Improvement	
Support Competitive and Equitable Pay	\$ 747,174
Increase Training & Development	29,909
Enhance Support of Faculty Research	122,805
Support for Quality improvements	253,788
Subtotal	<u>\$ 1,153,676</u>
Priority 3. Demonstrable Accountability	
Efficient Use of Facilities	\$ 68,494
Support Fund Raising and Stewardship	65,550
Continue Administrative Efficiency	(47,586)
Subtotal	<u>\$ 86,458</u>
Total New Investments	<u><u>\$ 2,052,575</u></u>

University of Houston-Victoria
Appendix B - Allocation of FY 2007 HEAF

<u>FY07 Allocation</u>	
HEAF	<u>\$ 1,521,923</u>

<u>Priority/Initiative</u>	<u>Allocation</u>
Priority 1. Growth and Access	
Support UHS Sugar Land and UHS Cinco Ranch	\$ 168,342
Priority 2. Quality Improvement	
Upgrade Postage Machine	\$ 31,000
Library materials	223,530
Digital Copiers	258,394
Subtotal	<u>\$ 512,924</u>
Priority 3. Demonstrable Accountability	
Computer Replacement	\$ 208,000
IT Equipment Replacement	185,450
Server Equipment Upgrades	123,450
LEARN Network	100,000
EEG Equipment	7,340
Plant Support	40,000
PeopleSoft Support	163,626
Contingency	12,791
Subtotal	<u>\$ 840,657</u>
Total New Investments	<u>\$ 1,521,923</u>

University of Houston-Victoria
Appendix C - Projected Availability of Scholarships and Grants

	<u>FY2006</u>	<u>FY2007</u>
Funds from Endowed Scholarships	\$ 275,796	\$ 297,453
State Scholarships		
Texas Grant Program Scholarship	96,140	71,060
Accounting Scholarship	2,838	3,000
Teacher Quality Grants	39,224	25,080
Texas Pubile Education Grant (TPEG)	442,475	448,803
Property Deposit Scholarships	8,000	8,000
Designated Tuition Financial Aid Set-Asides		
Undergraduate Scholarships	33,381	89,159
Graduate Scholarships	41,756	99,208
Institutional Scholarships	54,622	88,990
MBA Scholarships	40,000	40,000
Staff Scholarships	37,000	35,900
Employee Tuition Exchange Program with Victoria College	15,000	15,000
Education Initiatives Scholarships		100,000
Austin Community College Scholarship Initiative		75,000
Texas College Work Study	9,826	9,826
State Leveraging Education Assistance Program (SLEAP)	5,634	5,634
Federal College Work Study	50,000	50,000
Federal Pell Grants	1,201,450	1,201,450
Federal Supplemental Education Opportunity Grants (SEOG)	49,708	47,464
Total	<u>\$ 2,402,850</u>	<u>\$ 2,711,027</u>

University of Houston-Victoria
Table 1 - Summary of Sources & Uses of Funds

<u>Operating Budget</u>	FY2006 Budget	-----Change----- Dollars Percent		FY2007 Budget
Source of Funds				
Operations	\$ 27,422,748	\$ 2,426,301	8.8%	\$ 29,849,049
Restricted	2,325,305	(76,033)	-3.3%	2,249,272
Total	<u>\$ 29,748,053</u>	<u>\$ 2,350,268</u>	<u>7.9%</u>	<u>\$ 32,098,321</u>
Use of Funds				
Operations	\$ 27,422,748	\$ 2,426,301	8.8%	\$ 29,849,049
Restricted	2,325,305	(76,033)	-3.3%	2,249,272
Total	<u>\$ 29,748,053</u>	<u>\$ 2,350,268</u>	<u>7.9%</u>	<u>\$ 32,098,321</u>
<u>Capital Budget</u>	FY2006 Budget	-----Change----- Dollars Percent		FY2007 Budget
Source of Funds				
	\$ 12,145,000	\$ (8,145,000)	-67.1%	\$ 4,000,000
Use of Funds				
	\$ 12,145,000	\$ (8,145,000)	-67.1%	\$ 4,000,000
<u>Total Operating Budget & Capital Budget</u>	FY2006 Budget	-----Change----- Dollars Percent		FY2007 Budget
	<u>\$ 41,893,053</u>	<u>\$ (5,794,732)</u>	<u>-13.8%</u>	<u>\$ 36,098,321</u>

University of Houston-Victoria

Table 2 - Operations

Source of Funds	FY2006 Budget	Change		FY2007 Budget
		Dollars	Percent	
General Funds				
State General Revenue Appropriations				
Formula Funding	\$ 9,881,116	\$ (1,710)	0.0%	\$ 9,879,406
Special Items	444,875			444,875
Tuition Revenue Bonds	1,695,787	1,771	0.1%	1,697,558
State Benefits Appropriation	2,026,561	454,512	22.4%	2,481,073
Dedicated Appropriations-TX Grant/College Work Study	104,985	5,440	5.2%	110,425
Subtotal State General Revenue Appropriations	14,153,324	460,013	3.3%	14,613,337
Tuition and Fees				
Statutory & Graduate Premium	3,638,190	57,235	1.6%	3,695,425
Lab/other Student Fees	24,000	2,000	8.3%	26,000
Subtotal Tuition and Fees	3,662,190	59,235	1.6%	3,721,425
HEAF	1,521,922	1	0.0%	1,521,923
Indirect Cost				
Aux Admin Chg/Opt Clinic/Institutes/Cont. Ed/Other	932,831	227,557	24.4%	1,160,388
Income on State Treasury Deposits	33,724	21,276	63.1%	55,000
Fund Balance	431,417	177,955	41.2%	609,372
Subtotal General Funds	20,735,408	946,037	4.6%	21,681,445
Designated				
Tuition and Fees				
Designated Tuition - General	2,806,484	781,228	27.8%	3,587,712
Technology Fee	1,144,848	53,448	4.7%	1,198,296
Major/Department/Class Fees	640,482	6,681	1.0%	647,163
Subtotal Tuition and Fees	4,591,814	841,357	18.3%	5,433,171
Indirect Cost	131,020	(6)	0.0%	131,014
Investment Income on Non-Endowed Funds	78,666	141,334	179.7%	220,000
Contracts / Grants / Gifts	2,000	6,500	325.0%	8,500
Self Supporting Organizations/Others	1,038,292	127,479	12.3%	1,165,771
Fund Balance	48,638	311,203	639.8%	359,841
Subtotal Designated Funds	5,890,430	1,427,867	24.2%	7,318,297
Auxiliary Enterprises				
Student Fees				
Student Service Fee	715,530	33,405	4.7%	748,935
Subtotal Student Fees	715,530	33,405	4.7%	748,935
Sales & Service - Athletics/Hotel/UC/Other	19,136	(9,236)	-48.3%	9,900
Fund Balance	62,244	28,228		90,472
Subtotal Auxiliary Funds	796,910	52,397	6.6%	849,307
Total Current Operating Funds	27,422,748	2,426,301	8.8%	29,849,049
Total Sources	\$ 27,422,748	\$ 2,426,301	8.8%	\$ 29,849,049
Use of Funds by Object				
Salaries and Wages	\$ 13,541,271	\$ 1,046,488	7.7%	\$ 14,587,759
Benefits	3,014,020	478,083	15.9%	3,492,103
M&O	6,902,480	397,562	5.8%	7,300,042
Capital	1,093,875	96,079	8.8%	1,189,954
Scholarships	755,188	344,012	45.6%	1,099,200
Debt Service	1,771,914	(4,417)	-0.2%	1,767,497
Utilities	344,000	68,494	19.9%	412,494
Total Uses	\$ 27,422,748	\$ 2,426,301	8.8%	\$ 29,849,049

University of Houston-Victoria

Table 3 - Restricted

	FY2006 Budget	Change		FY2007 Budget
		Dollars	Percent	
Source of Funds				
Restricted				
Contracts and Grants				
Financial Aid	\$ 1,301,158	\$ 6,776	0.5%	\$ 1,307,934
Endowment Income	354,212	30,586	8.6%	384,798
Other Restricted(encum, student fees, other E&G)	669,935	(113,395)	-16.9%	556,540
Total Current Operating Funds	<u>2,325,305</u>	<u>(76,033)</u>	<u>-3.3%</u>	<u>2,249,272</u>
Total Sources	<u>\$ 2,325,305</u>	<u>\$ (76,033)</u>	<u>-3.3%</u>	<u>\$ 2,249,272</u>
Use of Funds by Object				
Salaries and Wages	\$ 92,909	\$ 11,585	12.5%	\$ 104,494
Benefits	26,015	3,243	12.5%	29,258
M&O	662,959	(117,826)	-17.8%	545,133
Scholarships	1,543,422	26,965	1.7%	1,570,387
Total Uses	<u>\$ 2,325,305</u>	<u>\$ (76,033)</u>	<u>-3.3%</u>	<u>\$ 2,249,272</u>

University of Houston-Victoria

Table 4 - Capital Projects

	Project to Date (1)	FY2007 Budget	Future Year Budgets	Total Project Budget	Funded From			
					HEAF	Revenue Bonds	Gifts Other	
New Construction								
UHS-Sugar Land Academic Building	\$ 300,000	\$ 3,500,000	\$ 31,200,000	\$ 35,000,000	\$ 441,000	\$ 22,900,000	\$ 10,000,000	\$ 1,659,000
Regional Economic Development Building	-	400,000	8,100,000	8,500,000	500,000	6,719,000	-	1,281,000
Allied Health	-	100,000	1,900,000	2,000,000	200,000	1,800,000	-	-
Subtotal New Construction	\$ 300,000	\$ 4,000,000	\$ 41,200,000	\$ 45,500,000	\$ 1,141,000	\$ 31,419,000	\$ 10,000,000	\$ 2,940,000
Total	\$ 300,000	\$ 4,000,000	\$ 41,200,000	\$ 45,500,000	\$ 1,141,000	\$ 31,419,000	\$ 10,000,000	\$ 2,940,000

(1) Project expenditures to date estimated through August 31, 2006

University of Houston-Victoria
Table 5 - Number of Full-Time Equivalent Positions

Employee Classification	FY2006 Budget	Change		FY2007 Budget
		FTE	Percent	
Faculty	77	3	3.9%	80
Part-time Faculty	20	5	25.0%	25
Professional Staff	108	1	0.9%	109
Classified Staff	98	4	3.6%	102
Temporary Staff	14	2	14.3%	16
Total	317	15	4.6%	332

University of Houston-Victoria
Table 6 - Student Credit Hours, Headcount, and FTE

	FY2003 Actuals	FY2004 Actuals	FY2005 Actuals	FY2006 Budget	FY2007 Budget	FY07 vs FY06 Change
Semester Credit Hours						
Upper Division	23,332	25,590	27,182	27,785	29,557	1,772
Masters	18,915	19,188	18,840	19,917	20,372	455
Total	42,247	44,778	46,022	47,702	49,929	2,227
Semester Credit Hours-On/Off Campus						
On Campus	30,096	32,084	31,971	34,345	35,949	1,604
Off Campus	12,151	12,694	14,051	13,357	13,980	623
Total	42,247	44,778	46,022	47,702	49,929	2,227
Fall Headcount	2,183	2,411	2,459	2,508	2,633	125
Fall FTE	1,167	1,314	1,340	1,364	1,423	59

University of Houston-Victoria
Table 7 - Allocation of Student Service Fees

Sources	FY2006	-----Change-----		FY2007
	Budget	Dollars	Percent	Budget
Current Year Revenue	\$ 700,504	\$ 32,703	4.7%	\$ 733,207
Budgeted Fund Balance	63,639	27,233		90,872
Total Sources	\$ 764,143	\$ 59,936	7.8%	\$ 824,079
Allocations				
Financial Aid	\$ 243,121	\$ (1,386)	-0.6%	\$ 241,735
Student Relations	80,022	(1,727)	-2.2%	78,295
Student Senate	3,900	100	2.6%	4,000
Special Projects	54,502	5,594	10.3%	60,096
Child Care Assist	3,500	(3,500)	-100.0%	-
Registrar	85,434	1,023	1.2%	86,457
Publications	9,000			9,000
Student Organization	3,250			3,250
Student Ambassadors Program	1,000	(1,000)	-100.0%	-
SS Fees Contingency	30,000	19,971	66.6%	49,971
Special Events	14,893	(605)	-4.1%	14,288
Student Service Support	35,025			35,025
Credit Card Support	57,500	6,500	11.3%	64,000
Parking	1,000			1,000
Telecommunications Service	12,622			12,622
Transcripts	10,000			10,000
Commencement	19,000	23,000	121.1%	42,000
Graduation & Diploma	10,000			10,000
VIP/Registration Support	13,068	(2,675)	-20.5%	10,393
Career Services	53,585	4,086	7.6%	57,671
ADA Compliance	3,000			3,000
International Student Relations	1,895	(895)	-47.2%	1,000
Student Projects	826			826
Community and Alumni Relations	18,000	3,750	20.8%	21,750
Student Software Training Modules		7,700		7,700
Total Allocations	\$ 764,143	\$ 59,936	7.8%	\$ 824,079

University of Houston-Victoria
Note to Table 2: Operations Expenditures By Organization

NOTE 1

	FY2006	-----Change-----		FY2007
	Budget	Dollars	Percent	Budget
Use of Funds by Organization				
President	\$ 540,651	\$ 98,708	18.3%	\$ 639,359
Human Resources	246,968	70,431	28.5%	317,399
Regional Outreach	746,618	(524,216)	-70.2%	222,402
University Advancement	388,794	168,891	43.4%	557,685
Academic Affairs				
Office of the Provost	771,953	476,022	61.7%	1,247,975
Arts and Sciences	2,484,106	(79,509)	-3.2%	2,404,597
Business Administration	3,312,539	166,008	5.0%	3,478,547
Small Business Development Center	209,489	(11,989)	-5.7%	197,500
Education	2,373,130	133,329	5.6%	2,506,459
Student & Academic Services	1,469,829	(152,529)	-10.4%	1,317,300
Library	853,639	36,608	4.3%	890,247
Subtotal Academic Affairs	11,474,685	567,940	4.9%	12,042,625
Scholarships	755,188	344,012	45.6%	1,099,200
Administration and Finance				
Office of the VP Administration and Finance	820,089	282,789	34.5%	1,102,878
Budget	71,207	5,248	7.4%	76,455
Business Services	550,640	184,969	33.6%	735,609
Finance	453,595	(26,961)	-5.9%	426,634
Financial Aid				245,785
Information Technology	1,538,511	61,751	4.0%	1,600,262
Plant Operations	923,931	(33,302)	-3.6%	890,629
Subtotal Administration and Finance	4,357,973	474,494	10.9%	5,078,252
Staff Benefits	2,835,527	656,576	23.2%	3,492,103
Contingency	230,000			230,000
Debt Service	1,771,914	(4,435)	-0.3%	1,767,479
System Service Charge	1,523,984	190,964	12.5%	1,714,948
System Center-Sugar Land	1,232,329	16,305	1.3%	1,248,634
System Center-Cinco Ranch	877,233	57,196	100.0%	934,429
Information System Project	96,884	(4,844)	-5.0%	92,040
Utilities	344,000	68,494	19.9%	412,494
Total Uses	\$ 27,422,748	\$ 2,180,516	8.0%	\$ 29,849,049

University of Houston-Victoria

Note to Table 3: Restricted Expenditures By Organization

NOTE 2

	FY2006 Budget	-----Change-----		FY2007 Budget
		Dollars	Percent	
Use of Funds by Organization				
President	\$ 71,439	\$ 1,069	1.5%	\$ 72,508
Academic Affairs				
Office of the Provost	40,184	8,769	21.8%	48,953
Regional Outreach	171,300	(47,700)	-27.8%	123,600
Arts and Sciences	81,906	87,966	107.4%	169,872
Education	245,157	(159,374)	-65.0%	85,783
Small Business Development Center	171,572	6,597	3.8%	178,169
Library	325	(325)	-100.0%	
Subtotal Academic Affairs	710,444	(104,067)	-14.6%	606,377
Scholarships	1,543,422	26,965	1.7%	1,570,387
Total Uses	\$ 2,325,305	\$ (76,033)	-3.3%	\$ 2,249,272

WORKLOAD, COMPENSATION, AND ADDITIONAL INCOME

F-1 Workload

General expectations with regard to teaching, research, and service are noted in section E.11.1. Percentage weights for evaluation are explained in E.7.4 and should provide guidance to the distribution of a faculty member's attention. Each academic school may have more specific expectations.

1.1 Teaching Load

This policy is in compliance with Sections 51.402 and 51.403 of the Texas Education Code, which requires the establishment of minimal teaching load requirements. Each faculty member paid full-time from the appropriations item "Faculty Salaries" must report a minimum of nine Teaching Load Credits (TLC) each semester. However, in practice, 12 TLCs represent the normal teaching load at UHV and may be reduced only with the Provost's approval (see below).

In addition to teaching, faculty workload includes academic advising, directing independent studies and theses, curriculum development, and committee work.

Faculty are also expected to engage in scholarly pursuits, remain active in their discipline and profession, and provide professional service to the community as need arises and time permits. Faculty workload policy attempts to quantify other activities related to instruction to assure fair and equitable workloads for all faculty members, while, simultaneously, meeting the special needs of this university.

Reduction in Teaching Load:

Although the overall standard remains a twelve-hour teaching load for each semester, this may be reduced at the discretion of the school to no fewer than nine for owed TLCs, additional time for productive research, administrative reassignment, grant projects, or possibly special projects. The following qualifications apply:

- The school/program must maintain its credit generation at the existing or expected level or above.
- Course scheduling must be maintained in a way that allows students to progress expeditiously toward their degrees.
- Faculty positions (full-time or part-time) cannot be added to support reductions in teaching load.
- If the semester teaching load has been reduced for the express purpose of allowing a faculty member more time for research, summer teaching must be comparably reduced, and the faculty member may not teach an overload or a course elsewhere for extra pay. Faculty members are otherwise free to engage in employment for additional compensation, so long as this falls within the provisions set by the Board of Regents (See F-3 below) and any applicable policy concerning external grants.
- There must be a written expectation of and accountability for what faculty members are expected to accomplish or produce if granted a reduction in teaching load, whether on a temporary or indefinite basis. This may be covered in a school policy statement or in a memorandum from the Dean to the individual faculty member.
- The reduction in teaching load may be continued only for so long as expectations are being fulfilled or until the task or project has been completed.