

# **Discover UH – the Business**

## ***Planning and Budgeting***

April 1, 2011

**Discover UH** – the Business  
*Planning and Budgeting*

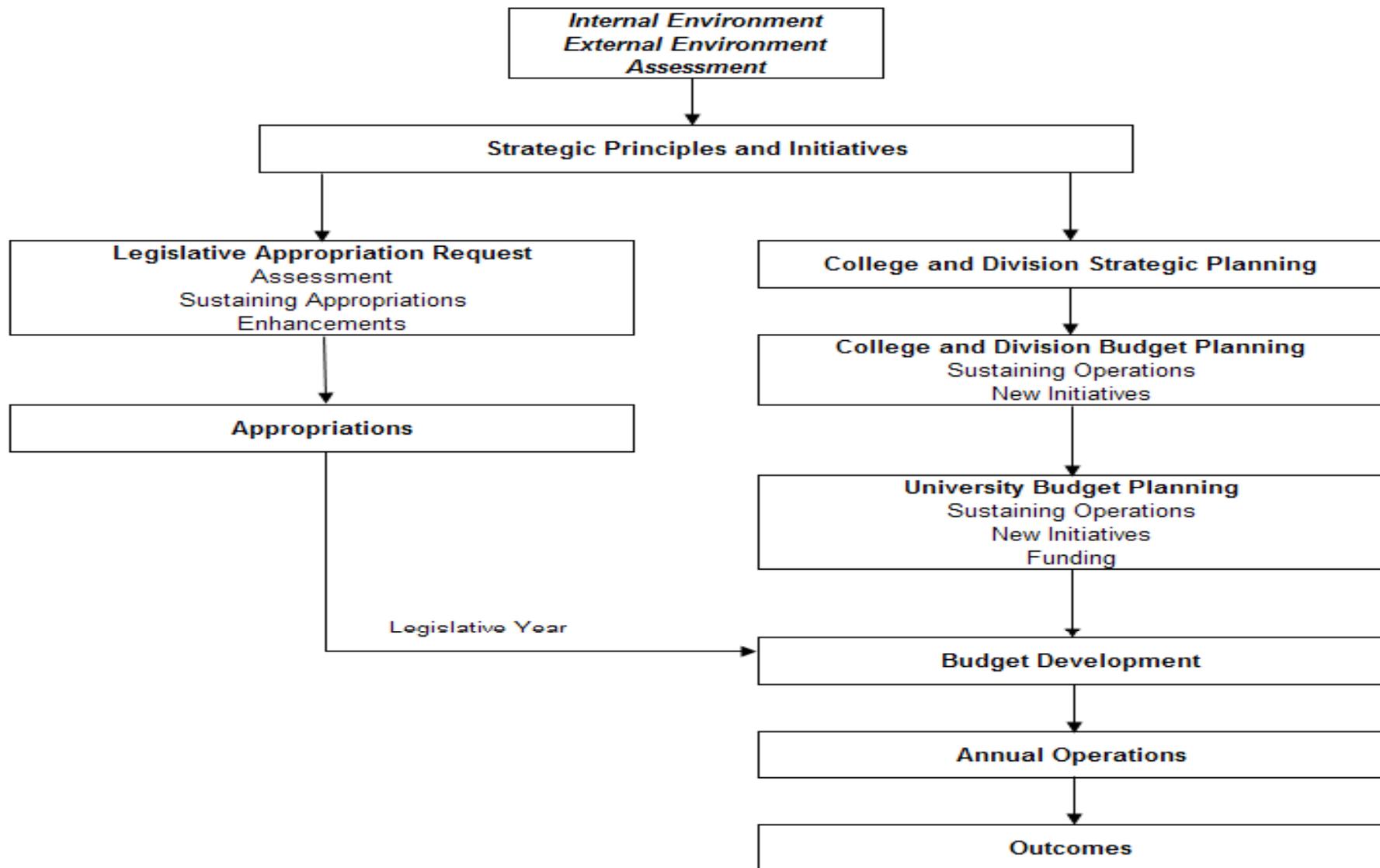
## Today's Session

- The UH Planning & Budgeting Process
- Exercise – Resource Allocation
- The State Appropriation Process
- The UH Budget

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The UH Planning & Budgeting Process

# Overview of the Planning and Budget Process



# Multiple Cycles

January 2011	February 2011	March 2011	April 2011	May 2011	June 2011	July 2011	August 2011	September 2011	October 2011	November 2011	December 2011
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Appropriation Biennium – Operations

FY2010- FY2011								FY2012- FY2013			
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Operating Fiscal Year

FY2011								FY2012			
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Project Year

ALL											
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Budget Planning Cycle

FY2012								FY2013			
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Fiscal Reporting Year

FY2011											
								FY2012			

Appropriations Process for FY2012-FY2013 Biennium

FY2012- FY2013						
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## The Planning and Budgeting Helix

### FY2012 Combined Planning, Tuition & Fees, Budgeting Calendars

2011 Week of	Planning	Tuition & Fees	Budget
Jan-10		First Day of Regular Legis. Session - Jan 11	
Jan-17	First day of classes Jan 18		
Jan-24		FY2012 Voluntary Fees to BOR Office	
Feb-14		BOR Meeting (Approve Voluntary Fees)	
Feb-28	Campus Budget Guidelines		
Mar-14	Spring Break		
Mar-21	College & Division Plans Due to the Provost and CFO	Tuition Advisory Committee Review	
Mar-28	College Hearings with Provost		
Apr-11		BOR Meeting (Approve Up-to for Mandatory Tuition & Fees)	
Apr-18	Division Hearings		
Apr-25	Campuses Budget Hearings with Chancellor		Campuses Budget Hearings with Chancellor
May-30		Last Day of Regular Legis. Session - May 30	
Date ?		BOR Meeting (Approve Final Mandatory Tuition & Fees)	
Jul-18	Final Campus Plans & Budgets Due to UHS		Final Campus Plans & Budgets Due to UHS
Jul-25	Assembly of Exec Plan & Budget		Assembly of Exec Plan & Budget
Aug-01	Distribution to BOR		Distribution to BOR
Aug-15	BOR Meeting (Approve FY2012 Budget)		BOR Meeting (Approve FY2012 Budget)

# Planning and Budgeting Guidelines

- Provost / CFO Memo to Cabinet
- Provost's Memo to Colleges
- Planning and Budgeting Guide

# Vice Presidents Guideline Memo

- Assumptions/Financial Environment
- Components
  - Plan for Reductions
  - Use of Equity/Reserves

# Provost's Guidelines

- Planning Assumptions
  - State Funding Reductions
  - Funding Reallocation
  - Tuition and Fee Assumptions
- Components
  - Three-Year Strategic Direction
  - Plan for Budget Reductions, Operating Efficiencies and New Revenue Sources
  - Completed Planning Workbook
  - Proposals for Major Construction and Renovation

# Deans' Guidelines

- Planning Assumptions
  - State Funding Reductions
- Process
  - Initial Plan for Reduction
- Components
  - Opportunities for Reductions
  - Impact on College
- Use of Fund Equity
- Faculty Searches

# Planning and Budgeting Guide

- Positions – Continuing, Vacant and New
- Budgeting Guide by Fund Group
- Budget Principles
  - Planning Driven Budgeting
  - Realism
  - Unbiased Forecasts
  - Full Disclosure
  - Balance
  - Prudent Fund Balances
  - Compatibility

Location: [http://www.uh.edu/finance/Departments/Budget/PDF%20Files/FY11\\_Planning\\_&\\_Guide.pdf](http://www.uh.edu/finance/Departments/Budget/PDF%20Files/FY11_Planning_&_Guide.pdf)

# Environmental Considerations

## Internal and/or External

- Enrollment and enrollment demand
- Facilities
- Resources
- Sustaining on-going operations
- Academic excellence
- Diversity
- Accountability
- Research expectations and support
- Partnerships
- Faculty and staff recruitment and retention

Foremost Consideration

# State of Texas Financial Condition

# Assessment

- State Performance Measures
  - Legislative
  - Coordinating Board
  - Web Posting Requirements
- Southern Association of Colleges and Schools (accreditation)
- Research rankings
- Rankings by publications

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**Exercise – Resource Allocation**

## Discover UH – the Business Planning and Budgeting

### Exercise: How Do Your Priorities Compare to the Board of Regent's Priorities?

#### FY2011 Available New Resources

<b>Appropriations Bill</b>	
1 General Revenue	\$ 260,000
<b>Tuition</b>	
2 Tuition & Fee Rate Change	\$ 10,836,000
3 Tuition & Fees from Enrollment Increase	4,645,000
4 Graduate Differential Designated Tuition	4,254,000
5 Subtotal Tuition	<u>\$ 19,735,000</u>
<b>Student and Auxiliary Fees</b>	
6 Student Academic Service Fee/Course Fee	\$ 2,169,000
7 Housing	6,500,000
8 University Center	3,997,000
9 Meal Plans	496,000
10 Parking	340,000
11 Subtotal Student and Auxiliary	<u>\$ 13,502,000</u>
12 <b>Investment Income</b>	\$ (957,000)
<b>Departmental Reductions/Reallocations</b>	\$ 19,270,000
13 <b>Total New Funds for Allocation</b>	<u><u>\$ 51,810,000</u></u>

#### FY2011 Allocation of New Resources

<b>Priority 1. Student Access and Success</b>	
1 Financial Aid	.....
2 Faculty Hiring & Retention	.....
3 Student Recruitment & Marketing	.....
4 Core Curriculum Initiatives	.....
5 Expanded Instruction	.....
6 UH Northwest Start-Up & Operations	.....
7 University Libraries	.....
8 Campus Housing	.....
9 Campus Life Initiatives	.....
10 Subtotal	<u>\$</u>
<b>Priority 2. National Competitiveness</b>	
11 Health & Biomedical Sciences Building	.....
12 Energy Research Park & Other New Facilities	.....
13 Animal Care Operations	.....
14 Professional Program Enhancements	.....
15 Subtotal	<u>\$</u>
<b>Priority 3. University Infrastructure &amp; Administration</b>	
13 Staff Retention	.....
14 Facilities Planning & Construction Core Operations	.....
15 Campus Safety Personnel	.....
19 Digital Signature Project	.....
20 Subtotal	<u>\$</u>
21 <b>Reserve for State Reduction</b>	.....
22 <b>Total New Investments</b>	<u>\$</u>

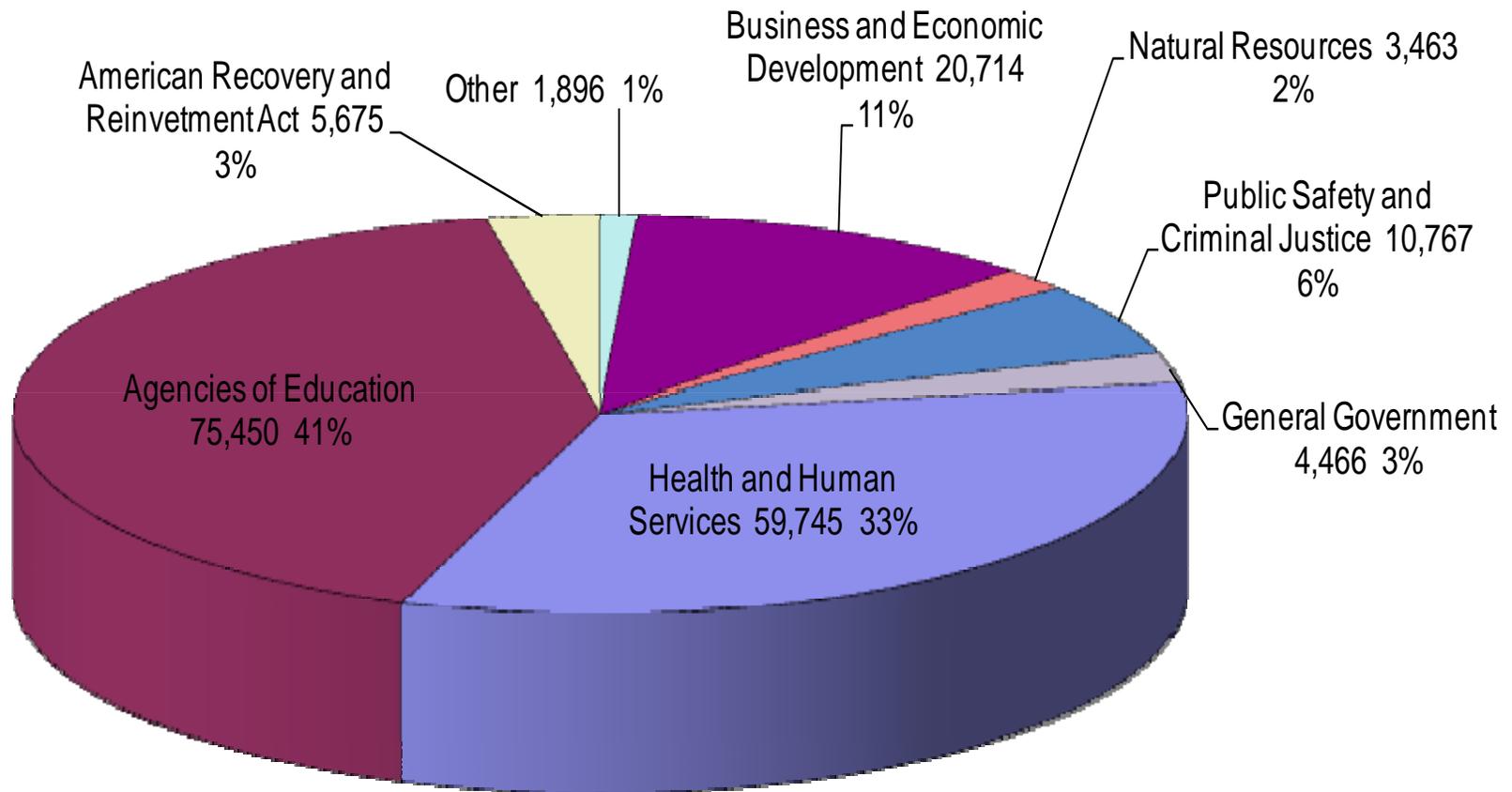
Team \_\_\_\_\_

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# The State Appropriations Process

# STATE OF TEXAS FY2010-FY2011 BIENNIAL APPROPRIATIONS

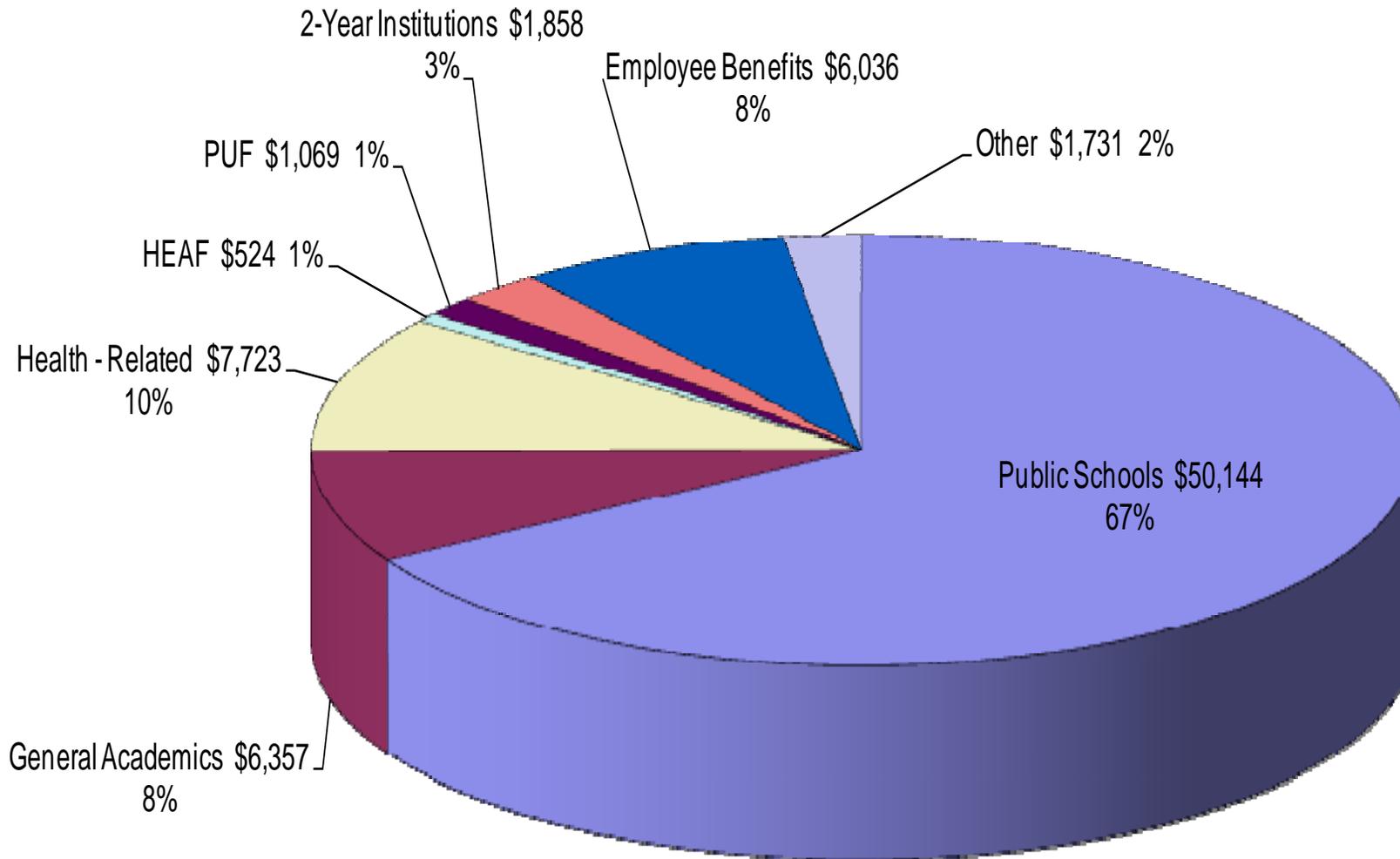
(ALL FUNDS, \$ in Millions)



Total \$182.2 Billion

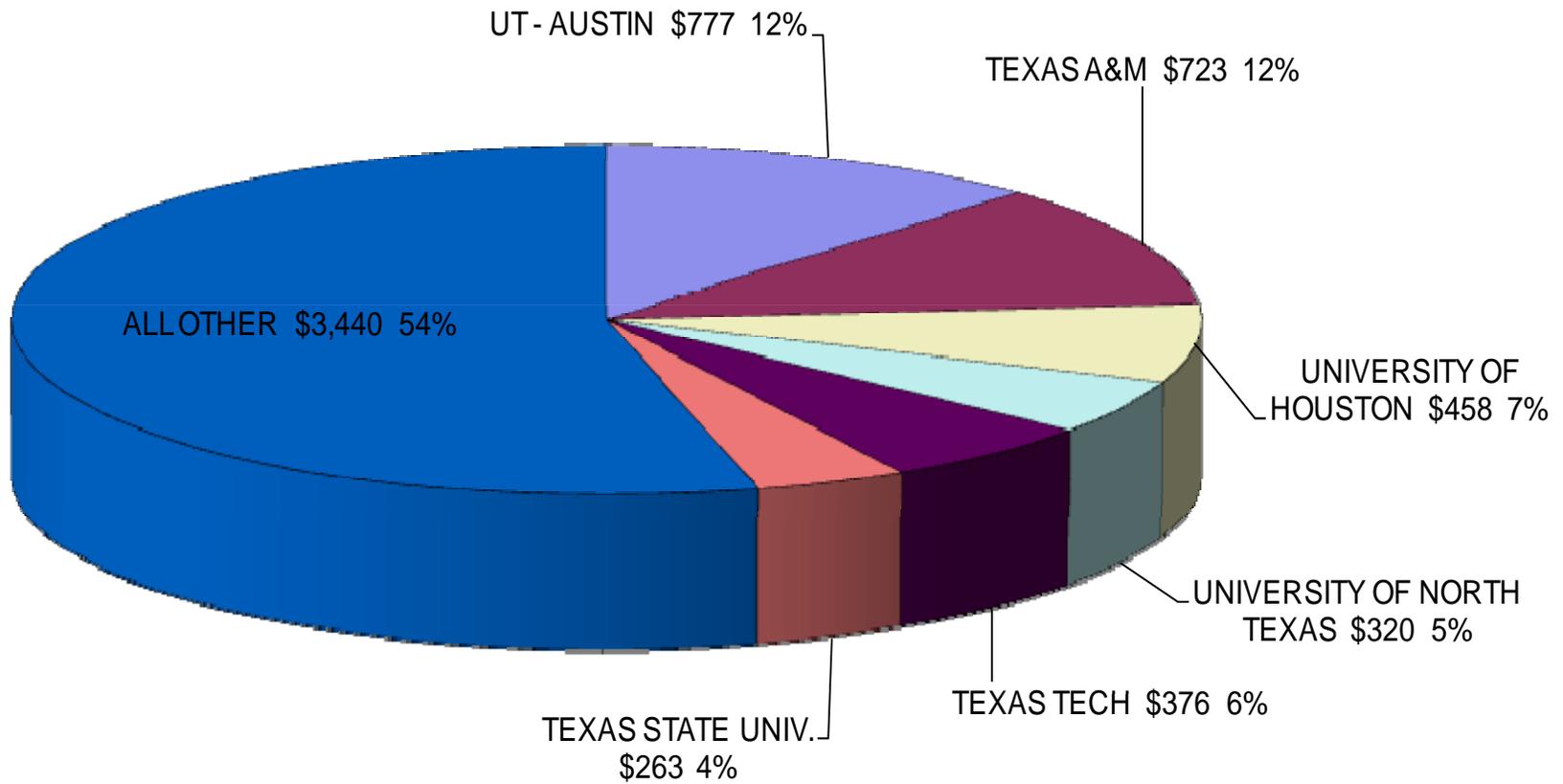
# AGENCIES OF EDUCATION APPROPRIATED FY2010-FY2011 BIENNIUM

(ALL FUNDS, \$ in Millions)



**TOTAL = \$75.5 Billion**

# GENERAL ACADEMICS - APPROPRIATED FY2010-FY2011 BIENNIUM (ALL FUNDS, \$ in Millions)



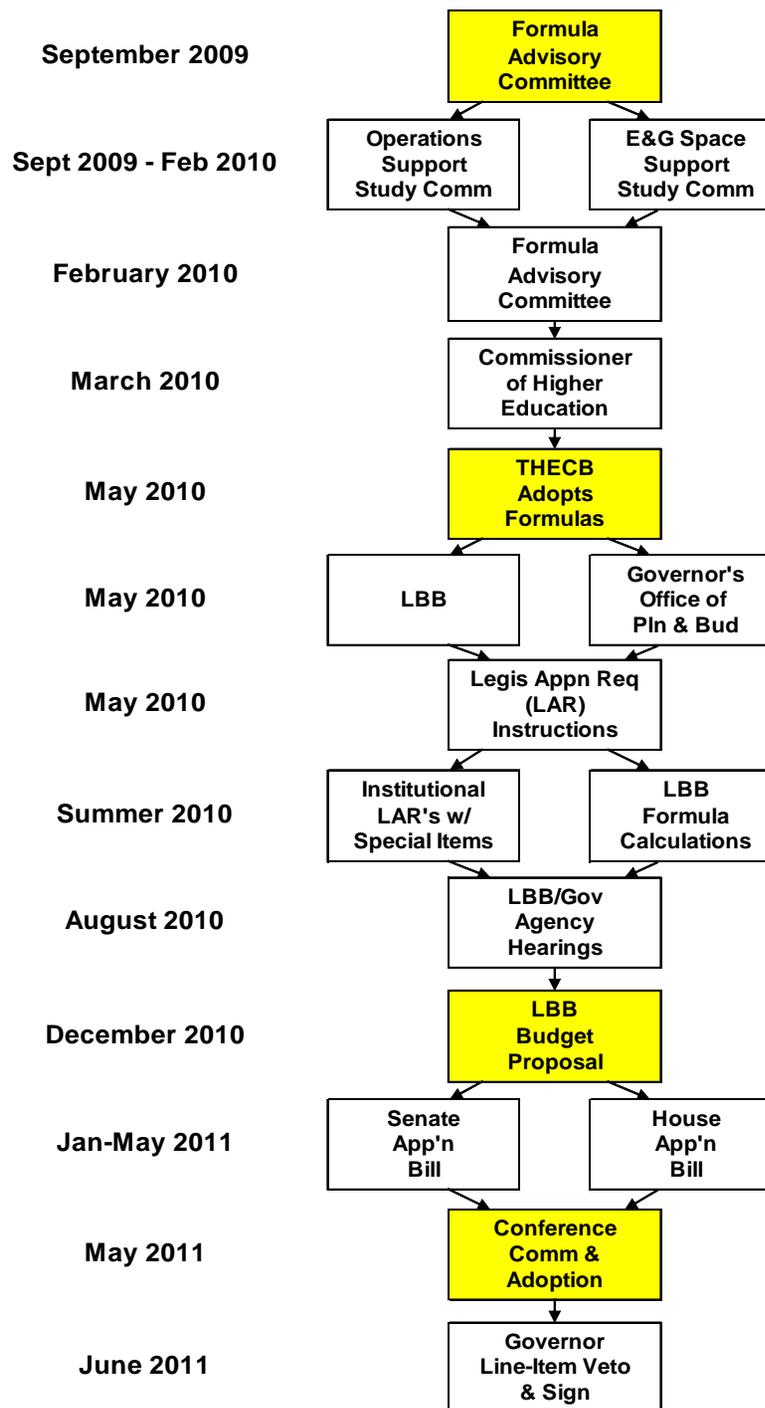
**TOTAL = \$6.4 Billion**

## Texas Formula Funding - History and Facts

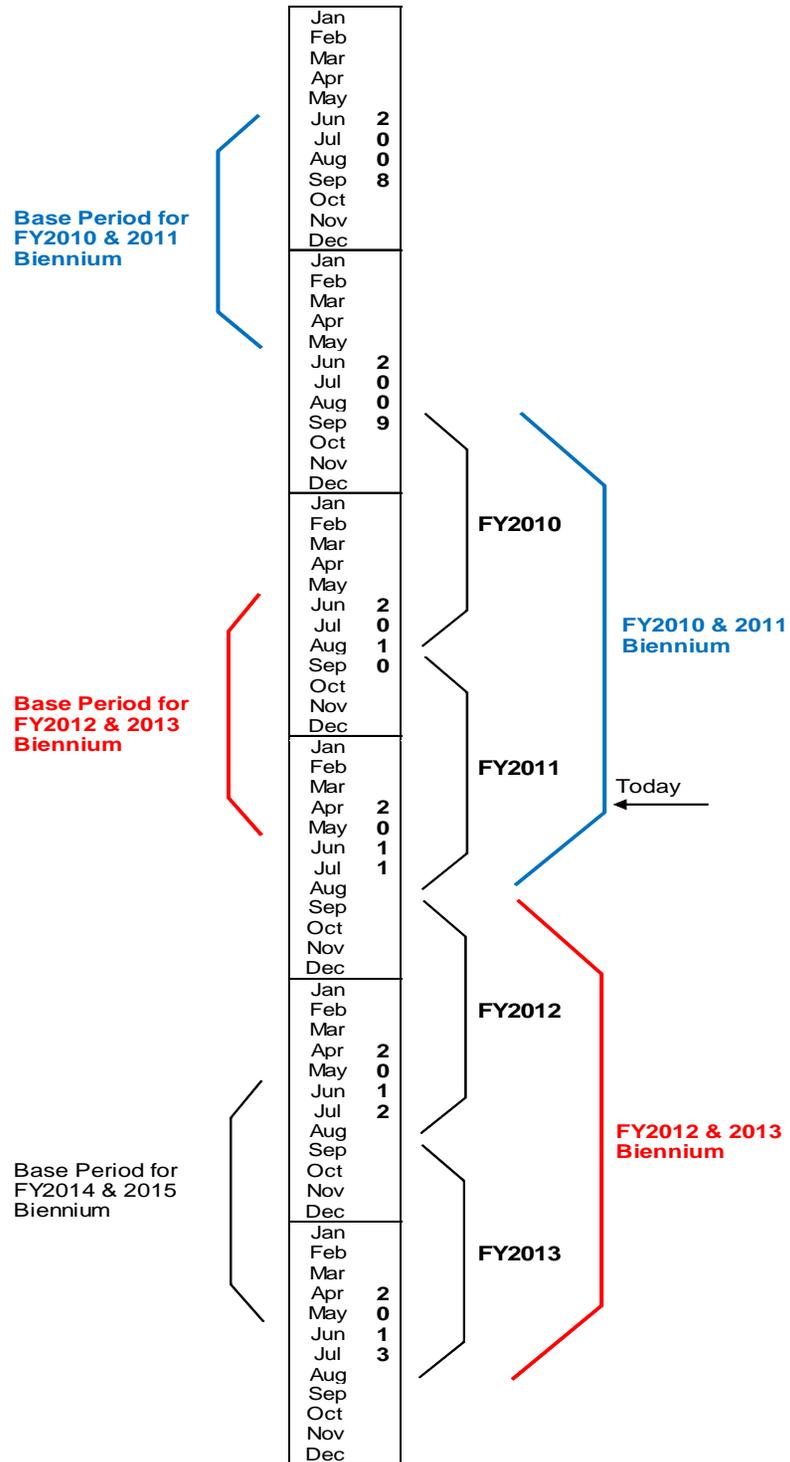
- Texas is a pioneer in the development of college and university formula funding
- Texas Commission on Higher Education created in 1955 with a mandate to establish formulas
- In 1959 the legislature first used formulas in the funding of FY1960 and FY1961
- In 1965 the Texas Higher Education Coordinating Board (THECB) created with expanded authority
- Number of Formulas in use
  - 1960: 5
  - 1968: 7
  - 1979: 11
  - 1982: 13
  - 1995: 15
  - 1997: 14
  - 1998: 4
  - 2002: 3
- Nearly 40 institutional representatives are involved in the formula development and review process
- 60% of funds appropriated to general academic institutions flow through the funding formulas
- In April 2010, THECB proposed formulas to the legislature for FY2012 and FY2013
- In making formula recommendations, THECB considers the following:
  - The formulas should indicate funding needed to provide a first-class higher education system
  - The formula should provide an equitable distribution of available funds among institutions
  - Per-student funding should increase to the national average then to the average of the ten most populous states
  - The formula system is not designed for use as an institution's internal operating budget

# Review, Modification, & Funding of Higher Education

## Funding for FY2012 and FY2013



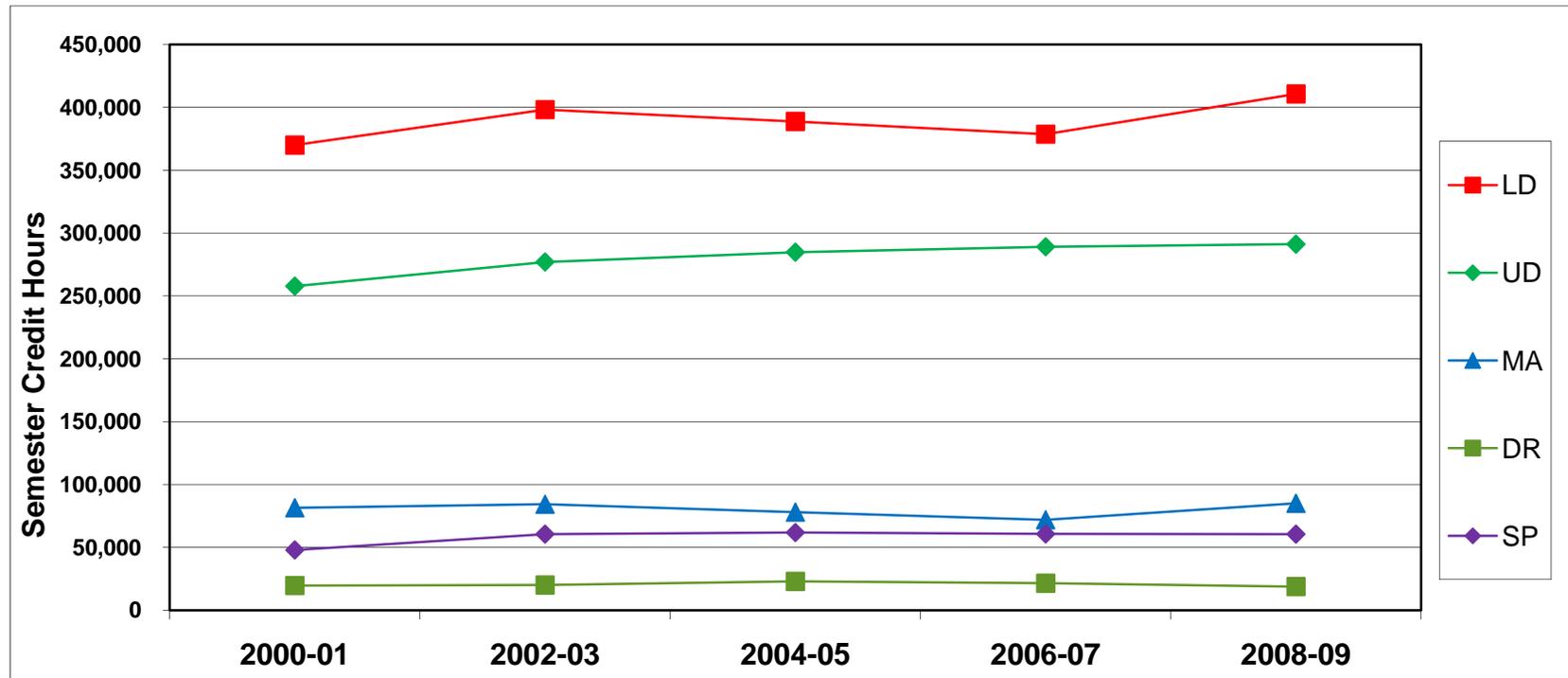
# Base Periods for Formula Funding



## University of Houston Base Period Semester Credit Hour Trends

	-----Base Period-----					-----Change-----				
	<u>2000-01</u>	<u>2002-03</u>	<u>2004-05</u>	<u>2006-07</u>	<u>2008-09</u>	<u>00-01 to 02-03</u>	<u>02-03 to 04-05</u>	<u>04-05 to 06-07</u>	<u>06-07 to 08-09</u>	<u>00-01 to 08-09</u>
<b>University of Houston Total</b>										
<b>Lower Division</b>	370,011	398,242	390,347	378,939	410,699	8%	-2%	-3%	8%	11%
<b>Upper Division</b>	257,830	277,026	284,825	290,238	291,226	7%	3%	2%	0%	13%
<b>Masters</b>	81,576	84,365	78,095	72,011	85,139	3%	-7%	-8%	18%	4%
<b>Doctoral</b>	19,677	20,105	22,989	21,532	18,880	2%	14%	-6%	-12%	-4%
<b>Special Profesn'l</b>	47,967	60,619	61,895	60,773	60,610	26%	2%	-2%	0%	26%
<b>Total SCH</b>	777,061	840,357	838,151	823,493	866,554	8%	0%	-2%	5%	12%

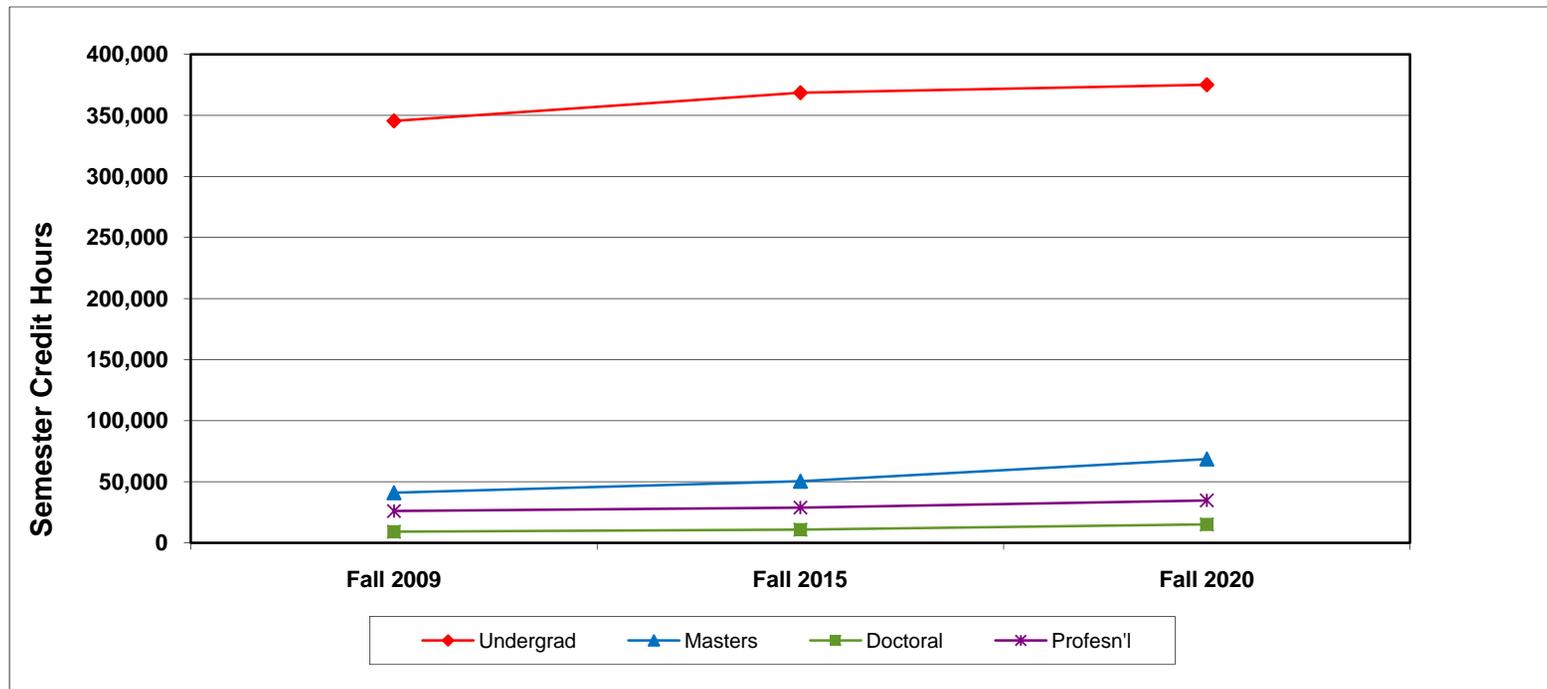
**Trends from 2000-01 through 2008-09**



## University of Houston Campus Master Plan Semester Credit Hour Trends as of Fall 2010

	-----Semester-----			-----Change-----		
	<u>Fall 2009</u>	<u>Fall 2015</u>	<u>Fall 2020</u>	Fall 2009 to <u>Fall 2015</u>	Fall 2015 to <u>Fall 2020</u>	Fall 2009 to <u>Fall 2020</u>
<b>University of Houston Total</b>						
Undergraduate	345,494	368,513	375,075	7%	2%	9%
Masters	41,058	50,388	68,629	23%	36%	67%
Doctoral	9,071	10,752	15,084	19%	40%	66%
Special Profesn'l	26,014	28,841	34,721	11%	20%	33%
Total SCH	<u>421,637</u>	<u>458,494</u>	<u>493,509</u>	9%	8%	17%

**Trends from Fall 2009 through Fall 2020**



**Estimated Costs in FY2021 Based on Projected Enrollment Growth**

Doctoral Faculty, Salary/Benefits	\$ 120,000			Lab Space/ TT Faculty (SF)			500		
Doctoral Stipends	\$ 25,000			Construction Costs/Office (SF)			\$ 250		
Graduate Assist Tuition Fellowship (annual)	\$ 6,754			Construction Costs/Lab (SF)			\$ 400		
Ph.D., Years to Completion	4			Start-Up/Renovation			\$ 200,000		
Instructional Student:Faculty Ratio	40			Annual Library Costs/Faculty			\$ 11,769		
Instructional Faculty, Salary/Benefits	\$ 80,000			Lab/Research Staff/TT Faculty			0.50		
Office Space/Faculty (SF)	125			Lab/Research Staff Salary/Benefits			\$ 75,000		
Office Space/Doctoral (SF)	60			Academic/Support Staff/Student HC			200.0		
				Academic/Support Staff Salary/Benefits			\$ 60,000		
<b>RECURRING ACADEMIC COSTS</b>									
	<b>FY 2010</b>	<b>FY 2021</b>	<b>Add'l</b>	<b>FY 2010</b>	<b>FY 2021</b>	<b>Add'l</b>	<b>Faculty</b>	<b>Stipends</b>	<b>FY2021 Total</b>
<b>Projected Instructional Costs, Doctoral Growth</b>	<b>Doctoral Student</b>			<b>Doctoral Faculty</b>					
Business	79	119	40	83	83	0	\$ -	\$ 250,000	\$ 250,000
Education	367	553	186	37	48	11	1,320,000	1,162,500	2,482,500
Engineering	256	385	129	95	126	31	3,720,000	806,250	4,526,250
CLASS	435	655	220	183	236	53	6,360,000	1,375,000	7,735,000
NSM	435	613	178	181	256	75	9,000,000	1,112,500	10,112,500
Optometry	30	42	12	32	32	0	-	75,000	75,000
Pharmacy	34	47	13	32	32	0	-	81,250	81,250
Social Work	33	50	17	14	22	8	960,000	106,250	1,066,250
<b>TOTAL</b>	<b>1669</b>	<b>2464</b>	<b>795</b>	<b>657</b>	<b>835</b>	<b>178</b>	<b>\$21,360,000</b>	<b>\$4,968,750</b>	<b>\$ 26,328,750</b>
<b>Projected Instructional Costs, Other Growth</b>	<b>Undergrad/Masters</b>			<b>Instructional Faculty Count</b>					
Freshmen	6559	7335	776	164	183	19	\$ 1,552,000		\$ 1,552,000
Sophomore	6067	6236	169	152	156	4	338,000		338,000
Junior	6669	6855	186	167	171	5	372,000		372,000
Senior	9045	9297	252	226	232	6	504,000		504,000
Post Bac	1258	852	-406	31	21	-10	(812,000)		(812,000)
Masters	4609	8074	3465	115	202	87	6,930,000		6,930,000
Professional	1799	2362	563	45	59	14	1,126,000		1,126,000
Doctoral							-		-
<b>TOTAL</b>	<b>36006</b>	<b>41011</b>	<b>5005</b>	<b>900</b>	<b>1025</b>	<b>125</b>	<b>\$10,010,000</b>		<b>\$ 10,010,000</b>
<b>Other Recurring Costs</b>									
Library Operation						89.00			\$ 3,567,478
Research Laboratory Staff						29.0			6,675,000
Academic/Support Staff									1,740,000
College Operations (non-salary)									18,758,936
Financial Aid (Undergraduate)									21,335,196
Financial Aid (Graduate/GATF)									5,369,096
<b>TOTAL</b>									<b>\$ 57,445,707</b>
<b>Total Recurring Academic Costs</b>									<b>\$ 93,784,457</b>
<b>Non-Academic Costs</b>							<b>Cost</b>		
Faculty Office (GSF)					47,363		\$ 11,840,820		
Doctoral Office (GSF)					59,625		14,906,250		
Lab Space (GSF)					111,250		44,500,000		
<b>Total Construction Costs</b>					<b>218,238</b>		<b>\$ 71,247,070</b>		
Start Up Equipment/Renovations (ongoing budget)							\$ 35,600,000		
							<b>\$ 106,847,070</b>		
Financing Construction (per year, 20 years @ 6.5%)								\$ 6,469,000	
Infrastructure and Campus Operations (17% proportional to SCH increase)								21,250,000	
<b>Total Non-Academic Recurring Costs of Growth</b>								<b>\$ 27,719,000</b>	
<b>FY2021 Cost of 3% Annual Faculty/Staff Salary Increases</b>									<b>\$ 93,550,000</b>
<b>Total Recurring Costs</b>									<b>\$ 215,053,457</b>

## Elements of Formula Funding FY2010-11 Biennium

### 1. Instruction and Operations Formula (about 81% of total formula)

(Funding for Faculty Salaries, DOE, Instructional Administration, Library, Research Enhancement, Student Services, Institutional Support)

Annual funding equals semester credit hours times **\$62.19** times rate below:

	<u>Lower Division</u>	<u>Upper Division</u>	<u>Masters</u>	<u>Doctoral</u>	<u>Special Professional</u>
Liberal Arts	1.00	1.72	4.18	9.29	
Science	1.71	2.94	8.09	20.52	
Fine Arts	1.39	2.32	5.43	7.19	
Teacher Ed	1.42	1.74	2.48	7.64	
Agriculture	1.87	2.52	7.07	9.91	
Engineering	2.41	3.87	7.63	15.96	
Home Economics	1.06	1.70	2.86	6.62	
Law					3.86
Social Services	1.94	2.05	2.97	13.84	
Library Science	1.14	1.09	2.63	6.65	
Vocational Training	1.66	1.97			
Physical Training	1.29	1.28			
Health Services	1.24	1.98	3.21	8.49	8.49
Pharmacy	0.71	4.24	19.87	29.55	3.79
Business Admin.	1.11	1.73	3.21	24.27	
Optometry			19.87	19.12	7.00
Teacher Ed Practice	1.30	1.78	3.42		
Technology	1.90	2.38	5.46	3.37	
Nursing	1.94	2.45	5.36	10.64	
Developmental Ed	1.00		4.41		
Veterinary Medicine			4.73		16.53

### 2. Teaching Experience Supplement (about 3 % of total formula)

Annual funding equals 10 percent of funds generated above from undergraduate hours taught by tenured or tenure track faculty.

### 3. E&G Space Support (about 16% of total formula)

(Funding for Physical Plant and Utilities)

Annual funding equals the Coordinating Board's space standard in E&G square feet times **\$6.21**/square foot

# Legislative Appropriations

# University of Houston

	-----FY2008-2009 Biennium-----			----- Final FY2010-2011 Biennium-----			-----Biennial Change----	
	Appropriated FY2008	Appropriated FY2009	Biennial Total	Recommended FY2010	Recommended FY2011	Biennial Total	Dollars	Percent
<b>Formula</b>								
Operations Support	\$ 129,351,823	\$ 129,351,823	\$ 258,703,646	\$ 140,017,254	\$ 140,017,254	\$ 280,034,508	\$ 21,330,862	8.2%
Teaching Experience	2,913,226	2,913,226	5,826,452	2,730,905	2,730,905	5,461,810	(364,642)	-6.3%
E&G Space Support	26,398,470	26,398,470	52,796,940	31,523,918	31,523,918	63,047,836	10,250,896	19.4%
Excellence Formula Funding	3,999,193	3,999,193	7,998,386	-	-	-	(7,998,386)	-100.0%
<b>SUBTOTAL</b>	<b>162,662,712</b>	<b>162,662,712</b>	<b>325,325,424</b>	<b>174,272,077</b>	<b>174,272,077</b>	<b>348,544,154</b>	<b>23,218,730</b>	<b>7.1%</b>
<b>Special Items</b>								
Texas Center for Superconductivity	3,607,624	3,607,626	7,215,250	3,607,625	3,607,625	7,215,250	-	0.0%
Small Business Development Center	2,811,134	2,811,134	5,622,268	3,070,697	3,070,697	6,141,394	519,126	9.2%
Houston Partnership for Space Expl	349,986	349,986	699,972	349,986	349,986	699,972	-	0.0%
Health Law and Policy Institute	290,937	290,937	581,874	290,937	290,937	581,874	-	0.0%
Center for Public Policy	249,374	249,376	498,750	249,375	249,375	498,750	-	0.0%
Partnerships-Support Publ. Schools	1,369,247	1,369,247	2,738,494	1,369,247	1,369,247	2,738,494	-	0.0%
Commercial Development of Space	400,900	400,902	801,802	400,901	400,901	801,802	-	0.0%
Learning and Computation Center	1,935,804	1,935,806	3,871,610	1,935,805	1,935,805	3,871,610	-	0.0%
Energy Research	5,000,000	-	5,000,000	2,500,000	2,500,000	5,000,000	-	0.0%
<b>Texas Competitive Knowledge Fund</b>	<b>4,099,811</b>	<b>4,099,810</b>	<b>8,199,621</b>	<b>4,535,210</b>	<b>4,535,210</b>	<b>9,070,420</b>	<b>870,799</b>	<b>10.6%</b>
Institutional Enhancement	3,204,306	3,204,306	6,408,612	4,753,967	4,753,967	9,507,934	3,099,322	48.4%
<b>SUBTOTAL</b>	<b>23,319,123</b>	<b>18,319,130</b>	<b>41,638,253</b>	<b>23,063,750</b>	<b>23,063,750</b>	<b>46,127,500</b>	<b>4,489,247</b>	<b>10.8%</b>
<b>Other Items</b>								
<b>Tuition Revenue Bonds</b>	<b>11,879,624</b>	<b>11,875,874</b>	<b>23,755,498</b>	<b>11,652,230</b>	<b>11,642,262</b>	<b>23,294,492</b>	<b>(461,006)</b>	<b>-1.9%</b>
Organized Activities	1,354,803	1,354,803	2,709,606	1,582,671	1,582,671	3,165,342	455,736	16.8%
Skiles Act Revenue Bond Retirement	394,215	394,215	788,430	-	-	-	(788,430)	-100.0%
Texas Public Education Grant	5,896,015	5,916,617	11,812,632	6,347,054	6,361,042	12,708,096	895,464	7.6%
Worker' Compensation Insurance	491,131	491,131	982,262	491,131	491,131	982,262	-	0.0%
Staff Group Insurance Premiums	4,915,532	4,964,687	9,880,219	5,781,103	6,174,218	11,955,321	2,075,102	21.0%
<b>Research Development Fund</b>	<b>7,494,929</b>	<b>7,494,929</b>	<b>14,989,858</b>	<b>6,380,651</b>	<b>6,380,651</b>	<b>12,761,302</b>	<b>(2,228,556)</b>	<b>-14.9%</b>
<b>SUBTOTAL</b>	<b>32,426,249</b>	<b>32,492,256</b>	<b>64,918,505</b>	<b>32,234,840</b>	<b>32,631,975</b>	<b>64,866,815</b>	<b>(51,690)</b>	<b>-0.1%</b>
<b>TOTAL</b>	<b>\$ 218,408,084</b>	<b>\$ 213,474,098</b>	<b>\$ 431,882,182</b>	<b>\$ 229,570,667</b>	<b>\$ 229,967,802</b>	<b>\$ 459,538,469</b>	<b>\$ 27,656,287</b>	<b>6.4%</b>
<b>Method of Finance</b>								
Net General Revenue	\$ 159,275,465	\$ 154,134,306	\$ 313,409,771	\$ 167,082,499	\$ 167,341,715	\$ 334,424,214	\$ 21,014,443	6.7%
<b>GENERAL REVENUE SUBTOTAL</b>	<b>159,275,465</b>	<b>154,134,306</b>	<b>313,409,771</b>	<b>167,082,499</b>	<b>167,341,715</b>	<b>334,424,214</b>	<b>21,014,443</b>	<b>6.7%</b>
Board Authorized Tuition Increases	13,076,590	13,076,590	26,153,180	13,501,189	13,501,189	27,002,378	849,198	3.2%
Estimated E&G Income	46,056,029	46,263,202	92,319,231	48,986,979	49,124,898	98,111,877	5,792,646	6.3%
<b>GR DEDICATED SUBTOTAL</b>	<b>59,132,619</b>	<b>59,339,792</b>	<b>118,472,411</b>	<b>62,488,168</b>	<b>62,626,087</b>	<b>125,114,255</b>	<b>6,641,844</b>	<b>5.6%</b>
<b>TOTAL</b>	<b>\$ 218,408,084</b>	<b>\$ 213,474,098</b>	<b>\$ 431,882,182</b>	<b>\$ 229,570,667</b>	<b>\$ 229,967,802</b>	<b>\$ 459,538,469</b>	<b>\$ 27,656,287</b>	<b>6.4%</b>

FY2011

\$540.9 Million

FY2011

\$262.5 Million

<b>PUF Institutions</b>	<b>HEAF Institutions</b>
<p>The University of Texas at Arlington  The University of Texas at Austin  The University of Texas at Dallas  The University of Texas at El Paso  The University of Texas of the Permian Basin  The University of Texas at San Antonio  The University of Texas at Tyler  The University of Texas SWMC at Dallas  Texas A&amp;M University  Prairie View A&amp;M University  Texas A&amp;M University Services Agencies  Texas A&amp;M University at Galveston  Tarleton State University  The University of Texas Medical Branch at Galveston  The University of Texas HC at Tyler  The University of Texas HSC at Houston  The University of Texas MD Anderson Cancer Center  The University of Texas HSC at San Antonio  Texas A&amp;M University System HSC  The University of Texas System Administration  Texas A&amp;M University System Administration</p>	<p>Texas A&amp;M University–Corpus Christi  Texas A&amp;M International University  Texas A&amp;M University–Kingsville  Texas A&amp;M University–Commerce  Texas A&amp;M University–Texarkana  West Texas A&amp;M University  Lamar University  Lamar Institute of Technology  Lamar State College at Orange  Lamar State College at Port Arthur  Sul Ross State University  Sul Ross State University–Rio Grande College  Sam Houston State University  University of Houston  University of Houston–Clear Lake  University of Houston–Downtown  University of Houston–Victoria  The University of Texas–Pan American  The University of Texas at Brownsville  Midwestern State University  Stephen F. Austin State University  Texas Southern University  Texas Woman’s University  Texas Tech University  Texas Tech University HSC  University of North Texas  University of North Texas HSC  Texas State University–San Marcos  Texas State Technical College System  Angelo State University</p>

## Higher Education Assistance Fund (HEAF)

- The Higher Education Assistance Fund (HEAF) was created as a counterpart to the Permanent University Fund by an amendment to the Texas Constitution in 1984.
- The HEAF provides funds for most public universities that were outside The University of Texas and The Texas A&M University Systems in 1984 to acquire land; construct, equip, repair or rehabilitate buildings; acquire capital equipment; and library books and materials.
- Expenditures involving HEAF are restricted to E&G space.
- The first appropriation of HEAF, for 1985 to 1995, allocated \$100 million annually to the eligible institutions.
- When the HEAF was reallocated for the fiscal years 1996 to 2005, the appropriation was increased to \$175 million.
- The \$175 million appropriation was increased to \$262.5 million starting in FY2008.

### **THE MODEL AND ITS THREE ELEMENTS**

The HEAF model is based on three elements: *space deficit*, *condition of facilities*, and *institutional complexity*.

Space Deficit	+	Condition of Facilities	+	Institutional Complexity	=	Allocation
22.6%		27.4%		50%		100%

## Higher Education Assistance Fund Allocation

### FY 2011 - FY 2015

Institution	Total
The University of Texas - Pan American	12,311,123
The University of Texas at Brownsville	5,057,420
Subtotal	17,368,542
Texas A&M University - Corpus Christi	7,139,067
Texas A&M University - Kingsville	5,046,885
Texas A&M International University	3,796,436
West Texas A&M University	4,652,995
Texas A&M University - Commerce	5,193,232
Texas A&M University - Texarkana	1,307,907
Subtotal	27,136,523
<b>University of Houston</b>	<b>35,885,768</b>
<b>University of Houston - Clear Lake</b>	<b>5,214,167</b>
<b>University of Houston - Downtown</b>	<b>7,435,238</b>
<b>University of Houston - Victoria</b>	<b>2,393,921</b>
<b>Subtotal</b>	<b>50,929,094</b>
University of North Texas	27,846,476
Texas Tech University	23,936,088
Angelo State University	3,743,027
Subtotal	27,679,116

Institution	Total
Lamar University	10,663,396
Lamar University	8,330,933
Lamar Institute of Technology	2,332,463
Lamar State College - Orange	1,235,752
Lamar State College - Port Arthur	1,244,694
Sul Ross State University	1,625,061
Sul Ross State University Rio Grande College	445,379
Sam Houston State University	11,893,110
Texas State University - San Marcos	21,863,258
Subtotal	48,970,649
Midwestern State University	3,559,433
Stephen F. Austin State University	8,425,937
Texas Southern University	8,894,700
Texas Woman's University	10,169,695
Subtotal	31,049,765
Texas State Technical Colleges	5,775,000
General Academic Subtotal	236,755,166
UNT Health Science Center at Fort Worth	8,771,265
Texas Tech University Health Sciences Center	16,973,569
Health-Related Subtotal	25,744,834
<b>Total</b>	<b>262,500,000</b>

## THECB - Academic Space Projection Model - Fall 2009

Institution	Predicted	Actual	Surplus (Deficit)
UT-Arlington	2,467,466	1,991,493	(475,973)
UT-Austin	10,075,871	8,641,073	(1,434,798)
UT-Dallas	1,796,310	1,376,631	(419,679)
UT-El Paso	1,981,145	1,653,782	(327,363)
UT-Pan American	1,540,748	1,080,434	(460,314)
UT-Brownsville	626,656	234,805	(391,851)
UT-Permian Basin	300,699	345,250	44,551
UT-San Antonio	2,542,868	1,495,656	(1,047,212)
UT-Tyler	539,577	416,077	(123,500)
TAMU	6,394,557	5,437,233	(957,324)
TAMU-Galveston	252,387	234,993	(17,394)
Prairie View	923,266	807,599	(115,667)
Tarleton	753,461	818,889	65,428
TAMU-Corpus Christi	890,305	704,385	(185,920)
TAMU-Kingsville	676,010	832,110	156,100
TAM-International	486,989	404,168	(82,821)
West Texas	709,744	824,315	114,571
TAMU-Commerce	670,685	728,741	58,056
TAMU-Texarkana	130,096	172,783	42,687
TAMU-Central Texas	123,745	111,831	(11,914)
TAMU-San Antonio	157,118	97,229	(59,889)
UH	4,141,278	3,149,411	(991,867)
UH-Clear Lake	557,419	513,173	(44,246)
UH-Downtown	814,066	467,762	(346,304)
UH-Victoria	218,551	165,387	(53,164)

Institution	Predicted	Actual	Surplus (Deficit)
Midwestern	514,448	431,045	(83,403)
North Texas	3,084,494	2,179,507	(904,987)
North Texas-Dallas	121,329	110,516	(10,813)
SFA	1,194,331	1,006,308	(188,023)
Texas Southern	1,064,568	883,898	(180,670)
Texas Tech	3,491,630	3,048,320	(443,310)
Angelo	590,622	570,116	(20,506)
Texas Woman's	1,094,128	903,390	(190,738)
Lamar	1,011,024	778,394	(232,630)
Sam Houston	1,451,680	1,140,648	(311,032)
Texas State-San Marcos	2,641,673	1,948,416	(693,257)
Sul Ross	246,419	267,351	20,932
Sul Ross-Rio Grande	68,864	57,869	(10,995)
TSTC-Harlingen	410,330	457,501	47,171
TSTC-West Texas	160,098	292,214	132,116
TSTC-Marshall	86,637	97,050	10,413
TSTC-Waco	647,058	661,287	14,229
Lamar-IOT	260,571	115,512	(145,059)
Lamar-Orange	164,906	125,872	(39,034)
Lamar-Port Arthur	200,658	129,374	(71,284)

<b>Total</b>	<b>58,276,486</b>	<b>47,909,798</b>	<b>(10,366,688)</b>
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## THECB - Academic Space Projection Model - Fall 2009

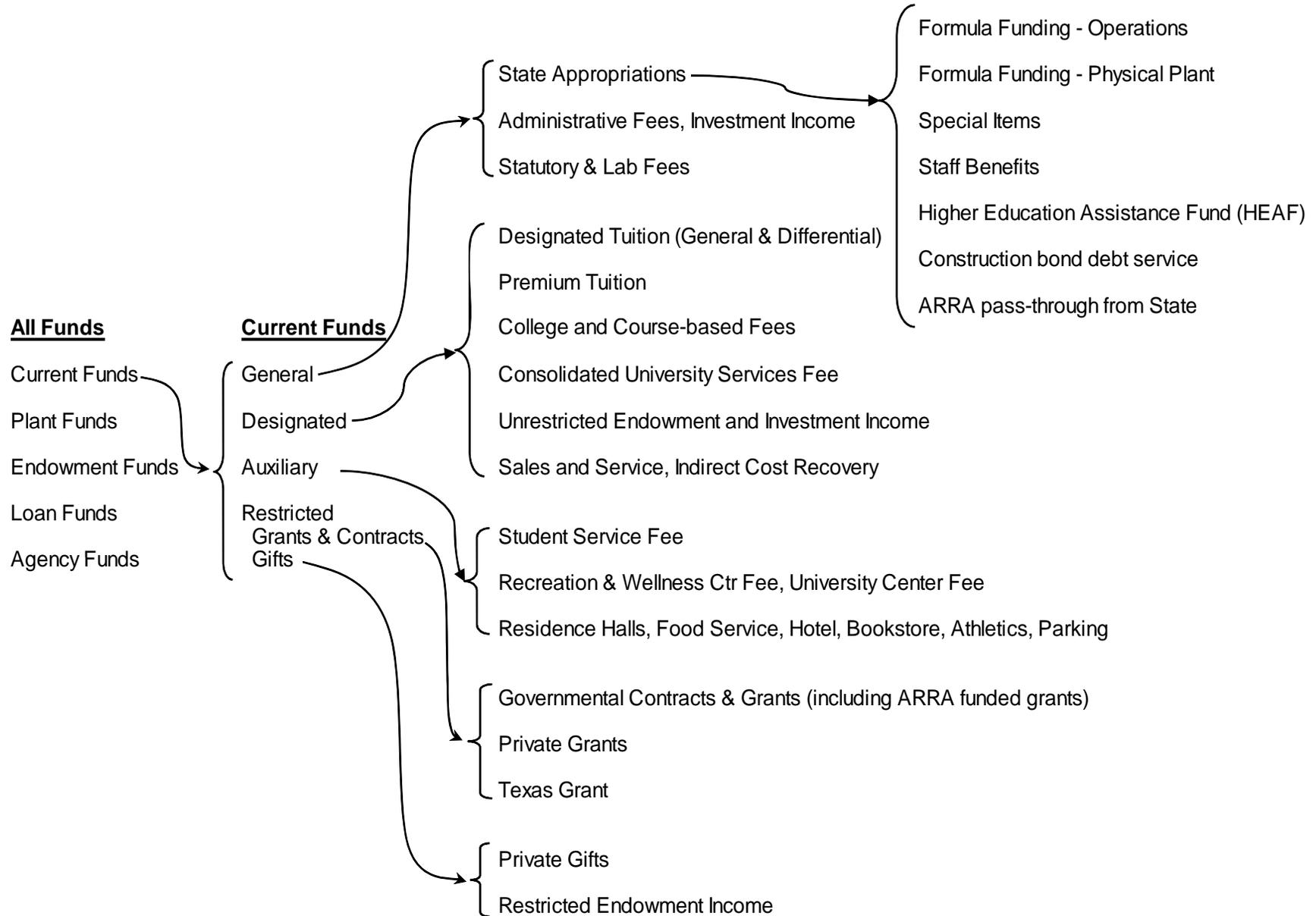
	Teaching		Library		Research		Office	
Institution	Predicted	Actual	Predicted	Actual	Predicted	Actual	Predicted	Actual
UH	1,439,691	946,915	570,550	439,209	482,824	427,615	1,306,273	974,084
UH-Clear Lake	213,228	163,108	90,377	91,251	13,977	12,578	193,812	172,663
UH-Downtown	404,509	192,326	100,662	67,245	24,130	5,425	217,549	173,928
UH-Victoria	84,166	54,535	42,656	16,197	6,078	561	67,605	53,807
Total	2,141,594	1,356,884	804,244	613,902	527,009	446,179	1,785,239	1,374,482

	Support		Under Construction		Total		Surplus/(Deficit)
Institution	Predicted	Actual	Predicted	Actual	Predicted	Actual	
UH	341,940	236,675		124,913	4,141,278	3,149,411	(991,867)
UH-Clear Lake	46,025	40,273		33,300	557,419	513,173	(44,246)
UH-Downtown	67,216	28,838		0	814,066	467,762	(346,304)
UH-Victoria	18,045	11,037		29,250	218,551	165,387	(53,164)
Total	473,228	316,823		187,463	5,731,314	4,295,733	(1,435,581)

**Discover UH** – the Business  
*Planning and Budgeting*

The UH Budget

# University of Houston Funds Managed by the University



## Current Funds (Funds that are Budgeted Annually)

	-----Restricted Funds-----				
	General Fund Group 1	Designated Fund Group 2	Auxiliary Fund Group 3	Endowment Income/ Gifts Fund Group 4	Grants & Contracts Fund Group 5
<b>SOURCES</b>					
State Appropriations	✓				✓
Student Tuition & Fees	✓	✓	✓		
Endowment/Investment Income		✓		✓	
Departmental Operations	✓	✓	✓		
Food Services, Bookstore Sales, Parking			✓		
Residential Halls, University Center & Hotel			✓		
Gifts				✓	
Federal, State, Private Contracts & Grants					✓
<b>USES</b>					
Salaries & Wages	✓	✓	✓	✓	✓
Staff Benefits	✓	✓	✓	✓	✓
Maintenance & Operations	✓	✓	✓	✓	✓
Scholarships	✓	✓		✓	✓
Debt Service	✓	✓	✓		
Specific Purpose of Grant, Contract or Donor				✓	✓

Texas Education Code  
(Effective Sept 1, 2003)

§ 54.0513. DESIGNATED TUITION.

(a) In addition to amounts that a governing board of an institution of higher education is authorized to charge as tuition under the other provisions of this chapter, **the governing board**, under the terms the governing board considers appropriate, **may charge any student an amount designated as tuition that the governing board considers necessary for the effective operation of the institution.**

(b) **A governing board may set a different tuition rate for each program and course level offered by each institution of higher education. A governing board may set a different tuition rate as the governing board considers appropriate to increase graduation rates, encourage efficient use of facilities, or enhance employee performance.**

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**University of Houston**  
**12 Credit Hours per Semester**  
**RESIDENT UNDERGRADUATE Students**

**FY2011 vs FY2010**

	FY2010		Dollar Change		Percent Change	12 Hours FY2011	
	Rate	12 Hours	Rate	12 Hours		Rate	12 Hours
<b>Tuition</b>							
Statutory Tuition (per hour)	\$ 50.00	\$ 600.00	\$ -	\$ -	0.0%	\$ 50.00	\$ 600.00
General Designated Tuition (per hour)	128.45	1,541.40	11.46	137.52	8.9%	139.91	1,678.92
Differential Designated Tuition (average per hour)	6.32	75.84	12.77	153.24	202.1%	19.09	229.08
Subtotal Tuition	184.77	2,217.24	24.23	290.76	13.1%	209.00	2,508.00
<b>College Fees</b> (average per hour)	42.09	505.08	(12.77)	(153.12)	-30.3%	29.33	351.96
<b>University-wide Fees</b>							
Student Service Fee (max per sem, incl Health Ctr) *	185.00	185.00	(185.00)	(185.00)	-100.0%	-	-
University Center Fee (per semester) *	35.00	35.00	(35.00)	(35.00)	-100.0%	-	-
Rec. Wellness Center Fee (per semester) *	84.00	84.00	(84.00)	(84.00)	-100.0%	-	-
Consolidated Student Services Fee (per semester) **			304.00	304.00	n/a	304.00	304.00
Technology Fee (per hour) *	13.75	165.00	(13.75)	(165.00)	-100.0%	-	-
Library Fee (per hour) *	9.00	108.00	(9.00)	(108.00)	-100.0%	-	-
International Education Fee (per semester) *	1.00	1.00	(1.00)	(1.00)	-100.0%	-	-
Campus Card Fee (per semester) *	6.00	6.00	(6.00)	(6.00)	-100.0%	-	-
Instructional Access Fee (per hour) *	3.50	42.00	(3.50)	(42.00)	-100.0%	-	-
Student Academic Service Fee (per hour) *	2.75	33.00	(2.75)	(33.00)	-100.0%	-	-
Utility Assessment (per hour) *	8.50	102.00	(8.50)	(102.00)	-100.0%	-	-
Consolidated University Services Fee (per hour) **			38.08	456.96	n/a	38.08	456.96
Subtotal University-wide Fees		761.00	(0.00)	(0.04)	0.0%		760.96
<b>Total Tuition and Fees per Semester</b>		<u>\$3,483.36</u>		<u>\$ 137.52</u>	<u>3.95%</u>		<u>\$3,620.88</u>

\* Existing fees to be combined into consolidated fees for billing purposes

\*\* Combined fee for billing purposes

## University of Houston System Operating Budgets

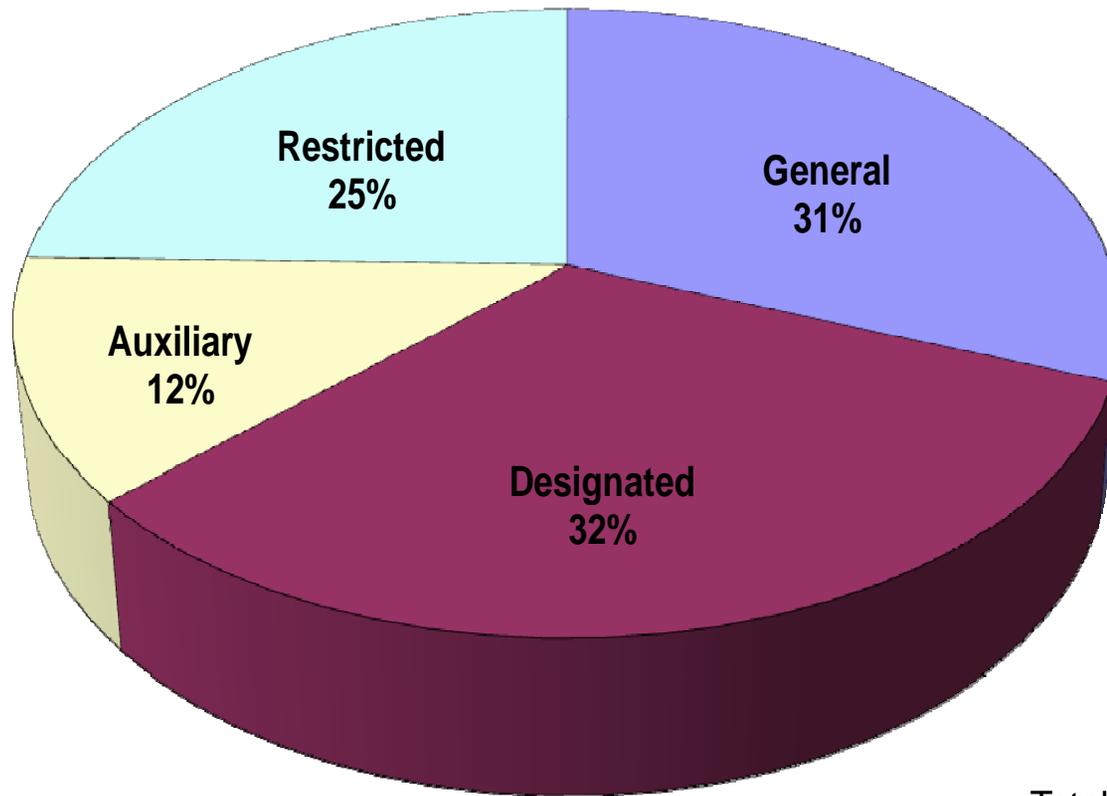
(\$ in Millions)

	<u>FY2001</u>	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>
University of Houston *	\$ 455.1	\$ 489.7	\$ 522.1	\$ 553.5	\$ 604.5	\$ 644.4	\$ 653.0	\$ 708.6	\$ 750.9	\$ 805.9	\$ 874.4
UH-Clear Lake	68.2	73.8	67.4	71.6	74.7	79.0	83.2	88.1	92.0	97.1	105.2
UH-Downtown	58.5	66.7	73.6	77.6	87.5	96.2	102.4	115.3	120.6	135.5	149.1
UH-Victoria	16.0	18.7	22.5	24.1	26.4	29.6	32.1	39.6	43.3	43.3	49.2
UH System Administration	24.6	28.5	28.3	30.6	13.2	12.1	12.4	13.3	13.9	13.2	14.1
<b>Total</b>	<b>\$ 622.4</b>	<b>\$ 677.4</b>	<b>\$ 713.9</b>	<b>\$ 757.4</b>	<b>\$ 806.3</b>	<b>\$ 861.3</b>	<b>\$ 883.1</b>	<b>\$ 964.9</b>	<b>\$ 1,020.7</b>	<b>\$ 1,095.0</b>	<b>\$ 1,192.0</b>

\* Change from FY04 to FY05 includes the move of KUHT Public Television from System Administration to UH (\$8.7 million)

# University of Houston Budgeted Sources of Current Fund Groups-FY11

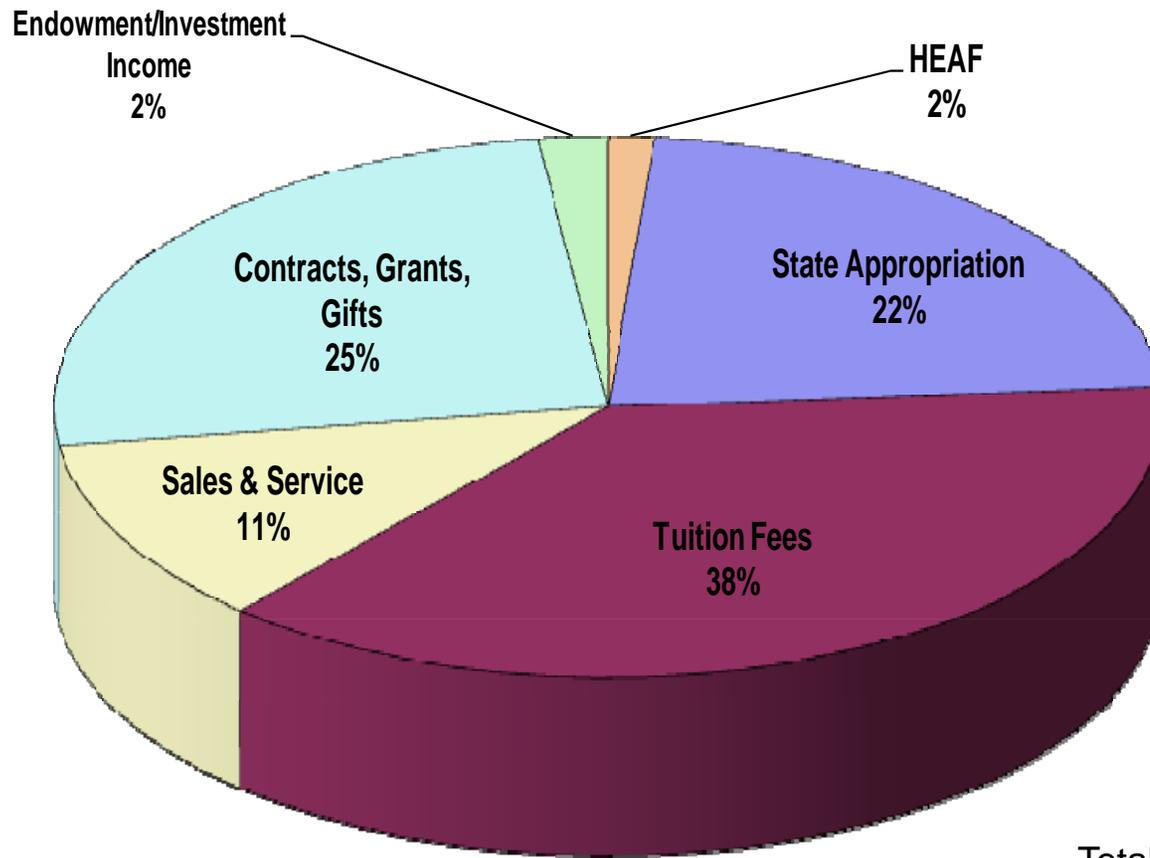
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Total \$874.4 million

# University of Houston Budgeted Sources of Current Funds-FY11

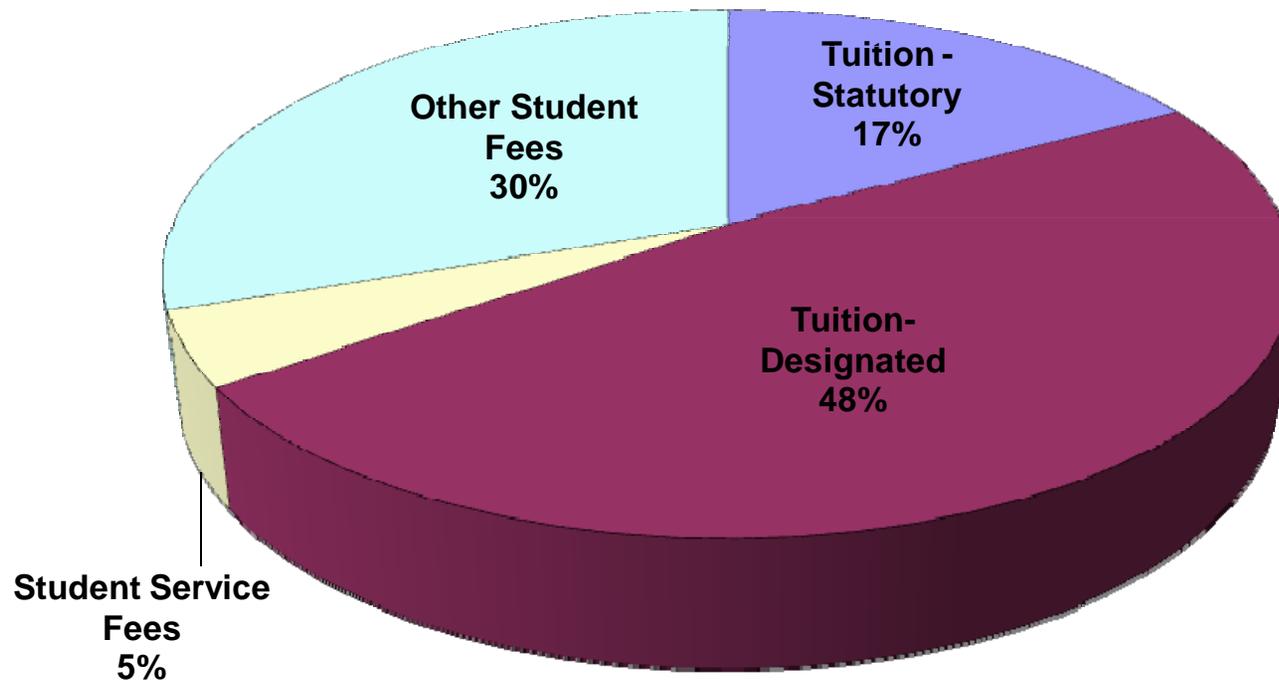
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Total \$874.4 million

# University of Houston Budgeted Sources of Student Tuition and Fees-FY11

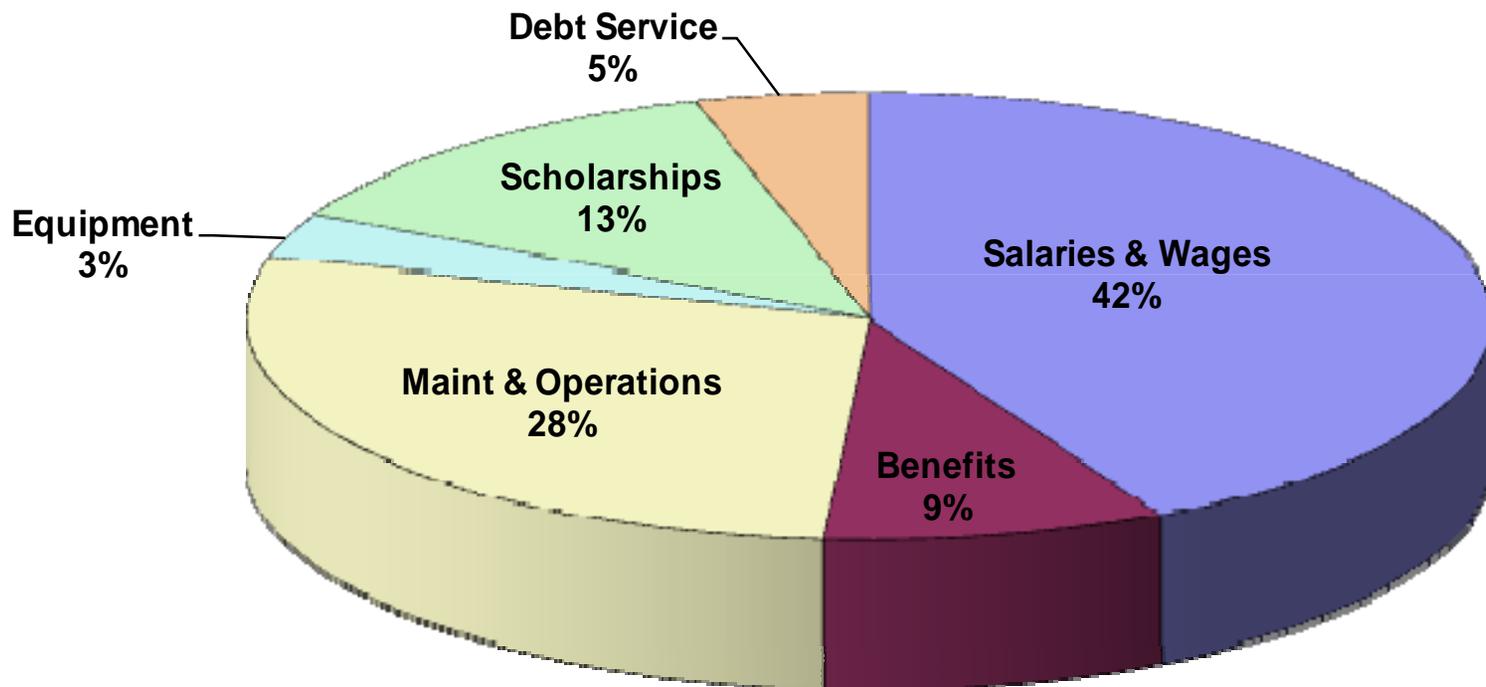
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Total \$329.9 million

# University of Houston Budgeted Uses of Current Funds By Object-FY11

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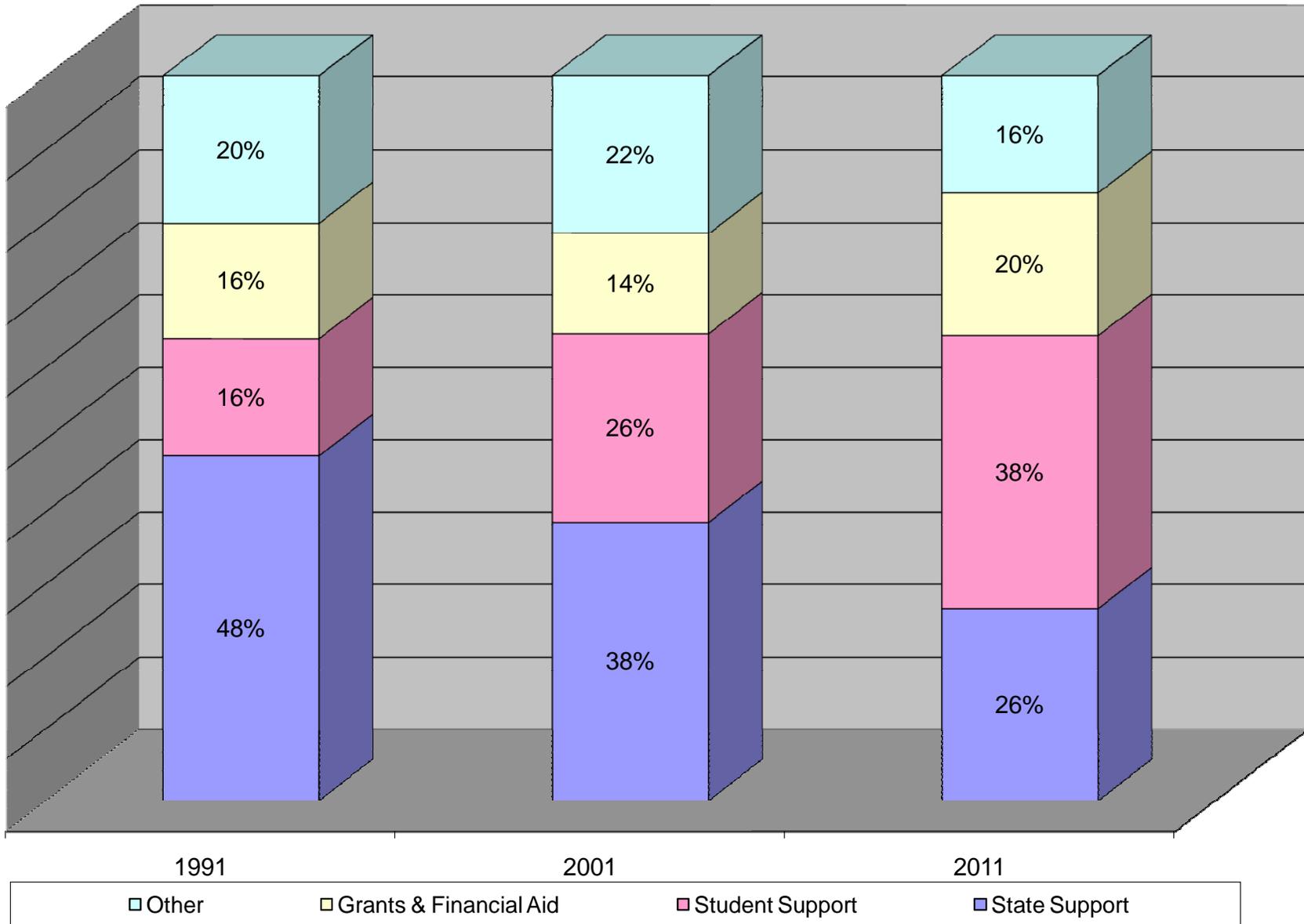


Total \$874.4 million

# University of Houston Operating Budget

	<u>FY1991</u>		<u>FY2001</u>		<u>FY2011</u>	
	<u>Dollars</u>	<u>Pct</u>	<u>Dollars</u>	<u>Pct</u>	<u>Dollars</u>	<u>Pct</u>
<b>State Support</b>						
State General Revenue Appropriation	\$ 104,393,022		\$ 123,437,585		\$ 167,341,715	
Higher Education Assistance Fund (HEAF)	5,782,817		28,800,000		35,885,768	
State Staff Benefits Appropriation	16,081,734		21,009,793		28,492,538	
Dedicated Appn (Texas Grant, Wk Study, Other)			678,449		288,516	
Interest Income on State Treasury Balances			1,340,000		179,220	
Subtotal State Support	<u>126,257,573</u>	47.7%	<u>175,265,827</u>	38.5%	<u>232,187,757</u>	26.6%
<b>Student Fees</b>						
Tuition	20,917,608		50,944,516		56,946,037	
Designated Tuition / General Use Fee	14,502,208		38,685,976		159,118,060	
Other Student Fees	7,493,452		28,825,001		113,830,498	
Subtotal Tuition and Fees	<u>42,913,268</u>	16.2%	<u>118,455,493</u>	26.0%	<u>329,894,595</u>	37.7%
<b>Contracts &amp; Grants</b> (Research and Financial Aid)	42,338,733	16.0%	63,142,150	13.9%	172,627,100	19.7%
<b>All Other Support</b>	53,398,359	20.2%	98,278,619	21.6%	139,737,790	16.0%
<b>Total Operating Budget</b>	<u>\$ 264,907,933</u>	100%	<u>\$ 455,142,089</u>	100%	<u>\$ 874,447,242</u>	100%

# University of Houston Operating Budget



## University of Houston System General Revenue Appropriations Total

### PRELIMINARY ANALYSIS House -LBB 1-11-2011 (\$ millions)

#### General Revenue (State Funding)

	Original FY 2010	Original FY 2011	Biennial Total	FY 2012	FY 2013	Biennial Total	Reduction	%	Reductions to date
UH TOTAL	\$ 167.1	\$ 167.3	\$ 334.4	\$ 134.9	\$ 134.1	\$ 269.0	\$ 65.4	20%	\$ 15.3
UHCL TOTAL	\$ 31.9	\$ 32.0	\$ 63.9	\$ 25.2	\$ 25.0	\$ 50.2	\$ 13.6	21%	\$ 2.8
UHD TOTAL	\$ 30.3	\$ 30.3	\$ 60.6	\$ 25.2	\$ 25.2	\$ 50.4	\$ 10.3	17%	\$ 2.4
UHV TOTAL	\$ 17.3	\$ 17.3	\$ 34.5	\$ 14.3	\$ 14.0	\$ 28.3	\$ 6.2	18%	\$ 0.7
UHSA TOTAL	\$ 2.8	\$ 2.8	\$ 5.7	\$ 0.6	\$ 0.6	\$ 1.2	\$ 4.5	79%	\$ 0.3
UHS TOTAL	\$ 249.4	\$ 249.7	\$ 499.1	\$ 200.2	\$ 198.9	\$ 399.1	\$ 100.0	20%	\$ 21.4

### PRELIMINARY ANALYSIS Senate -LBB 1-17-2011 (\$ millions)

#### General Revenue (State Funding)

	Original FY 2010	Original FY 2011	Biennial Total	FY 2012	FY 2013	Biennial Total	Reduction	%	Reductions to date
UH TOTAL	\$ 167.1	\$ 167.3	\$ 334.4	\$ 140.6	\$ 139.8	\$ 280.4	\$ 54.1	16%	\$ 15.3
UHCL TOTAL	\$ 31.9	\$ 32.0	\$ 63.9	\$ 26.2	\$ 26.0	\$ 52.2	\$ 11.6	18%	\$ 2.8
UHD TOTAL	\$ 30.3	\$ 30.3	\$ 60.6	\$ 26.3	\$ 26.2	\$ 52.5	\$ 8.2	13%	\$ 2.4
UHV TOTAL	\$ 17.3	\$ 17.3	\$ 34.5	\$ 14.7	\$ 14.5	\$ 29.2	\$ 5.3	15%	\$ 0.7
UHSA TOTAL	\$ 2.8	\$ 2.8	\$ 5.7	\$ 2.0	\$ 2.0	\$ 4.0	\$ 1.6	29%	\$ 0.3
UHS TOTAL	\$ 249.4	\$ 249.7	\$ 499.1	\$ 209.8	\$ 208.5	\$ 418.3	\$ 80.8	16%	\$ 21.4

Other Items:

Reductons in TEXAS Grants and other financial aid

HEGI reductions

Details posted at <http://www.uh.edu/af/budgetbiennialFY12-FY13.htm>