FY2024 Annual Budget

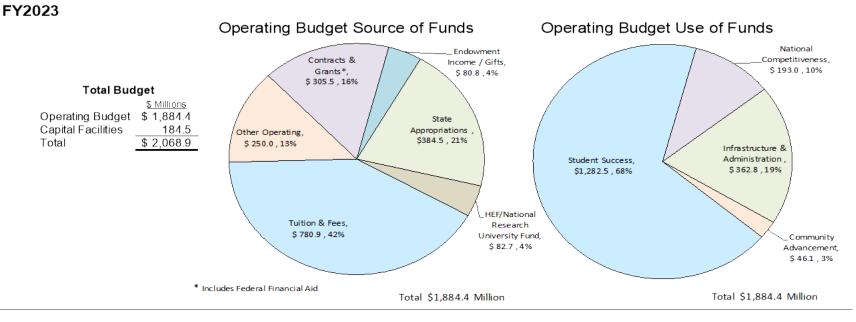
Executive Summary Presentation to Administration and Finance Committee

August 23, 2023

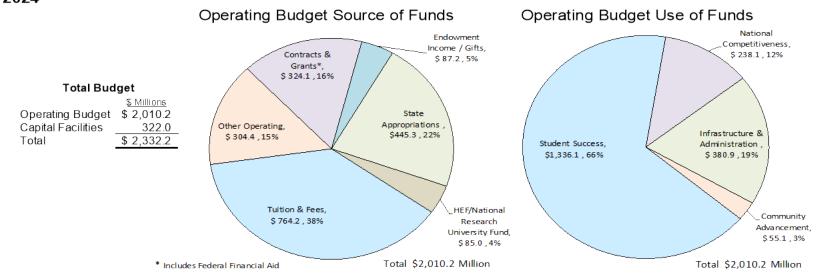
University of Houston System FY2024 Budget Development Environment

- Enrollment trend
- Retaining and recruiting talent
- Inflation
- No tuition increases
- Change in revenue

University of Houston System Budget







University of Houston System

FY2024 Proposed Operating Budget

(\$ in Millions)

		Cha	Proposed	
	FY2023	Dollars	FY2024	
University of Houston	1,363.7	108.1	7.9%	1,471.8
UH - Clear Lake	150.2	14.2	9.5%	164.4
UH- Downtown	218.8	5.6	2.6%	224.4
UH- Victoria	79.0	(3.6)	-4.6%	75.4
UH - System Admin	72.7	1.5	2.1%	74.2
Total	1,884.4	125.8	6.7%	2,010.2

University of Houston System FY2024 Budgeted Operating Revenue by Source by University (\$ in Millions)

		А	В	С	D	E	F	G	Н
		UHSA	UH	UHCL	UHD	UHV	FY24 Budget Consolidated	FY23 Budget Consolidated	% CHG YoY FY23 to FY24
1	State Appropriations	\$ 60.3	\$ 289.0	\$ 40.3	\$ 36.1	\$ 19.6	445.3	384.5	15.8%
2	HEF/National Research University Fund	-	62.2	8.0	11.2	3.6	85.0	82.7	2.8%
3	Tuition & Fees	-	556.1	72.3	104.9	30.9	764.2	780.9	-2.1%
4	Other Operating	11.3	247.5	15.3	20.1	10.2	304.4	250.0	21.8%
5	Contracts & Grants	-	237.9	26.9	48.8	10.5	324.1	305.5	6.1%
6	Endowment Income / Gifts	2.6	79.1	1.6	3.3	0.6	87.2	80.8	7.9%
7	Total	\$ 74.2	\$1,471.8	\$ 164.4	\$ 224.4	\$ 75.4	\$ 2,010.2	\$ 1,884.4	6.7%

* Includes Federal financial aid

UNIVERSITY of **HOUSTON** SYSTEM

University of Houston System FY2020 - FY2024 Operating Revenue

(\$ in Millions)

		A 2020 Actual		B 2021 Actual	C 2022 Actual		D 2023 Budgeted		F	E 2024 Proposed
1	State Appropriations	\$ 389.1	\$	330.0	\$	367.5	\$	384.5	\$	445.3
2	HEF/National Research University Fund	85.0		82.9		82.3		82.7		85.0
3	Tuition & Fees	746.0		776.0		787.0		780.9		764.2
4	Other Operating	253.8		200.7		246.8		250.0		304.4
5	Contracts & Grants	382.6		467.6		501.1		305.5		324.1
6	Endowment Income / Gifts	 99.4		94.4		110.3		80.8		87.2
7	Total	\$ 1,955.9	\$	1,951.6	\$	2,095.0	\$	1,884.4	\$	2,010.2

* Includes Federal financial aid

University of Houston System FY2024 Operating Budget Expenditures by University (\$ in Millions)

		А	В	С	D	E	F	G	Н
		UHSA	UH	UHCL	UHD	UHV	FY24 Budget Consolidated	FY23 Budget Consolidated	% CHG YoY FY23 to FY24
1	Student Success	\$ 2.6	\$ 979.6	\$ 124.4	\$ 167.7	\$ 61.8	1,336.1	1,282.5	4.2%
2	National Competitiveness	-	225.9	7.2	3.9	1.1	238.1	193.0	23.4%
3	Infrastructure & Administration	71.6	214.7	32.8	49.8	12.0	380.9	362.8	5.0%
4	Community Advancement	-	51.6	0.0	3.0	0.5	55.1	46.1	19.5%
5	Total	\$ 74.2	\$1,471.8	\$ 164.4	\$ 224.4	\$ 75.4	\$ 2,010.2	\$ 1,884.4	6.7%

UNIVERSITY of HOUSTON SYSTEM

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University of Houston System FY2020-FY2024 Operating Expenditures (\$ in Millions)

		A 2020 Actual	B 2021 Actual	C 2022 Actual	D 2023 Budgeted		Р	E 2024 roposed
1	Student Success	\$ 1,199.1	\$ 1,298.8	\$ 1,361.3	\$	1,282.5	\$	1,336.1
2	National Competitiveness	198.6	204.5	212.5		193.0		238.1
3	Infrastructure & Administration	312.3	279.1	278.6		362.8		380.9
4	Community Advancement	46.0	39.3	44.3		46.1		55.1
5	Total	\$ 1,756.0	\$ 1,821.7	\$ 1,896.7	\$	1,884.4	\$	2,010.2

University of Houston System FY2024 Proposed Capital Budget

(\$ in Millions)

		Cha	Proposed	
	FY2023	Dollars	FY2024	
University of Houston	129.0	89.1	69.1%	218.1
UH - Clear Lake	24.2	9.4	38.8%	33.6
UH- Downtown	13.4	33.7	251.5%	47.1
UH- Victoria	17.9	5.3	29.6%	23.2
Total	184.5	137.5	74.5%	322.0

Capital Construction Budget FY2024 Project Expenditures by Campus

UH Capital Projects FY2024		UH-Downtown Capital Projects FY	2024
Description	FY2024	Description	FY2024
ACE Institute	62,964	Girard Street Building	15,000,000
Garage #6	2,354,631	Wellness and Success Center Capital Renewal	200,000
College of Medicine	116,882	Girard Street Garage Capital Renewal	51,000
New Law Center	89,670	CSET Lab Upgrades	200,000
Auxiliary Retail Dining Center	16,819,619	Offices and Lounge	120,000
UH Sugar Land Academic Building	49,000,000	Student Life Center	650,000
Innovation Hub	17,000,000	One Main Building	29,272,833
New Hobby School of Public Affairs	12,000,000	Capital Renewal/Capital Improvement	1,600,000
Football Operations Facility	65,000,000	Total	47,093,833
CMP - Lighting and Security Upgrade Phase II	8,000,000		
CMP - Cullen Blvd. Improvements	4,084,679		
CMP - Gateways and Landscape Enhancements	320,000	UH-Victoria Capital Projects FY2024	
CMP - University Drive	480,000	Description	FY2024
CMP - Centennial Plaza/Farish Demolition	600,000	Health and Wellness Center	18,118,445
Core Renovations - SERC HVAC	190,377	Facilities Storage	1,122,325
Core Renovation - Science and Research 1	1,000,000	Ben Wilson Street	1,023,002
Core Renovations - Roy G. Cullen	691,116	University Center Roof	558,150
Core Renovation - Charles F. McElhinney	1,000,000	Northwest Parking Lot	42,684
Life Sciences Renovations - TMC Building	13,500,000	Total Demo - Parking Lot-Smith Hall Entrance	1,875,525
TDECU Suites and Premium Seating	550,481	University Center/North Chiller	55,126
800 Research Core Initiative	5,165,000	Campus HVAC-JCI Update	20,745
Guy V. Lewis Renovations	5,050,000	Campus Tech Infrastructure Improvements	399,072
CRDM (Capital Renewal Deferred Maintenance)	15,000,000	Total	23,215,074
Total	218,075,418		
		Total University of Houston System	321,942,829
UH-Clear Lake Capital Projects FY2024			
Description	FY2024	System Capital Projects Allocati	
Capital Renewal Deferred Maintenance	8,240,000	Campus	% of ⊺otal
Parking Lot/Roadway Maintenance	400,000	University of Houston	67.7%
Other Infrastructure Upgrades	5,193,540	UH-Clear Lake	10.4%
Exterior upgrades	436,436	UH-Downtown	14.6%
Bayou Renovations	14,467,345	UH-Victoria	7.2%
Delta Renovations	1,550,000	Total	100.0%
SSCB Renovations	729,381		
Stem Renovations	139,329		
Hunter Hall Renovations	1,428,559		
Recreation and Wellness	973,914		
	33,558,504		

University of Houston System Combined Operating & Capital Budget (\$ in Millions)

		Cha	Proposed	
	FY2023	Dollars	FY2024	
University of Houston	1,492.7	197.2	13.2%	1,689.9
UH - Clear Lake	174.4	23.6	13.5%	198.0
UH- Downtown	232.2	39.3	16.9%	271.5
UH- Victoria	96.9	1.7	1.8%	98.6
UH - System Admin	72.7	1.5	2.1%	74.2
Total	2,068.9	263.3	12.7%	2,332.2

University of Houston FY2024 Proposed Annual Budget

University of Houston Highlighted Use of FY2024 Funds

- Talent Retention
 - 2% merit salary pool for eligible employees
 - Market equity adjustment
 - Promotion and Tenure
- Student Success
 - Retention and recruitment
 - Mental health
- Research
- Infrastructure and Compliance

UNIVERSITY of **HOUSTON** SYSTEM

University of Houston FY2020 - FY2024 Operating Revenue

(\$ in Millions)

		A 2020 Actual		B 2021 Actual		C 2022 Actual		D 2023 Budgeted		Р	E 2024 roposed
1	State Appropriations	\$	259.4	\$	203.9	\$	231.8	\$	233.2	\$	289.0
2	HEF/National Research University Fund		60.9		60.9		60.3		60.6		62.2
3	Tuition & Fees		529.8		549.7		561.1		557.5		556.1
4	Other Operating		228.8		181.2		226.5		212.2		247.5
5	Contracts & Grants		284.3		330.3		369.1		227.2		237.9
6	Endowment Income / Gifts		88.2		83.9		97.6		73.0		79.1
7	Total	\$	1,451.4	\$	1,409.9	\$	1,546.4	\$	1,363.7	\$	1,471.8

* Includes Federal financial aid

University of Houston FY2020 - FY2024 Operating Expenditures (\$ in Millions)

		A 2020 Actual	B 2021 Actual	C 2022 Actual	D 2023 Budgeted		Р	E 2024 roposed
1	Student Success	\$ 869.5	\$ 914.9	\$ 966.4	\$	930.9	\$	979.6
2	National Competitiveness	193.4	199.3	207.7		186.7		225.9
3	Infrastructure & Administration	183.1	153.8	143.6		203.1		214.7
4	Community Advancement	42.2	35.7	40.6		43.0		51.6
5	Total	\$ 1,288.2	\$ 1,303.7	\$ 1,358.3	\$	1,363.7	\$	1,471.8

University of Houston Clear Lake FY2024 Proposed Annual Budget

University of Houston Clear Lake Highlighted Use of FY2024 Funds

- 2% merit pool for eligible faculty & staff
- 1% market equity adjustment pool
- Student recruitment, retention & success
- Instructional technology
- Academic and research infrastructure
- Deferred maintenance & life safety
- Fixed institutional costs

University of Houston-Clear Lake FY2020 - FY2024 Operating Revenue

(\$ in Millions)

		A 2020 Actual		B 2021 Actual	C 2022 Actual		D 2023 Budgeted		E 2024 Proposed
1	State Appropriations	\$ 36.7	\$	35.1	\$	40.2	\$	39.3	\$ 40.3
2	HEF/National Research University Fund	8.0		7.7		7.7		7.7	8.0
3	Tuition & Fees	76.6		76.4		79.2		78.8	72.3
4	Other Operating	5.0		3.5		3.8		3.9	15.3
5	Contracts & Grants	25.2		42.3		36.0		18.8	26.9
6	Endowment Income / Gifts	 2.0		2.2		1.6		1.7	1.6
7	Total	\$ 153.5	\$	167.2	\$	168.5	\$	150.2	\$ 164.4

* Includes Federal financial aid

University of Houston-Clear Lake FY2020 - FY2024 Operating Expenditures (\$ in Millions)

		A 2020 Actual	B 2021 Actual	C 2022 Actual	D 2023 Budgeted	I	E 2024 Proposed
1	Student Success	\$ 107.6	\$ 131.9	\$ 132.0	\$ 114.4	\$	124.4
2	National Competitiveness	1.7	2.1	2.3	3.7		7.2
3	Infrastructure & Administration	31.1	30.6	31.4	32.1		32.8
4	Community Advancement	 0.0	 0.1	 0.3	 0.0		0.0
5	Total	\$ 140.4	\$ 164.7	\$ 166.0	\$ 150.2	\$	164.4

University of Houston Downtown

FY2024 Proposed Annual Budget

University of Houston Downtown Highlighted Use of FY2024 Funds

- 2% merit salary pool to invest in faculty and staff
- Senior Lecturer promotions
- Student retention and success initiatives
- Increase sponsored research
- Academic infrastructure
- Deferred Maintenance and Life Safety
- Fixed institutional costs

University of Houston-Downtown FY2020 - FY2024 Operating Revenue

(\$ in Millions)

		A 2020 Actual	B 2021 Actual	C 2022 Actual	D 2023 Budgeted		I	E 2024 Proposed
1	State Appropriations	\$ 32.5	\$ 31.4	\$ 33.7	\$	33.5	\$	36.1
2	HEF/National Research University Fund	11.8	10.8	10.8		10.8		11.2
3	Tuition & Fees	106.9	115.0	114.3		112.4		104.9
4	Other Operating	6.6	4.0	2.9		10.9		20.1
5	Contracts & Grants	55.5	76.6	80.0		48.1		48.8
6	Endowment Income / Gifts	3.7	2.7	4.3		3.1		3.3
7	Total	\$ 217.0	\$ 240.5	\$ 246.0	\$	218.8	\$	224.4

* Includes Federal financial aid

UNIVERSITY of HOUSTON SYSTEM

University of Houston-Downtown FY2020 - FY2024 Operating Expenditures

(\$ in Millions)

		A 2020 Actual	B 2021 Actual	C 2022 Actual	D 2023 Budgeted	F	E 2024 Proposed
1	Student Success	\$ 159.0	\$ 184.1	\$ 194.0	\$ 169.5	\$	167.7
2	National Competitiveness	2.6	2.2	1.9	2.0		3.9
3	Infrastructure & Administration	36.0	34.2	39.3	44.7		49.8
4	Community Advancement	 3.1	2.7	2.6	2.6		3.0
5	Total	\$ 200.7	\$ 223.2	\$ 237.8	\$ 218.8	\$	224.4

University of Houston Victoria

FY2024 Proposed Annual Budget

University of Houston Victoria Highlighted Use of FY2024 Funds

- New Aviation Academic Initiative
- Student success and recruitment for online programs previously outsourced
- Monitor and adjust operational resources for continued COVID-19 impacts
- Academic and research infrastructure
- Deferred Maintenance & Life Safety

University of Houston-Victoria FY2020 - FY2024 Operating Revenue

(\$ in Millions)

		A 2020 Actual	B 2021 Actual	C 2022 Actual	D 2023 Budgeted		E 2024 Proposed	
1	State Appropriations	\$ 18.5	\$ 17.6	\$ 19.4	\$ 19.2	\$	19.6	
2	HEF/National Research University Fund	4.3	3.5	3.5	3.6		3.6	
3	Tuition & Fees	32.7	34.9	32.4	32.2		30.9	
4	Other Operating	4.2	3.2	3.2	12.0		10.2	
5	Contracts & Grants	17.0	18.4	16.0	11.4		10.5	
6	Endowment Income / Gifts	0.9	0.9	1.8	0.6		0.6	
7	Total	\$ 77.6	\$ 78.5	\$ 76.3	\$ 79.0	\$	75.4	

* Includes Federal financial aid

University of Houston-Victoria FY2020 - FY2024 Operating Expenditures (\$ in Millions)

		A 2020 Actual	B 2021 Actual	C 2022 Actual	D 2023 Budgeted	Р	E 2024 Proposed
1	Student Success	\$ 61.7	\$ 66.6	\$ 68.0	\$ 66.2	\$	61.8
2	National Competitiveness	0.4	0.4	0.6	0.6		1.1
3	Infrastructure & Administration	10.1	9.5	11.0	11.7		12.0
4	Community Advancement	0.7	0.8	0.8	0.5		0.5
5	Total	\$ 72.9	\$ 77.3	\$ 80.4	\$ 79.0	\$	75.4

University of Houston System Administration

FY2024 Annual Budget

University of Houston System Administration FY2020 - FY2024 Operating Revenue

(\$ in Millions)

		A 2020 Actual	B 2021 Actual	C 2022 Actual	[D 2023 Budgeted	E 2024 oposed
1	State Appropriations	\$ 42.0	\$ 42.0	\$ 42.4	\$	59.3	\$ 60.3
2	Other Operating	9.2	8.8	10.4		11.0	11.3
3	Contracts & Grants	0.6	0.0	0.0		0.0	0.0
4	Endowment Income / Gifts	 4.6	4.7	5.0		2.4	2.6
5	Total	\$ 56.4	\$ 55.5	\$ 57.8	\$	72.7	\$ 74.2

* Includes CCAP debt service

University of Houston System Administration FY2020 - FY2024 Operating Expenditures (\$ in Millions)

В С D А 2020 2021 2022 2023 Actual Budgeted Actual Actual Student Success 1.3 \$ 1.3 \$ 0.9 \$ 1.5 \$ \$ National Competitiveness 0.5 0.5

51.0

52.8 \$

53.3

54.2 \$

52.0

S

53.8 \$

3 Infrastructure & Administration

4 Total

1

2

* Includes CCAP debt service

UNIVERSITY of HOUSTON SYSTEM

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2024

Proposed

71.2

72.7 \$

2.6

71.6

74.2

Questions?