

# University of Houston Budget Outlook

Fiscal Years 2010 through 2013

Administration & Finance Leadership Meeting  
July 20, 2010

# FY2010 Budget

- 5% Reduction of State General Revenue = \$8+ million
- Notification from State in Spring 2010
- FY2010 Reductions covered by one-time sources
  - Employee Furloughs – 1 day mandatory, up to 3 days voluntary
  - Reductions for remainder of FY2010
    - Communications allowances
    - Overtime
    - Business & Travel
    - Other
  - Equity Balances

# Summary of UC Berkeley Steering Committee Recommendations

Specifically, the Steering Committee recommends pursuing **five opportunity areas**, which will enable delivery of more consistent, sustainable service levels at dramatically lower cost:

1. **Procurement**
2. **Organizational simplification (including HR, Finance)**
3. **IT**
4. **Energy management**
5. **Student services**

# Summary of Univ of North Carolina Recommendations

## Bain & Company

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### Overall University Structure and Strategy

- Organization re-design
- Spans and layers optimization

#### Area Deep Dives

Admin Support

Teaching, Research,  
and Public Service

University Operations

2 Procurement

6 Centers & Institutes

8 Utilities

3 IT

7 Research &  
Compliance

9 Facilities services

4 Finance

10 Space utilization

5 HR

# FY2011 Budget

- Base-budget reductions (not one-time) implemented for FY2011
- 5% general revenue reduction made permanent
- 5% general revenue = 2% of operating budget
- Operating budget reductions averaged = 4%
- Budget reductions not across-the-board

# FY2011 Budget Preparation

## Average Reduction 4% of Operations

	Reduction	As a % of
	\$ Thousands	Budget
Chancellor/Presidents Office	\$ 333	5.5%
Advancement	139	2.0%
Administration and Finance	2,453	4.0%
Athletics	750	3.0%
Academic Affairs	2,770	6.1%
Colleges	9,058	3.7%
Student Affairs	1,488	4.0%
Research	492	6.0%
Research Special Items	497	5.0%
Central	1,385	
TOTAL	\$ 19,365	

# Reallocation Plan for FY2011 Budget

University of Houston

(\$ thousands)

	Spending	-----Revenue-----	
		Enrollment Revenue	Reductions & Reallocations
<b>Reduction Reserve</b> Anticipated State Reduction	\$ 8,697		\$ 8,697
<b>Recruitment and Retention</b> New Faculty Hires Faculty Retention Staff Retention	\$ 10,158	\$ 2,700	\$ 7,458
<b>Financial Aid</b> Need Based Set-aside UH Graduation Pledge Ugrad Merit Scholarships Doctoral Fellowships/Assistanceships	\$ 5,676	\$ 5,676	
<b>Enrollment &amp; Instruction</b> New Sections Recruitment Academic Space/Off Campus Programs	\$ 4,829	\$ 4,829	
<b>Research &amp; Infrastructure</b> College Space / Infrastructure Support for new Academic Space Research & Academic new Space Rental Library Support	\$ 4,862	\$ 1,652	\$ 3,210
<b>TOTAL</b>	<b>\$ 34,222</b>	<b>\$ 14,857</b>	<b>\$ 19,365</b>

# Outlook for FY2012 and FY2013

- Legislature will begin meeting in January 2011 to consider appropriations for FY2012 and FY2013
- Instructions for preparation of Legislative Appropriations Request require planning for further 5% and 10% general revenue reduction scenarios
- A 10% general revenue reduction = \$16 million/year
- Final appropriations will probably not be known until next summer
- Planning for FY2012 must begin now