

**Fiscal Year 2008
Plan and Budget
August 1, 2007**

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

Interim Chancellor John M. Rudley

University of Houston System
FY2008 Plan and Budget

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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 Combined
Table 1 - Summary of Sources & Uses of Funds

<u>Operating Budget</u>	FY2007 Budget	-----Change-----		FY2008 Budget
Source of Funds		Dollars	Percent	
Operations	\$ 726,821,611	\$ 72,556,312	10.0%	\$ 799,377,923
Restricted	157,820,608	7,658,788	4.9%	165,479,396
Total	\$ 884,642,219	\$ 80,215,100	9.1%	\$ 964,857,319
Use of Funds				
Operations	\$ 726,821,611	\$ 72,556,312	10.0%	\$ 799,377,923
Restricted	157,820,608	7,658,788	4.9%	165,479,396
Total	\$ 884,642,219	\$ 80,215,100	9.1%	\$ 964,857,319
<u>Capital Budget</u>	FY2007 Budget	-----Change-----		FY2008 Budget
Source of Funds		Dollars	Percent	
	\$ 101,157,221	\$ 46,331,455	45.8%	\$ 147,488,676
Use of Funds		Dollars	Percent	
	\$ 101,157,221	\$ 46,331,455	45.8%	\$ 147,488,676
<u>Total Operating Budget & Capital Budget</u>	FY2007 Budget	-----Change-----		FY2008 Budget
	\$ 985,799,440	\$ 126,546,555	12.8%	\$ 1,112,345,995

University of Houston System Combined
Table 2 - Operations

Source of Funds	FY2007 Budget	-----Change-----		FY2008 Budget
		Dollars	Percent	
General Funds				
State General Revenue Appropriations				
Formula Funding	\$ 179,680,223	\$ 7,593,129	4.2%	\$ 187,273,352
Special Items	15,115,708	5,290,273	35.0%	20,405,981
Tuition Revenue Bonds	14,433,502	11,748,022	81.4%	26,181,524
State Benefits Appropriation	40,106,474	1,534,759	3.8%	41,641,233
Dedicated Appropriations-TX Grant/College Work Study	11,325,825	5,126,617	45.3%	16,452,442
Subtotal State General Revenue Appropriations	260,661,732	31,292,800	12.0%	291,954,532
Tuition and Fees				
Statutory & Graduate Premium	87,489,735	(555,333)	-0.6%	86,934,402
Premium (Law, Pharmacy, Optometry)	8,722,659			8,722,659
Lab/other Student Fees	433,526	21,941	5.1%	455,467
Subtotal Tuition and Fees	96,645,920	(533,392)	-0.6%	96,112,528
HEAF	35,459,008	17,729,505	50.0%	53,188,513
Indirect Cost	1,238,909			1,238,909
Aux Admin Chg/Opt Clinic/Institutes/Cont. Ed/Other	7,598,321	(2,385,235)	-31.4%	5,213,086
Income on State Treasury Deposits	685,000	49,000	7.2%	734,000
Fund Balance	2,200,581	(669,844)	-30.4%	1,530,737
Subtotal General Funds	404,489,471	45,482,834	11.2%	449,972,305
Designated				
Tuition and Fees				
Designated Tuition - General	105,762,738	18,369,329	17.4%	124,132,067
Designated Tuition - Differential	12,957,810	2,217,378	17.1%	15,175,188
Library Fee	8,346,603	291,674	3.5%	8,638,277
Technology Fee	15,680,495	344,508	2.2%	16,025,003
Major/Department/Class Fees	65,282,103	1,153,762	1.8%	66,435,865
Subtotal Tuition and Fees	208,029,749	22,376,651	10.8%	230,406,400
Indirect Cost	9,713,121	1,541,072	15.9%	11,254,193
Investment Income on Non-Endowed Funds	6,885,000	607,000	8.8%	7,492,000
Endowment Income	8,837,751	191,713	2.2%	9,029,464
Contracts / Grants / Gifts	4,025,532	655,683	16.3%	4,681,215
Self Supporting Organizations/Others	17,712,536	3,751,497	21.2%	21,464,033
Fund Balance	1,427,044	199,913	14.0%	1,626,957
Subtotal Designated Funds	256,630,733	29,323,529	11.4%	285,954,262
Auxiliary Enterprises				
Student Fees				
Student Service Fee	19,356,044	966,052	5.0%	20,322,096
Recreation and Wellness Center	7,055,443	(34,644)	-0.5%	7,020,799
Other Student Fees	3,727,654	104,192	2.8%	3,831,846
Subtotal Student Fees	30,139,141	1,035,600	3.4%	31,174,741
Sales & Service - Student Housing/Meal Plan	8,861,339	337,589	3.8%	9,198,928
Sales & Service - Parking	7,335,530	676,644	9.2%	8,012,174
Sales & Service - Athletics/Hotel/UC/Other	28,843,216	791,500	2.7%	29,634,716
Fund Balance	455,519	(7,920)	-1.7%	447,599
Subtotal Auxiliary Funds	75,634,745	2,833,413	3.7%	78,468,158
Total Current Operating Funds	736,754,949	77,639,776	10.5%	814,394,725
Interfund transfer	(9,933,337)	(5,083,465)	51.2%	(15,016,802)
Total Sources	\$ 726,821,612	\$ 72,556,311	10.0%	\$ 799,377,923
Use of Funds by Object				
Salaries and Wages	\$ 366,856,937	\$ 33,341,314	9.1%	\$ 400,198,251
Benefits	85,603,473	5,710,656	6.7%	91,314,129
M&O	135,206,830	(1,283,695)	-0.9%	133,923,135
Capital	22,447,491	13,266,916	59.1%	35,714,407
Scholarships	45,793,145	9,447,709	20.6%	55,240,854
Debt Service	32,012,371	8,913,624	27.8%	40,925,995
Utilities	27,504,935	(1,684,266)	-6.1%	25,820,669
Transfers	11,396,430	4,844,053	42.5%	16,240,483
Total Uses	\$ 726,821,612	\$ 72,556,311	10.0%	\$ 799,377,923

University of Houston System Combined
Table 3 - Restricted

Source of Funds	FY2007	-----Change-----		FY2008
	Budget	Dollars	Percent	Budget
Restricted				
Contracts and Grants				
Research	\$ 71,047,952	\$ 3,027,248	4.3%	\$ 74,075,200
Financial Aid	43,187,476	901,447	2.1%	44,088,923
Gifts	16,084,786	1,668,737	10.4%	17,753,523
Endowment Income	13,272,980	1,217,421	9.2%	14,490,401
Other Restricted (encum, student fees, other E&G)	2,278,876	788,927	34.6%	3,067,803
KUHT/KUHF	14,788,421	154,249	1.0%	14,942,670
Total Current Operating Funds	160,660,491	7,758,029	4.8%	168,418,520
Interfund Transfer	(2,839,883)	(99,241)	3.5%	(2,939,124)
Total Sources	\$ 157,820,608	\$ 7,658,788	4.9%	\$ 165,479,396
Use of Funds by Object				
Salaries and Wages	\$ 44,263,112	\$ 1,065,956	2.4%	\$ 45,329,068
Benefits	5,179,918	316,062	6.1%	5,495,980
M&O	57,461,663	3,941,830	6.9%	61,403,493
Capital	2,406,758	1,565,690	65.1%	3,972,448
Scholarships	48,509,157	769,250	1.6%	49,278,407
Total Uses	\$ 157,820,608	\$ 7,658,788	4.9%	\$ 165,479,396

**University of Houston System Combined
Table 4**

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

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

Employee Classification	FY2007 Budget	-----Change-----		FY2008 Budget
		FTE	Percent	
Faculty	1,675	38	2%	1,713
Part-time Faculty	1,106	19	2%	1,125
Professional Staff	2,614	44	2%	2,658
Classified Staff	1,775	31	2%	1,806
Temporary Staff	974	17	2%	991
Total	8,144	149	2%	8,293

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

	FY2004 Actuals	FY2005 Actuals	FY2006 Actuals	FY2007 Budget	FY2008 Budget	FY08 vs FY07 \$ Change
Semester Credit Hours						
Lower Division	527,561	529,652	517,675	518,616	518,925	309
Upper Division	512,509	507,507	548,148	542,284	543,528	1,244
Masters	162,700	162,459	146,731	146,641	145,576	(1,065)
Doctoral	21,711	23,904	22,711	22,510	22,510	-
Special Professional	62,322	62,416	61,294	60,685	60,685	-
Total	1,286,803	1,285,938	1,296,559	1,290,736	1,291,224	488
Semester Credit Hours-On/Off Campus						
On Campus	1,190,070	1,166,538	1,157,469	1,152,468	1,150,725	(1,743)
Off Campus	96,733	119,400	139,090	138,268	140,499	2,231
Total	1,286,803	1,285,938	1,296,559	1,290,736	1,291,224	488
Fall Headcount	56,227	56,832	56,332	56,512	56,467	(45)
Student FTE	40,869	41,337	41,274	41,152	41,095	(57)

UH System Budget Summary Combined

	FY2007 Budget	-----Change-----		FY2008 Budget
		Dollars	Percent	
Operations				
University of Houston	\$ 523,643,670	\$ 49,646,591	9.5%	\$ 573,290,261
UH-Clear Lake	76,604,283	5,448,403	7.1%	82,052,686
UH-Downtown	84,650,383	9,787,553	11.6%	94,437,936
UH-Victoria	29,849,049	6,702,399	22.5%	36,551,448
UH System Administration	12,074,226	971,366	8.0%	13,045,592
Total System-wide	<u>\$ 726,821,611</u>	<u>\$ 72,556,313</u>	<u>10.0%</u>	<u>\$ 799,377,923</u>
Restricted				
University of Houston	\$ 130,983,988	\$ 4,339,010	3.3%	\$ 135,322,998
UH-Clear Lake	6,550,833	(513,077)	-7.8%	6,037,756
UH-Downtown	17,758,673	3,074,880	17.3%	20,833,553
UH-Victoria	2,249,272	803,002	35.7%	3,052,274
UH System Administration	277,842	(45,027)	-16.2%	232,815
Total System-wide	<u>\$ 157,820,608</u>	<u>\$ 7,658,788</u>	<u>4.9%</u>	<u>\$ 165,479,396</u>
Capital				
University of Houston	\$ 63,558,480	\$ 40,161,004	63.2%	\$ 103,719,484
UH-Clear Lake	1,419,424	1,513,407	106.6%	2,932,831
UH-Downtown	25,665,000	(22,265,000)	-86.8%	3,400,000
UH-Victoria	4,000,000	27,269,000	100.0%	31,269,000
UH System Administration	6,514,317	(346,956)	-5.3%	6,167,361
Total System-wide	<u>\$ 101,157,221</u>	<u>\$ 46,331,454</u>	<u>45.8%</u>	<u>\$ 147,488,676</u>
Total				
University of Houston	\$ 718,186,138	\$ 94,146,605	13.1%	\$ 812,332,743
UH-Clear Lake	84,574,540	6,448,733	7.6%	91,023,273
UH-Downtown	128,074,056	(9,402,567)	-7.3%	118,671,489
UH-Victoria	36,098,321	34,774,401	96.3%	70,872,722
UH System Administration	18,866,385	579,383	3.1%	19,445,768
Total System-wide	<u>\$ 985,799,440</u>	<u>\$ 126,546,555</u>	<u>12.8%</u>	<u>\$ 1,112,345,995</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 2008:

- Collaborative Academic Initiatives
- Governmental Support
- Administrative Effectiveness

As we look to FY08, the UH System Strategic Principles have now been in place for three 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 is the expansion of off-campus programs in high-growth parts of the region. Given the tremendous population growth taking place in the Houston suburbs and the difficulty that residents of these communities face in traveling to one of our main campuses, it is imperative that we deliver our programs at off-campus locations. In FY08, we will continue to develop our off-campus centers, as well as continue the examination begun this year as to how the UH System universities can best serve the higher education needs of our service areas through off-campus program delivery.

With the 80th Texas Legislative Session concluded, the UH System universities will now build on the successes of the session by working with legislators and their staffs during the interim. During non-legislative years, we are able to make a concentrated effort (without the distractions the session often brings) to inform our legislators about the importance of the University of Houston System and higher education in achieving state priorities, so that they are equipped to act on our behalf once the next session begins. We will also develop and promote a federal agenda to secure funding and policy that benefits our universities.

Finally, during FY08 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. Now that all three systems have been implemented, of principal importance next year will be the refinement of business processes and the development of reporting and data analysis tools.

Priority 1. Collaborative Academic Initiatives

Context

This summer, the UH System commissioned a study of population trends in the Houston Metropolitan area through the year 2025. Not surprisingly, major areas of population growth will continue to be along the western circumference of the region, from The Woodlands in the north to Pearland in the south, including Sugar Land, Katy, and Northwest Houston – all areas the UHS universities have targeted for off-campus program expansion, the importance of which cannot be overstated. As Houston grows in terms of both square miles and population, traffic and distance make it increasingly difficult for students to attend one of our main campuses. If the UH System universities do not expand program delivery in high-growth suburbs, we will cede enrollment and resources to other universities.

A major component of the UH System Strategic Principles is the expansion of existing off-campus centers and the development of new ones in high demand parts of our service area. The following progress has been made in FY07: construction of the second academic building at the UH System at Sugar Land has begun; UH-Downtown has added a weekend program at Cy Fair College in Northwest Houston; UH-Clear Lake has received all the necessary approvals to develop a branch campus in Pearland; and UHCL has also moved its Health Care Administration program to the Texas Medical Center. In FY08, 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 2008 Initiatives

- *Plan for a UH System Health Science Center*

The UH System universities have many academic and research programs in the health sciences and partnerships with Texas Medical Center institutions – particularly The Methodist Hospital. In FY08, we will develop a plan and seek the necessary approvals for organizing our health science programs in a way that maximizes resources and effectively serves our constituents.

- *Evaluate the UH System's Approach to Off-Campus Program Delivery*

In FY08, discussions will continue among the four UH System universities as to the best way to approach off-campus program delivery. These discussions have already led UH-Downtown to redirect resources from Sugar Land to Northwest Houston, while the University of Houston and UH-Victoria are increasing their programs in Sugar Land.

- *UH System Centers at Sugar Land and Cinco Ranch (\$117,920 New Resources, \$471,046 HEAF)*

Major construction initiatives at the Sugar Land campus in FY08 include the construction of the new academic building, which is scheduled to open in fall 2008, and continued planning activities with Fort Bend County for the construction of a public library. In addition, \$117,920 in new resources will be allocated to Sugar Land and Cinco Ranch to cover increased operations costs and salary increases, and \$471,046 will be allocated to Sugar Land to cover capital costs.

- *Plan and Deliver Programs in Northwest Houston*
In addition to the education program being delivered in Cy-Fair, UH-Downtown will begin delivering an undergraduate business degree in spring 2008. The University of Houston will also continue working with the Northwest Houston community and other universities operating in the area to determine an effective and equitable way of serving the region.
- *Plan and Deliver Programs in the Pearland Area*
With approvals for the development of a branch campus in place, UH-Clear Lake, working with the City of Pearland, will take the necessary steps in FY08 to construct a building. These include finalizing the development agreement and lease for UHCL's occupancy of the building, completing design of the building, and beginning construction.
- *Plan and Deliver Programs at the Texas Medical Center*
With the Health Care Administration program now moved to the Texas Medical Center, UH-Clear Lake will focus on further program development in FY08. Course offerings will be increased; online course development for the graduate program will be completed; and a new BA in Health Care Services will be developed in collaboration with Houston Community College.
- *NASA Aerospace Scholars & Technology Outreach Programs(\$260,881 New Resources)*
On behalf of the Johnson Space Center, the UH System is appropriated special item funding for NASA's Aerospace Scholars and Technology Outreach programs, funding for which has been increased for FY08. The Aerospace Scholars Program provides science education opportunities to public school and community college students throughout the state, while the Technology Outreach Program provides consulting services to start-up science and technology companies in the Houston area.

Priority 1. Investment of Resources in FY 2008 Initiatives

	New Resources	HEAF	Total
UH System Centers at Sugar Land and Cinco Ranch	\$117,920	\$471,046	\$588,966
NASA Aerospace Scholars & Technology Outreach Programs	260,881		260,881
Total	\$378,801	\$471,046	\$849,847

Key Performance Indicators

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

Priority 2. 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. Last January, as we began the 80th Texas Legislature, it was difficult to discern the level of financial support we would receive from the state. While the Comptroller of Public Accounts was forecasting a significant state budget surplus for the upcoming biennium, the extent to which new resources would be available for higher education relative to other critical need areas (e.g., public education, health care) was uncertain. Fortunately, by the end of the session the Legislature was able to allocate significant new resources to the state's universities, recognizing the importance of higher education to the future of Texas. At the UH System universities:

- Formula funding increased by \$4.8 million.
- Special item funding increased by \$9.6 million.
- The University of Houston's appropriation from the Research Development Fund increased by 46% (to \$7.5 million), as a result of being doubled state-wide.
- UH was appropriated \$4.1 million annually from the Texas Competitive Knowledge Fund, a new fund that was created this session to support research universities.
- Tuition revenue bond (TRB) debt service was fully funded at \$11.5 million.
- HEAF funding was increased by \$17.7 million.

State funding increases and policy that supports higher education are achievable only if we have demonstrated the value of higher education and the UH System universities to our elected officials. Doing so requires building and maintaining strong relationships with our legislators throughout the year. Hence, while the Texas Legislature is not expected to convene in FY 2008, the UH System Administration will continue to work with legislators and their staffs on behalf of the universities. During non-legislative years, we are able to make a concentrated effort to inform our legislators about the importance of the University of Houston System and higher education in achieving state priorities, so that they are equipped to act on our behalf once the session begins.

FY 2008 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 (representing the largest discretionary portion of the state budget), and the UH System Administration has been actively involved in working to cultivate an environment that supports our institutions. During FY 2008, 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.
- *Participate in Interim Legislative Studies*
Before its next session, the Texas Legislature will assemble committees to study issues related to higher education in Texas, including the House Select Committee on Higher and Public Education Finance (others will be appointed in the fall). The UH System will support the work of these committees during FY 2008. Next year the state will also develop the

methodology for appropriating the newly created performance incentive funding (instituted by Governor Perry). The UH System will assist in the development of this methodology.

- *Pursue Federal Opportunities*

During FY08 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. This fall we will also close out our federal agenda for FY07. We have several funding proposals still pending.

Key Performance Indicators

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

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. 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 2008, 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 2008 Initiatives

- *Staff Compensation Increases (\$324,565 New Resources)*
In FY08, the UH System Administration will allocate \$324,565 to pay for a salary increase of 4.0 percent and associated benefits for staff members. Half of the 4.0 percent increase will be distributed across the board, and half will be based on merit.
- *Information Systems Upgrades (\$2,850,000 HEAF)*
This year version 8.9 of the PeopleSoft student system went live at UH and UH-Victoria. In addition, the student system at UH-Clear Lake and the human resources system at all four universities was upgraded to version 8.9. In FY08, the UH System will implement additional functionalities, make enhancements and refine business practices (e.g., the development of reporting and data analysis tools) to all three systems. \$2,850,000 in HEAF funds will be invested in the PeopleSoft project next year.
- *Develop the UH System Comprehensive Campaign*
This year, the UH System has continued to hire the professional and support positions needed to increase its major gift fundraising program and implement the comprehensive campaign. To date 20 of the 32 planned positions have been filled, with the remainder to be filled in FY08. University Advancement is also focusing on a series of fundraising projects that have been identified as priorities during the Chancellor/President transition period. Funding for Michael J. Cemo Hall is almost complete and significant progress has been made toward renovations and other projects for the Conrad N. Hilton College of Hotel and Restaurant Management. Additional priority projects include Teach Houston, Presidential Endowed Scholarships and an end zone facility at Robertson Stadium, among others.
- *Chancellor/President Initiatives (\$55,000 New Resources)*
In FY08, \$55,000 in new resources will be used to support special events and Board of Regents initiatives in the Office of the Chancellor/President.

Priority 3. Investment of Resources in FY 2008 Initiatives

	New Resources	HEAF	Total
Staff Compensation Increases	\$324,565		\$324,565
PeopleSoft Implementation		\$2,850,000	\$2,850,000
Chancellor/President Initiatives	55,000		55,000
Total	\$379,565	\$2,850,000	\$3,229,565

University of Houston System Administration

Appendix A - Allocation of New FY 2008 Resources

<u>Revenue Changes</u>	
General Revenue	
Appropriations Bill	\$ 257,622
Service Charge	
Cinco, Sugarland	\$ 117,920
UHSA Endowment Income	\$ 120,269
Fund Balance	\$ 262,555
Total New Funds for Allocation	<u>\$ 758,366</u>

<u>Priority/Initiative</u>	<u>Allocation</u>
Priority 1. Collaborative Academic Initiatives	
UH System Centers at Sugar Land & Cinco Ranch	\$ 117,920
NASA Aerospace Scholars and Technology Outreach Programs	260,881
Subtotal	<u>\$ 378,801</u>
Priority 2. Governmental Support	
Priority 3. Administrative Effectiveness	
Staff Compensation Increases	\$ 324,565
Chancellor/President Initiatives	55,000
Subtotal	<u>\$ 379,565</u>
Total New Investments	<u>\$ 758,366</u>

University of Houston-System Administration

Appendix B - Allocation of FY 2008 HEAF

<u>FY08 Allocation</u>		<u>Priority/Initiative</u>	<u>HEAF</u>
Transfers from components		Priority 1. Collaborative Academic Initiatives	
HEAF	<u>\$ 3,321,046</u>	UH System Centers at Sugar Land & Cinco Ranch	\$ 471,046
		Priority 3. Administrative Effectiveness	
		Information Systems Upgrades	\$ 2,850,000
		Total New Investments	<u>\$ 3,321,046</u>

University of Houston-System Administration

Table 1 - Summary of Sources & Uses of Funds

Operating Budget

	FY2007 Budget	-----Change-----		FY2008 Budget
		Dollars	Percent	
Source of Funds				
Operations	\$ 12,074,226	\$ 971,366	8.0%	\$ 13,045,592
Restricted	277,842	(45,027)	-16.2%	232,815
Total	\$ 12,352,068	\$ 926,339	7.5%	\$ 13,278,407
Use of Funds				
Operations	\$ 12,074,226	\$ 971,366	8.0%	\$ 13,045,592
Restricted	277,842	(45,027)	-16.2%	232,815
Total	\$ 12,352,068	\$ 926,339	7.5%	\$ 13,278,407

Capital Budget

	FY2007 Budget	-----Change-----		FY2008 Budget
		Dollars	Percent	
Source of Funds				
	\$ 6,514,317	\$ (346,956)	-5.3%	\$ 6,167,361
Use of Funds				
	\$ 6,514,317	\$ (346,956)	-5.3%	\$ 6,167,361

Total Operating Budget & Capital Budget

	FY2007 Budget	-----Change-----		FY2008 Budget
		Dollars	Percent	
	\$ 18,866,385	\$ 579,383	3.1%	\$ 19,445,768

University of Houston-System Administration
Table 2 - Operations

Source of Funds	FY2007 Budget	Change		FY2008 Budget
		Dollars	Percent	
General Funds				
State General Revenue Appropriations				
Formula Funding	\$ 1,764,822	\$ (3,259)	-0.2%	\$ 1,761,563
Special Items	579,736	260,881	45.0%	840,617
State Benefits Appropriation	1,100,000	213,000	19.4%	1,313,000
Subtotal State General Revenue Appropriations	3,444,558	470,622	13.7%	3,915,180
Service Charge	2,809,007	(2,809,007)	-100.0%	
Subtotal General Funds	6,253,565	(2,338,385)	-37.4%	3,915,180
Designated				
Investment Income on Non-Endowed Funds	984,000			984,000
Endowment Income	1,742,550	120,269	6.9%	1,862,819
Service Charge	3,431,324	2,926,927	85.3%	6,358,251
Fund Balance	(337,213)	262,555	-77.9%	(74,658)
Subtotal Designated Funds	5,820,661	3,309,751	56.9%	9,130,412
Total Current Operating Funds	12,074,226	971,366	8.0%	13,045,592
Total Sources	\$ 12,074,226	\$ 971,366	8.0%	\$ 13,045,592
Use of Funds by Object				
Salaries and Wages	\$ 5,929,768	\$ 441,611	7.4%	\$ 6,371,379
Benefits	1,332,164	199,654	15.0%	1,531,818
M&O	2,378,316	131,381	5.5%	2,509,697
Capital	318,596	(73,000)	-22.9%	245,596
Transfers	2,115,382	271,720	12.8%	2,387,102
Total Uses	\$ 12,074,226	\$ 971,366	8.0%	\$ 13,045,592

University of Houston-System Administration
Table 3 - Restricted

	FY2007	-----Change-----		FY2008
	Budget	Dollars	Percent	Budget
Source of Funds				
Restricted				
Gifts	\$ 100,000	\$ (50,000)	-50.0%	\$ 50,000
Endowment Income	77,842	4,973	6.4%	82,815
Other Restricted(encum, student fees, other E&G)	100,000			100,000
Total Current Operating Funds	277,842	(45,027)	-16.2%	232,815
Total Sources	\$ 277,842	\$ (45,027)	-16.2%	\$ 232,815
Use of Funds by Object				
M&O	277,842	(45,027)	-16.2%	232,815
Total Uses	\$ 277,842	\$ (45,027)	-16.2%	\$ 232,815

University of Houston - System Administration

Table 4 - Capital Projects

Project to Date	Project Expenditures		Total Project Budget	Funded From			
	FY2008 Budget	Future Year Budgets		HEAF	Revenue Bonds	Gifts	Other
\$ -	\$ 6,167,361	\$ -	\$ 6,167,361	\$ 2,850,000	\$ -	\$ -	\$ 3,317,361
\$ -	\$ 6,167,361	\$ -	\$ 6,167,361	\$ 2,850,000	\$ -	\$ -	\$ 3,317,361

Information System Projects

PeopleSoft Project

Total

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

Employee Classification	FY2007 Budget	-----Change-----		FY2008 Budget
		FTE	Percent	
Professional Staff	58	-		58
Classified Staff	13	-		13
Total	71	-		71

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

NOTE 1

	FY2007	-----Change-----		FY2008
	Budget	Dollars	Percent	Budget
Use of Funds by Organization				
Regents	\$ 176,575	\$ 36,379	20.6%	\$ 212,954
Chancellor	1,236,629	35,005	2.8%	1,271,634
Academic Affairs	1,380,635	86,812	6.3%	1,467,447
Student Affairs	195,938	12,968	6.6%	208,906
Research	227,150	10,800	4.8%	237,950
Administration and Finance	1,827,503	67,970	3.7%	1,895,473
University Advancement	360,000	21,280	5.9%	381,280
Government Relations	729,218	28,045	3.8%	757,263
General Counsel	989,567	69,009	7.0%	1,058,576
Auditing	814,740	62,497	7.7%	877,237
Staff Benefits	1,245,000	198,000	15.9%	1,443,000
Subtotal Operations	9,182,955	628,765	6.8%	9,811,720
NASA Programs	579,736	260,881	45.0%	840,617
Other Uses				
Transfer to UH for Charter School	106,153			106,153
Service charge Transfer to Victoria	2,205,382	81,720	3.7%	2,287,102
Total Uses	\$ 12,074,226	\$ 971,366	8.0%	\$ 13,045,592

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

NOTE 2

	FY2007 Budget	-----Change-----		FY2008 Budget
		Dollars	Percent	
Use of Funds by Organization				
Academic Affairs	\$ 159,684	\$ (46,165)	-28.9%	\$ 113,519
Administration and Finance	100,000			100,000
University Advancement	18,158	1,138	6.3%	19,296
Subtotal Operations	277,842	(45,027)	-16.2%	232,815
Total Uses	\$ 277,842	\$ (45,027)	-16.2%	\$ 232,815

University of Houston Mission and UH System Strategic Principles

UH Mission

The mission of the University of Houston is to discover and disseminate knowledge through the education of a diverse population of traditional and non-traditional students, and through research, artistic and scholarly endeavors, as it becomes the nation's premier public university in an urban setting. In this role, the University of Houston applies its expertise to the challenges facing the local, state, national, and international communities, and it establishes and nurtures relationships with community organizations, government agencies, public schools, and the private sector to enhance the educational, economic, and cultural vitality of Houston and Texas.

UH System Strategic Principles

In accordance with its mission, the University of Houston pursues the following strategic principles established by the UH System Board of Regents:

Strategic Principle 1. Institutional Excellence

The UH System universities will continue to strive for academic excellence in all undergraduate, graduate and professional programs, as well as in research and public service.

Strategic Principle 2. Student Access

The universities of the UH System will continue to provide broad access to higher education opportunities in the upper Gulf Coast region and Texas.

Strategic Principle 3. Diversity

The diversity of the UH System universities is a strength that distinguishes us among universities nationwide. Increasingly, the faculty, staff, administration and students of our universities will reflect the diversity of Houston.

Strategic Principle 4. Research

The cornerstone of higher education is the creation and dissemination of new knowledge, through which the UH System universities will enrich the educational experience of students, enhance the cultural life of our constituents, and contribute to economic development.

Strategic Principle 5. External Partnerships

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.

Strategic Principle 6. Faculty and Staff Recruitment and Retention

Faculty and staff constitute the most valuable assets of the UH System universities. As such they must have access to career opportunities that are competitive with those at other universities.

Strategic Principle 7. PK-16 Partnerships

Partnerships among the UH System universities, public schools and community colleges are critical to increasing the college-going rates of Texas students to the national average.

Strategic Principle 8. Accountability and Administrative Efficiency

The universities of the UH System will be accountable for student learning and for the effective use of resources.

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. In addition, UH reached a record high enrollment in fall 2004 of 35,180.

It is important to recognize, however, that becoming a tier-one university is a long-term endeavor, the road to which will not always be even. After several years of considerable progress, the past two years have presented the University of Houston with some challenges. Last year research awards were down from the \$80 million high in FY05 (they were \$77 million in FY06), and enrollment declined to 34,334 in fall 2006. To address these issues, the University of Houston is responding by adjusting its investment strategies. In terms of research, we are adopting a more centralized, collaborative development model. First, in implementing our five-year faculty hiring plan, we are hiring according to six research clusters we have identified this year. These clusters represent interdisciplinary areas of research strength that correspond to high levels of federal research funding. Hiring according to the clusters will improve our return on investment. Second, because the cost of outfitting research labs has become extraordinarily high, we are focusing on the development of core facilities to be shared by groups of faculty in the various research clusters (rather than building labs for each individual faculty member). In addition to being cost-effective, this strategy will serve at least three important ends: it will promote interdisciplinary research (as now highly favored by federal funding agencies); it will move us toward completion of the SERC research building (where many of the core facilities will be located); and it will put us in a better position to attract the finest scientists and scholars to UH.

In terms of enrollment, we are becoming much more aggressive in expanding and improving the operations that are key to recruiting, enrolling and retaining students – admissions, registration, financial aid, and advising – and we are also adding faculty positions in areas of high enrollment demand. At the undergraduate level, retention is where UH can make the greatest difference. Over the past two years, we have met our enrollment goals for new undergraduate students. Where we have fallen short – recently and historically – is in the retention of current students, the reason for which, in part, is the propensity of our non-traditional students to delay completion of their degree in favor of the workforce (especially when the economy is strong). For the graduate student population, financial aid is where we can make the greatest difference. If we are to maintain and increase our graduate enrollment, we must offer financial packages that are competitive with those of other universities (e.g., UT-Austin, Texas A&M, Rice) and that draw professional students, at least part-time, from the workforce.

In FY08 the University of Houston will also make significant investments in operations support in the colleges. In meeting state budget cuts earlier in the decade, the colleges reduced their maintenance & operations (M&O) budgets and didn't fill needed support staff positions (all of this while costs continued to increase as a result of inflation). Next year we will begin rebuilding these very important resources.

The plan that follows expands on these and other important university goals for FY 2008. It is arranged according to five institutional funding priorities: student success, academic excellence, research excellence, campus infrastructure, and administrative effectiveness, selection of which was made in relation to our mission and 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 (i.e., state funding, tuition and fees), 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 \$38.0 million in new resources next year. This includes \$19.8 million we received from the Texas Legislature as a result of a successful 2007 legislative session, \$16.2 million in new tuition and fee dollars, and \$2.0 million that has resulted from utility savings. Of the new state resources, \$7.4 million has been earmarked by the state for student financial aid. The majority of the remaining resources can be invested at the discretion of the institution. The university's new state resources, tuition and fees, and utility savings will be invested in the following ways:

	New Resources
Student Success	\$15,863,412
Academic Excellence	12,899,269
Research Excellence	1,750,000
Campus Infrastructure	540,619
Administrative Effectiveness	<u>6,978,754</u>
Total	\$38,032,054

In addition, the University of Houston will have available \$47.3 million in HEAF and Indirect Cost Recovery to invest in new initiatives next year. As a result of the legislative session, the university's annual HEAF budget increased by \$11.8 million from last year. HEAF and IDC will be allocated according to the following priorities:

	HEAF	IDC	Total
Student Success	\$5,385,000		\$5,385,000
Academic Excellence	5,343,431		5,343,431
Research Excellence	9,500,000	\$10,831,731	20,331,731
Campus Infrastructure	12,459,079	1,238,909	13,697,988
Administrative Effectiveness	<u>2,588,630</u>		<u>2,588,630</u>
Total	\$35,276,140	\$12,070,640	\$47,346,780

Finally, the priorities and initiatives identified in the FY08 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 accountability report (submitted in December) was reviewed with the regents at their April 2007 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. 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. Student persistence is also important in terms of maximizing institutional resources. Higher student retention rates translate into increased enrollment, which in turn will increase the university's tuition and fee revenues and state formula funding.

The University of Houston, therefore, 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 hired 12 new academic advisors; (2) we have opened the UH Welcome Center, which serves as a one-stop shop for students to complete university business; (3) we have provided one-time funds for scholarships to high-achieving transfer students; (4) we have implemented the JUMP program, through which incoming freshmen take coursework and receive additional support in the summer before their first academic year; and (5) we have established a limit of six course drops per student to encourage timely graduation. The UH plan for FY08 will build upon these accomplishments, in support of the state, board, and university priority that student success be significantly enhanced.

FY 2008 Initiatives

- *Financial Aid (\$7,381,210 New Resources)*

In FY08, the University of Houston will increase student financial assistance by \$7,381,210. This will take the form of scholarships and loans in the amount of \$2,457,227 that we set aside as a result of increases in designated tuition, as well as TEXAS Grants (\$4,923,983), which are need-based grants that were increased as a result of the 2007 legislative session.

- *Undergraduate Enrollment and Persistence (\$1,220,000 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 \$250,000 to create five new advisor positions next year (to add to the 12 positions we created this year). In addition, we will continue to strengthen our enrollment services operations through the creation of eight new positions in Admissions, the Registrar's Office and the Welcome Center (\$520,000); we will base-fund scholarships for transfer students (\$400,000); and we will base-fund a research position (\$50,000), the responsibilities of which will include studying student persistence at UH.

- *Student Services Programs (\$887,755 New Resources)*
In FY08, the University of Houston will invest \$887,755 to enhance student services programs and account for cost increases. In addition to increased support for student organizations, major investments include support for the University Health Center (\$176,876), University Career Services (\$29,500), the student video network (\$57,625), student learning and assessment activities (\$67,936), and the Measurement and Evaluation Center (\$68,122).
- *Academic Buildings and Classrooms (\$5,219,579 New Resources, \$5,385,000 HEAF)*
In FY08, the University of Houston will allocate \$10,604,579 to improve academic facilities on campus. This will include renovation of science and engineering facilities, in particular undergraduate science teaching labs (\$5,219,579 in tuition revenue bond debt service). It will also include the construction of the Cemo Lecture Hall and Academic Building and improvements to the Hilton College of Hotel and Restaurant Management. In addition to substantial private funding, \$2,100,000 in HEAF will be dedicated to the Cemo and Hotel and Restaurant Management projects next year. Finally, \$3,285,000 in HEAF will be used to make facilities improvements and implement energy conservation projects as part of the annual capital renewal/deferred maintenance program (CRDM). All of these initiatives will enhance the attractiveness of UH to potential students, allow us to accommodate more students in the classroom, and improve the quality of instruction.
- *Student Residential Life (\$1,154,868 New Resources)*
An important goal of the University of Houston is to increase the number of students living on campus. If we are to do so, we must maintain and enhance the quality of residential life. In FY08, \$1,154,868 in new student fees will be used to improve the quality of dormitories, food services, and parking on campus. In FY08, the University of Houston will also continue planning for the new residence facility for graduate and professional students, Calhoun Lofts.

Priority 1. Investment of Resources in FY 2008 Initiatives

	New Resources	HEAF	Total
Financial Aid	\$7,381,210		\$7,381,210
Undergraduate Enrollment and Persistence	1,220,000		1,220,000
Student Services Programs	887,755		887,755
Academic Buildings and Classrooms	5,219,579	\$5,385,000	10,604,579
Student Residential Life	1,154,868		1,154,868
Total	\$15,863,412	\$5,385,000	\$21,248,412

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 secured approval for the delivery of four new degree programs; we have continued health sciences planning activities with The Methodist Hospital and Cornell University, which has led to the opening of the Institute for Biomedical Imaging Science (IBIS), the goal of which is to create synergies among the partner institutions that will lead to scientific breakthroughs and attract external research funding; and we have either made offers or secured acceptances for 17 of the 22 new faculty lines created last year. All of these improvements will serve to enhance the academic quality of the University of Houston.

FY 2008 Initiatives

- *Faculty Compensation Increases (\$4,863,621 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 FY08, the university will invest \$4,863,621 to increase faculty salaries by an average of 4.0 percent (based on merit) and pay for associated benefits.

- *New Faculty and Academic Positions (\$3,650,000 New Resources)*

In FY08 the University of Houston will invest \$3,040,000 (salary plus benefits) to create approximately 20 new tenure-track faculty lines (based on \$7 million in requests from the UH colleges). Major investments will be made in psychology, the sciences and engineering, particularly in the biomedical and energy research clusters (see page 9). Resources for the College of Engineering will await the appointment of a new dean. Consistent with the strategic principles, these hires will bring substantial resources to UH (faculty, research funding, and graduate students), and will support our relationship with Methodist, Cornell, and other Medical Center institutions. Other areas targeted for investment include Business and select programs with high enrollment demand. Finally, the university will invest \$610,000 to create eight new instructional faculty and staff support positions. Instructional positions are critical to meeting enrollment needs in high demand areas.

- *University Libraries (\$5,343,431 HEAF)*

In order to attract, retain and support high quality faculty and students, the University of Houston must remain committed to enhancing the quality of our library facilities and collections (both print and electronic resources). In FY08, library HEAF funds have increased by \$329,081 to \$3,650,000, which will be used to maintain collections at both the M.D. Anderson and John O'Quinn Libraries.

Also, an additional \$1,693,431 in HEAF resources will continue to be used to cover debt service on the new addition to the M.D. Anderson Library.

- *College Instructional Support Staff and M&O (\$1,200,000 New Resources)*

In the face of significant budget cuts over the past several years, the UH colleges have either had to reduce their operations budgets and forego hiring needed staff positions, or, in the best of situations, hold these budgets constant (while still experiencing the effects of inflation). To begin alleviating these pressures, the University of Houston will allocate \$1,000,000 to the colleges to increase their M&O budgets next year and \$200,000 to create five new support positions. Some of these resources will be used to increase travel budgets for faculty members, so that they can present their work at national conferences and thereby enhance the notoriety of the university.
- *Graduate Enrollment Support (\$400,000 New Resources)*

In terms of enrollment, graduate enrollment has been the greatest challenge for UH over the past few years. Therefore, \$400,000 will be used to recruit graduate students next year. Planned activities include increasing the financial packages for students to participate in six hours of coursework prior to their first semester that will help them prepare for their undergraduate teaching responsibilities. Resources will also be used to increase the number of packages for doctoral students in order to increase their numbers on campus.
- *Graduate Assistant Tuition Fellowships (\$398,393 New Resources)*

Each year the University of Houston must increase its investment in the Graduate Tuition Fellowship program in order to cover increased tuition charges. For FY08, an additional \$398,393 will be needed to fulfill our obligation to graduate students, primarily as a result of the tuition increases planned for next year.
- *Executive MBA Program (\$469,788 New Resources)*

In FY08, the Executive MBA program will receive \$469,788 to address the costs of increased university tuition and fees, student travel expenses, textbooks, and other instructional costs. These costs will be borne only by students enrolled in the program. Providing adequate support is important if we are to compete with other prestigious programs operating in the region, including UT-Austin.
- *Support for Professional Programs (\$1,687,882 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 FY08, we will invest \$1,687,882 of differentiated designated tuition in these programs to hire new faculty and other academic personnel, as well as provide operations support.
- *Small Business Development Center (\$229,585 New Resources)*

As part of the university's outreach mission, the UH Small Business Development Center provides consulting services that help fledgling businesses in the Houston area become successful. As a result of the 2007 state legislative session, UH will have an additional \$229,585 to invest in the SBDC. It is important to note that the economic impact of the SBDC greatly exceeds the resources invested in it by the state and federal government.

Priority 2. Investment of Resources in FY 2008 Initiatives

	New Resources	HEAF	Total
Faculty Compensation Increases	\$4,863,621		\$4,863,621
New Faculty and Academic Positions	3,650,000		3,650,000
University Libraries		\$5,343,431	5,343,431
College Instructional Support Staff and M&O	1,200,000		1,200,000
Graduate Enrollment Support	400,000		400,000
Graduate Assistant Tuition Fellowships	398,393		398,393
Executive MBA Program	469,788		469,788
Support for Professional Programs	1,687,882		1,687,882
Small Business Development Center	229,585		229,585
Total	\$12,899,269	\$5,343,431	\$18,242,700

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. Since FY05, total research awards at the University of Houston have declined from their record high of \$80 million, and over the past several years certain external factors have emerged that will require us to be more strategic in our research investments in the future, if we are to see significant funding increases. First, the external funding climate for research has grown increasingly difficult over the past few years. Award rates have declined from 25% to less than 10% of proposals submitted, with awards often going to institutions that already have extensive existing facilities. Additionally, the cost of faculty start-up packages (e.g., labs, equipment) is sky-rocketing. Currently, start-up packages for new faculty in the sciences are approaching \$500,000, and for experienced faculty, \$1 million.

To move forward successfully in this changing environment, the University of Houston this year has carefully examined its programs and developed a research map that identifies institutional areas of strength – research clusters – that align with external funding opportunities. These clusters include biomedical, energy, materials, arts and human enrichment, community advancement, and intelligent/complex systems. We have also determined that we must develop core research facilities – based on these research clusters – that are shared among teams of faculty. While we will continue to provide traditional start-up packages to individual faculty members, shifting our emphasis to core facilities will allow us to make better use of our limited resources. The initiatives described below demonstrate how the University of Houston will implement these new strategies in FY08.

FY 2008 Initiatives

- *SERC Build-Out (\$6,000,000 HEAF)*
The Science and Engineering Research Building is ideal for the development of research clusters and core facilities. In FY08, the University of Houston will begin a multi-year project to complete the build-out of this space, which will also help us attract top scientists and graduate students.
- *Core Research Facilities (\$1,750,000 New Resources)*
Parallel to the SERC build-out, the University of Houston will invest \$1,750,000 to equip shared labs for the university's research clusters in FY08. This will also be a multi-year endeavor, with many of these labs located in the SERC building.
- *Faculty Start-up Packages (\$3,500,000 HEAF)*
In addition to the development of core facilities, the University of Houston will continue to fund traditional faculty start-up packages, which includes investments in lab renovations, equipment purchases, and grant matching. For FY08 we have allocated \$3,500,000 in HEAF for these purposes.
- *Development of Research Clusters and Centers (\$630,000 IDC)*
In FY08, \$330,000 will be used to create three positions that will build relationships with funding agencies that facilitate large interdisciplinary proposals, as well as two positions that will help UH centers and institutes compete successfully for external funds. In addition, \$300,000 will be used to support the development of research clusters by facilitating efforts to develop program projects, national laboratories, and major research partnerships.

- Faculty Research and Scholarship Development (\$1,710,000 IDC)*

Helping faculty develop their research and scholarship ideas and advising them on external funding and publication opportunities is a fundamental component of the university's grass-roots research strategy. In FY08, the University of Houston will invest \$1,710,000 in faculty development activities, which include a \$1 million internal grants program; resources to help facilitate research in the humanities, arts and social sciences; and seminars, receptions, workshops, etc. that bring scholars to campus to help faculty develop their research programs.
- Center for Industrial Partnerships (\$400,000 IDC)*

Industry is an important source of external research dollars for universities, and research programs at the University of Houston align with major industries in the Houston area and beyond. To capitalize on these opportunities, the University of Houston will invest \$400,000 in FY08 to develop the Center for Industrial Partnerships.
- Central Research Administration (\$853,265 IDC)*

In FY08, \$853,265 in IDC will be used to support research administration, in general, as well as fund several specific initiatives. These include hiring three graduate assistants and three staff members to facilitate proposal development, proposal processing, and research administration. In addition, one position will be created to assist the other UH System universities in developing their research activities. Finally, resources are needed to license the software that allows for the preparation and submission of federal research grants.
- College Research Administration & Development (\$7,238,466 IDC)*

Each year, the University of Houston returns 66% of IDC to the UH colleges and departments to cover the costs of research administration and fund research development activities (similar to what is done by the central administration). In FY08, \$7,238,466 will be returned to the colleges.

Priority 3. Investment of Resources in FY 2008 Initiatives

	New Resources	HEAF	IDC	Total
SERC Build-Out		\$6,000,000		\$6,000,000
Core Research Facilities	\$1,750,000			1,750,000
Faculty Start-Up Packages		3,500,000		3,500,000
Research Clusters and Centers			\$630,000	630,000
Faculty Research and Scholarship Development			1,710,000	1,710,000
Center for Industrial Partnerships			400,000	400,000
Central Research Administration			853,265	853,265
College Research Administration & Development			7,238,466	7,238,466
Subtotal	\$1,750,000	\$9,500,000	\$10,831,731	\$22,081,731

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 approximately 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. At the beginning of the program, the University of Houston adopted a policy of investing approximately \$12 million in HEAF resources annually to fund the CRDM projects, although statewide budget cuts and Tropical Storm Allison recovery efforts required us to scale back our efforts for most of this decade (until next year). 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 the new Welcome Center and implemented several landscaping initiatives as part of the new master plan. We have also been planning for the construction of the new residence facility for graduate and professional students (Calhoun Lofts) and the Cemo Lecture Hall and Academic Building at the Bauer College of Business. All of these projects will make the university a more desirable place for students, faculty and the community.

FY 2008 Initiatives

- *General Facilities Improvements (\$6,715,000 HEAF)*
As part of the CRDM program, the University of Houston will invest \$6,715,000 next year in general facilities projects. These will include improvements to buildings and infrastructure (\$5,809,000), energy conservation measures (\$606,000), and sidewalk and street projects (\$300,000). As described on page 5, \$3,285,000 will also be invested in CRDM projects for academic facilities.
- *Capital Equipment Purchases (\$3,210,651 HEAF, \$1,238,909 IDC)*
In FY08, HEAF resources in the amount of \$4,449,560 will be used to make capital equipment purchases across the campus.
- *Information Technology Systems Support (\$406,719 New Resources, \$2,500,000 HEAF)*
The university's IT infrastructure must be maintained and expanded as our computing needs grow. In FY08, \$2,906,719 will be used to upgrade the university's network, servers and other IT equipment.
- *Plant Service Enhancements (\$133,900 New Resources)*
In FY08, \$133,900 will be invested in a small number of projects and three new positions that deal specifically with plant operations (including grounds, facilities and lab maintenance).
- *Off Campus Support (\$33,428 HEAF)*
In FY08, \$33,428 in HEAF will be used to support campus facilities and infrastructure at the UH System Centers at Sugar Land and Cinco Ranch.

Priority 4. Investment of Resources in FY 2008 Initiatives

	New Resources	HEAF	IDC	Total
General Facilities Improvements		\$6,715,000		\$6,715,000
Capital Equipment Purchases		3,210,651	\$1,238,909	4,449,560
Information Technology Systems Support	\$406,719	2,500,000		2,906,719
Plant Service Enhancements	133,900			133,900
Off Campus Support		33,428		33,428
Total	\$540,619	\$12,459,079	\$1,238,909	\$14,238,607

Priority 5. Administrative Effectiveness

Context

Achieving a high level of administrative effectiveness is critical to achieving the University of Houston's 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. This year, the University of Houston has developed a compensation analysis for all staff positions (evaluating them relative to market), implemented the new UH Employee Assistance Program, and begun offering the new Supervisor Training Program.

Additionally, the University of Houston must place the resources we currently have available to their best possible use. During the strategic planning process three 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 new energy conservation measures that are saving UH more than \$1 million annually in energy costs and a redesign of human resources processes that will improve accuracy, reduce processing time, and enhance service to the departments. 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 continued hiring the advancement professionals needed to implement our comprehensive campaign. To date 20 of the 32 planned positions have been filled, with the remainder to be filled in FY08. In addition, funding for the Michael J. Cemo Hall is almost complete, and significant progress has been made toward renovations and other projects for the Conrad N. Hilton College of Hotel and Restaurant Management. The resources secured through our fundraising activities will enable the university to pursue its goals to an extent that state funds and tuition and fees will not allow.

FY 2008 Initiatives

- *Staff Compensation Increases (\$4,769,838 New Resources)*
In FY08, the University of Houston will allocate \$4,769,838 to pay for a salary increase of 4.0 percent and associated benefits for staff members. Half of the 4.0 percent increase will be distributed across the board, and half will be based on merit.
- *Information Systems Upgrades (\$2,170,403 HEAF)*
Next year, \$2,170,403 will be invested in the PeopleSoft implementation at UH. Now that all three systems have been implemented (finance, human resources, student), the focus next year will shift to implementing additional functionalities, making enhancements and refining business practices (e.g., the development of reporting and data analysis tools).
- *Pay Plans for DPS, Plant and Finance (\$206,349 New Resources)*
Retention and recruitment of police officers and plant and finance personnel have become a struggle due to salaries that are not as competitive with other organizations in the region as they should be. Investing \$206,349 in the pay plans established for these staff members will allow the University of Houston to continue bridging this gap.

- *Chancellor/President Initiatives (\$767,567 New Resources, \$418,227 HEAF)*
In FY08, \$111,500 in new resources will be used to support operations in the Chancellor/President's Office, including special events, board retreats, and the Faculty Senate. In addition, \$656,067 in new resources and \$418,227 in HEAF will be held in reserve to invest in institutional opportunities and address potential challenges that may arise during the year.
- *DPS Security Enhancements (\$264,500 New Resources)*
In FY08, the University of Houston will allocate \$264,500 in campus security initiatives, including the creation of three new police officer positions and a police systems technician position, as well as camera and call box maintenance.
- *Finance, Campus Training & Services (\$170,500 New Resources)*
Currently, the University of Houston has unmet administrative needs in the areas of finance, campus training and services. To address these needs four positions will be created, and operations funding will be provided for training and development on PeopleSoft.
- *Hurricane Katrina Recovery (\$800,000 New Resources)*
In FY08, \$800,000 in new resources will be used to compensate for the losses we incurred by enrolling approximately 1,000 displaced students in the wake of Hurricane Katrina. These resources will be allocated from one-time special item funds we received from the Texas Legislature.

Priority 5. Investment of Resources in FY 2008 Initiatives

	New Resources	HEAF	Total
Staff Compensation Increases	\$4,769,838		\$4,769,838
Information System Upgrades		\$2,170,403	\$2,170,403
Pay Plans for DPS, Plant and Finance	206,349		206,349
Chancellor/President Initiatives	767,567	418,227	1,185,794
DPS Security Enhancements	264,500		264,500
Finance, Campus Training & Services	170,500		170,500
Hurricane Katrina Recovery	800,000		800,000
Total	\$6,978,754	\$2,588,630	\$9,567,384

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

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Appendix A - Allocation of New FY 2008 Resources

<u>Revenue Changes</u>	
General Revenue	
Appropriations Bill	\$ 12,291,586
TEXAS Grants	4,923,983
Supplemental - Katrina Reimbursement	2,550,000
Subtotal	<u>\$ 19,765,569</u>
Utility Savings	\$ 2,000,000
Tuition	
Statutory & Grad Premium Tuition	\$ 113,645
Less: Change for enrollment decrease	(500,000)
General Designated Tuition	12,268,457
Differential Designated Tuition	1,940,094
Subtotal	<u>\$ 13,822,196</u>
Student Fees	
Academic Fees	\$ 469,788
Student Service / Rec Ctr /UC Fees	819,633
Housing / Meal Plans	467,944
Parking Revenue	686,924
Subtotal	<u>\$ 2,444,289</u>
Departmental Reductions & Reallocations	
Total New Funds for Allocation	<u><u>\$ 38,032,054</u></u>

<u>Priority/Initiative</u>	<u>Allocation</u>
Priority 1. Student Success	
Financial Aid	\$ 7,381,210
Undergraduate Enrollment and Persistence	1,220,000
Student Services Programs	887,755
Instructional Lab Renovations	5,219,579
Student Residential Life	1,154,868
Subtotal	<u>\$ 15,863,412</u>
Priority 2. Academic Excellence	
New Faculty and Academic Positions	\$ 3,650,000
Faculty Compensation Increases	4,863,621
Graduate Enrollment Support	400,000
Graduate Assistant Tuition Fellowships	398,393
College Learning, Assessment & Persistence	200,000
College Instructional M&O	1,000,000
Support for Professional Programs	2,157,670
Small Business Development Center	229,585
Subtotal	<u>\$ 12,899,269</u>
Priority 3. Research Excellence	
Core Research Facilities	\$ 1,750,000
Priority 4. Campus Infrastructure	
Information Technology Systems Support	\$ 406,719
Plant Service Enhancements	133,900
Subtotal	<u>\$ 540,619</u>
Priority 5. Administrative Effectiveness	
Staff Compensation Increases	\$ 4,769,838
Pay Plans for DPS, Plant and Finance	206,349
Chancellor/President Initiatives	767,567
DPS Security Enhancements	264,500
Campus Training & Services	170,500
Hurricane Katrina Recovery	800,000
Subtotal	<u>\$ 6,978,754</u>
Total New Investments	<u><u>\$ 38,032,054</u></u>

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Appendix B - Allocation of FY 2008 HEAF and Indirect Cost Recovery

<u>FY08 Allocation</u>		<u>Priority/Initiative</u>	<u>HEAF</u>	<u>Indirect Cost Recovery</u>	<u>Total</u>
HEAF	\$ 35,276,140	Priority 1. Student Success			
Indirect Cost Recovery	\$ 12,070,640	Academic Buildings and Classrooms	\$ 5,385,000		\$ 5,385,000
Total Available	\$ 47,346,780	Priority 2. Academic Excellence			
		University Libraries	\$ 5,343,431		\$ 5,343,431
		Priority 3. Research Excellence			
		SERC build out	\$ 6,000,000		\$ 6,000,000
		Faculty Start up Packages	3,500,000		3,500,000
		Research Clusters and Centers		630,000	630,000
		Faculty Research and Scholarship Development		1,710,000	1,710,000
		Center for Industrial Partnerships		400,000	400,000
		Central Research Administration		853,265	853,265
		College Research Administration & Development		7,238,466	7,238,466
		Subtotal	<u>\$ 9,500,000</u>	<u>\$ 10,831,731</u>	<u>\$ 20,331,731</u>
		Priority 4. Campus Infrastructure			
		General Facilities Improvements	\$ 6,715,000		\$ 6,715,000
		Capital Equipment Purchases	3,210,651	1,238,909	4,449,560
		Information Technology Improvements	2,500,000		2,500,000
		Off Campus Support	33,428		33,428
		Subtotal	<u>\$ 12,459,079</u>	<u>\$ 1,238,909</u>	<u>\$ 13,697,988</u>
		Priority 5. Administrative Effectiveness			
		Information Systems Upgrades	\$ 2,170,403		\$ 2,170,403
		Chancellor/President Initiatives	418,227		418,227
			<u>\$ 2,588,630</u>	<u>\$ -</u>	<u>\$ 2,588,630</u>
		Total New Investments	<u>\$ 35,276,140</u>	<u>\$ 12,070,640</u>	<u>\$ 47,346,780</u>

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Appendix C - Projected Availability of Scholarships and Grants

	<u>FY2007</u>	<u>FY2008</u>
Funds from Endowed Scholarships	\$ 3,489,184	\$ 3,737,614
Premium Tuition Scholarships (Law, Pharmacy & Optometry)	855,446	850,000
Texas Grant Program Scholarships	9,044,190	13,969,340
Texas Public Education Grant (TPEG)	6,268,708	6,268,708
Early High School Graduation Program Scholarships	136,308	115,000
Property Deposit Scholarships	292,865	125,000
Honors Scholarships	8,000	8,000
International Education Fee Scholarships	87,000	100,000
Designated Tuition Financial Aid Set-Asides		
Undergraduate Scholarships	3,928,144	5,810,145
Graduate Scholarships	944,189	1,267,203
Be-on-Time Program	1,267,645	1,000,000
Scholarships - PreMed	224,000	237,571
Merit Scholarships	8,406,214	8,514,311
UH Transfer Scholarships	212,859	615,000
UH Grant-in-Aid Scholarships	583,000	583,000
Grad Teaching Asst/Teaching Fellow Tuition Asst Fellowships	5,861,957	6,260,350
Presidential Fellowship Stipend Augmentation	458,448	458,448
Federal College Work Study	1,668,098	1,574,384
Federal Pell Grants	24,000,000	24,000,000
Federal Supplemental Education Opportunity Grants (SEOG)	1,257,373	1,370,006
Total	<u>\$ 68,993,628</u>	<u>\$ 76,864,080</u>

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

<u>Operating Budget</u>	FY2007 Budget	-----Change-----		FY2008 Budget
		Dollars	Percent	
Source of Funds				
Operations	\$ 523,643,670	\$ 49,646,591	9.5%	\$ 573,290,261
Restricted	130,983,988	4,339,010	3.3%	135,322,998
Total	\$ 654,627,658	\$ 53,985,601	8.2%	\$ 708,613,259
Use of Funds				
Operations	\$ 523,643,670	\$ 49,646,591	9.5%	\$ 573,290,261
Restricted	130,983,988	4,339,010	3.3%	135,322,998
Total	\$ 654,627,658	\$ 53,985,601	8.2%	\$ 708,613,259

<u>Capital Budget</u>	FY2007 Budget	-----Change-----		FY2008 Budget
		Dollars	Percent	
Source of Funds	\$ 63,558,480	\$ 40,161,004	63.2%	\$ 103,719,484
Use of Funds	\$ 63,558,480	\$ 40,161,004	63.2%	\$ 103,719,484

	FY2007 Budget	-----Change-----		FY2008 Budget
		Dollars	Percent	
Total Operating Budget & Capital Budget	\$ 718,186,138	\$ 94,146,605	13.1%	\$ 812,332,743

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Table 2 - Operations

Source of Funds	FY2007 Budget	Change		FY2008 Budget
		Dollars	Percent	
General Funds				
State General Revenue Appropriations				
Formula Funding	\$ 122,038,409	\$ 5,242,615	4.3%	\$ 127,281,024
Special Items	13,285,425	4,379,392	33.0%	17,664,817
Tuition Revenue Bonds	6,660,045	5,219,579	78.4%	11,879,624
State Benefits Appropriation	26,803,360	402,050	1.5%	27,205,410
Dedicated Appropriations-TX Grant/College Work Study	9,333,872	4,923,983	52.8%	14,257,855
Subtotal State General Revenue Appropriations	178,121,111	20,167,619	11.3%	198,288,730
Tuition and Fees				
Statutory & Graduate Premium	56,313,140	(386,355)	-0.7%	55,926,785
Premium (Law, Pharmacy, Optometry)	8,722,659			8,722,659
Lab/other Student Fees	338,726	7,941	2.3%	346,667
Subtotal Tuition and Fees	65,374,525	(378,414)	-0.6%	64,996,111
HEAF	23,517,426	11,758,714	50.0%	35,276,140
Indirect Cost	1,238,909			1,238,909
Aux Admin Chg/Opt Clinic/Institutes/Cont. Ed/Other	3,742,724	266,903	7.1%	4,009,627
Income on State Treasury Deposits	374,000			374,000
Subtotal General Funds	272,368,695	31,814,822	11.7%	304,183,517
Designated				
Tuition and Fees				
Designated Tuition - General	70,953,131	12,268,457	17.3%	83,221,588
Designated Tuition - Differential	12,674,654	1,940,094	15.3%	14,614,748
Library Fee	6,776,510			6,776,510
Technology Fee	9,504,000			9,504,000
Major/Department/Class Fees	58,307,679	898,783	1.5%	59,206,462
Subtotal Tuition and Fees	158,215,974	15,107,334	9.5%	173,323,308
Indirect Cost	9,130,854	1,700,877	18.6%	10,831,731
Investment Income on Non-Endowed Funds	4,681,000			4,681,000
Endowment Income	6,832,317	56,601	0.8%	6,888,918
Contracts / Grants / Gifts	3,822,197	562,977	14.7%	4,385,174
Arte Publico Press/Opt Clinic/Other Self Supporting Org	11,068,194	535,734	4.8%	11,603,928
Subtotal Designated Funds	193,750,536	17,963,523	9.3%	211,714,059
Auxiliary Enterprises				
Student Fees				
Student Service Fee	12,962,062	734,068	5.7%	13,696,130
Recreation and Wellness Center	6,397,583	(68,147)	-1.1%	6,329,436
Other Student Fees	3,028,820	(9,308)	-0.3%	3,019,512
Subtotal Student Fees	22,388,465	656,613	2.9%	23,045,078
Sales & Service - Student Housing/Meal Plan	8,861,339	337,589	3.8%	9,198,928
Sales & Service - Parking	5,901,734	686,924	11.6%	6,588,658
Sales & Service - Athletics/Hotel/UC/Other	26,664,020	840,408	3.2%	27,504,428
Subtotal Auxiliary Funds	63,815,558	2,521,534	4.0%	66,337,092
Total Current Operating Funds	529,934,789	52,299,879	9.9%	582,234,668
Interfund transfer	(6,291,119)	(2,653,288)	42.2%	(8,944,407)
Total Sources	\$ 523,643,670	\$ 49,646,591	9.5%	\$ 573,290,261
Use of Funds by Object				
Salaries and Wages	\$ 263,180,639	\$ 24,650,593	9.4%	\$ 287,831,232
Benefits	59,466,922	4,156,774	7.0%	63,623,696
M&O	98,513,237	(3,227,131)	-3.3%	95,286,106
Capital	13,951,420	8,100,094	58.1%	22,051,514
Scholarships	37,129,791	8,275,909	22.3%	45,405,700
Debt Service	21,061,038	5,114,435	24.3%	26,175,473
Utilities	21,178,505	(2,000,000)	-9.4%	19,178,505
Transfers	9,162,118	4,575,917	49.9%	13,738,035
Total Uses	\$ 523,643,670	\$ 49,646,591	9.5%	\$ 573,290,261

University of Houston

Table 3 - Restricted

Source of Funds	FY2007 Budget	Change		FY2008 Budget
		Dollars	Percent	
Restricted				
Contracts and Grants				
Research	\$ 65,900,000	\$ 1,500,000	2.3%	\$ 67,400,000
Financial Aid	26,999,978	74,216	0.3%	27,074,194
Gifts	14,385,457	1,490,737	10.4%	15,876,194
Endowment Income	11,933,032	1,109,580	9.3%	13,042,612
Other Restricted	112,521	30,400	27.0%	142,921
KUHT/KUHF	14,788,421	154,249	1.0%	14,942,670
Total Current Operating Funds	134,119,409	4,359,182	3.3%	138,478,591
Interfund Transfer	(3,135,421)	(20,172)	0.6%	(3,155,593)
Total Sources	\$ 130,983,988	\$ 4,339,010	3.3%	\$ 135,322,998
Use of Funds by Object				
Salaries and Wages	\$ 42,085,601	\$ 640,886	1.5%	\$ 42,726,487
Benefits	4,727,260	267,841	5.7%	4,995,101
M&O	51,820,869	1,558,507	3.0%	53,379,376
Capital	2,340,761	1,607,687	68.7%	3,948,448
Scholarships	30,009,497	264,089	0.9%	30,273,586
Total Uses	\$ 130,983,988	\$ 4,339,010	3.3%	\$ 135,322,998

University of Houston
Table 4 - Capital Projects

	Project Expenditures			Total Project Budget	Funded From		
	Project to Date (1)	FY2008 Budget	Future Year Budgets		HEAF	Revenue Bonds	Gifts
New Construction							
Graduate Housing (Calhoun Lofts)	\$ 2,079,433	\$ 39,920,567	\$ 54,500,000	\$ 96,500,000	\$	\$ 96,500,000	
Cemo Lecture Hall **		7,500,000	1,500,000	9,000,000	2,500,000		6,500,000
Parking garage #2 **		9,000,000		9,000,000			
SERC Build-out		6,000,000	24,000,000	30,000,000	30,000,000		9,000,000
Subtotal New Construction	\$ 2,079,433	\$ 62,420,567	\$ 80,000,000	\$ 144,500,000	\$ 32,500,000	\$ 96,500,000	\$ 6,500,000
Major Repair and Rehabilitation							
Parking Lot Upgrades	\$ 2,883,309	\$ 1,098,917		\$ 3,982,226			\$ 3,982,226
Science Complex Lab Renovations		19,200,000	38,400,000	57,600,000		57,600,000	
Hilton College of HRM *		11,000,000		11,000,000	1,100,000		6,800,000
Projects Budgeted Annually							
Capital Renewal Deferred Maintenance		6,715,000		6,715,000	6,715,000		
Academic Buildings and Classrooms		3,285,000		3,285,000	3,285,000		
Subtotal Major Repairs & Rehabilitation	\$ 2,883,309	\$ 41,298,917	\$ 38,400,000	\$ 82,582,226	\$ 11,100,000	\$ 57,600,000	\$ 6,800,000
Total	\$ 4,962,742	\$ 103,719,484	\$ 118,400,000	\$ 227,082,226	\$ 43,600,000	\$ 154,100,000	\$ 13,300,000

(1) Project expenditures to date, estimated through August 31, 2007

* Needs BOR approval

** Needs CB approval

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

Employee Classification	FY2007 Budget	Change		FY2008 Budget
		FTE	Percent	
Faculty	1,190	28	2.4%	1,218
Part-time Faculty	761			761
Professional Staff	2,000	21	1.1%	2,021
Classified Staff	1,154	13	1.1%	1,167
Temporary Staff	739			739
Total	5,844	62	1.1%	5,906

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

	FY2004	FY2005	FY2006	FY2007	FY2008	FY08 vs FY07
	Actuals	Actuals	Actuals	Budget	Budget	Change
Semester Credit Hours						
Lower Division	396,253	403,102	395,842	387,672	387,672	-
Upper Division	283,895	264,966	294,241	288,355	288,355	-
Masters	81,313	82,996	68,955	65,778	65,778	-
Doctoral	21,711	23,904	22,711	22,510	22,510	-
Special Professional	62,322	62,416	61,294	60,685	60,685	-
Total	845,494	837,384	843,043	825,000	825,000	-
Semester Credit Hours-On/Off Campus						
On Campus	794,161	766,325	769,251	754,992	754,992	-
Off Campus	51,333	71,059	73,792	70,008	70,008	-
Total	845,494	837,384	843,043	825,000	825,000	-
Fall Headcount	35,066	35,180	34,582	34,100	34,100	-
Fall FTE	27,483	27,662	27,421	27,154	27,154	-

University of Houston
Table 7 - Allocation of Student Service Fees

Sources	FY2007 Budget	-----Change-----		FY2008 Budget
		Dollars	Percent	
Current Year Revenue	\$ 13,008,613	\$ 687,517	5.3%	\$ 13,696,130
Budgeted Fund Balance		117,649		117,649
Total Sources	\$ 13,008,613	\$ 805,166	6.2%	\$ 13,813,779

Allocations

* Academic Achievers - Ctr. Mexican-Am. Studies	\$ 51,181	\$ 10,656	20.8%	\$ 61,837
Activities Funding Board (AFB)	114,957	6,726	5.9%	121,683
Band Program	171,400	40,000	23.3%	211,400
Blaffer Art Gallery	15,000			15,000
Campus Activities	632,284	59,488	9.4%	691,772
Campus Recreation	570,019	(84,801)	-14.9%	485,218
Center for Students w/Disabilities	367,684	5,996	1.6%	373,680
Child Care Center	116,417	7,604	6.5%	124,021
Counseling and Psychological Services	1,077,413	17,668	1.6%	1,095,081
Council of Ethnic Organizations (CEO)	105,431	640	0.6%	106,071
Dean of Students (DOS) Handbook	40,376	(4,631)	-11.5%	35,745
DOS Success Programs	95,908	1,153	1.2%	97,061
DOS SIAC/Ombudservice	178,625	7,611	4.3%	186,236
Forensics Society	91,550			91,550
Frontier Fiesta Association	75,439	19,607	26.0%	95,046
Homecoming		43,527		43,527
Intercollegiate Athletics	3,933,486	325,424	8.3%	4,258,910
Learning and Assessment		44,503		44,503
Learning Support Services	403,624	23,433	5.8%	427,057
Metropolitan Volunteer Program	41,840			41,840
Student Government Association	121,287	909	0.7%	122,196
Student Legal Services	86,828	1,159	1.3%	87,987
Student Needs Assessment	6,590	(6,590)	-100.0%	
Student Program Board	221,141	(75,798)	-34.3%	145,343
Student Publications	180,018	1,106	0.6%	181,124
Student Satisfaction Survey		8,440		8,440
Student Video Network		57,625		57,625
University Career Services	766,016	29,500	3.9%	795,516
University Center	1,268,995	14,839	1.2%	1,283,834
University Health Center	1,512,940	176,876	11.7%	1,689,816
Urban Experience Program - VPSA	135,059	(35,788)	-26.5%	99,271
Veterans' Services	97,313	(19,190)	-19.7%	78,123
VPSA Business Office	61,231	826	1.3%	62,057
Wellness Center	188,764	2,276	1.2%	191,040
SFAC Operating	4,500			4,500
Budgeted Reserve	275,297	124,372	45.2%	399,669
Total Allocations	\$ 13,008,613	\$ 805,166	6.2%	\$ 13,813,779

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

University of Houston

Note to Table 2: Operations Expenditures By Organization

NOTE 1

	FY2007	-----Change-----		FY2008
	Budget	Dollars	Percent	Budget
Use of Funds by Organization				
President	\$ 2,030,980	\$ 96,429	4.7%	\$ 2,127,409
University Advancement	10,225,205	195,867	1.9%	10,421,072
Student Affairs	32,344,944	1,333,279	4.1%	33,678,223
Research Division	17,148,484	9,961,022	58.1%	27,109,506
Academic Affairs				
Office of the Provost	78,222,866	15,479,080	19.8%	93,701,946
Library	15,206,268	694,661	4.6%	15,900,929
Architecture	4,068,573	293,576	7.2%	4,362,149
Business Administration	29,808,649	2,350,553	7.9%	32,159,202
Education	13,564,730	466,816	3.4%	14,031,546
Engineering	18,184,982	717,514	3.9%	18,902,496
Hotel & Restaurant Management	9,238,127	254,882	2.8%	9,493,009
Law	19,964,134	588,527	2.9%	20,552,661
Liberal Arts and Social Sciences	46,264,937	2,936,332	6.3%	49,201,269
Natural Sciences & Mathematics	32,780,294	2,093,598	6.4%	34,873,892
Optometry	12,813,208	991,054	7.7%	13,804,262
Pharmacy	8,324,885	447,676	5.4%	8,772,561
Social Work	3,069,429	20,288	0.7%	3,089,717
Technology	9,046,390	879,756	9.7%	9,926,146
Honors	1,414,089	312,826	22.1%	1,726,915
Subtotal Academic Affairs	\$ 301,971,561.00	\$ 28,527,139	9.4%	\$ 330,498,700
Administration and Finance	38,628,928	3,179,214	8.2%	41,808,142
Utilities	21,178,505	(2,000,000)	-9.4%	19,178,505
Staff Benefits	46,054,644	2,321,601	5.0%	48,376,245
Athletics	22,265,038	919,250	4.1%	23,184,288
Institutional Reserves	2,450,663	(740,686)	-30.2%	1,709,977
Legislative Mandates	2,051,354	463,995	22.6%	2,515,349
Debt Service	21,061,038	5,114,435	24.3%	26,175,473
System Service Charge	1,271,381	275,046	21.6%	1,546,427
Information System Project to UHSA	4,960,945			4,960,945
Total Uses	\$ 523,643,670	\$ 49,646,591	9.5%	\$ 573,290,261

University of Houston

Note to Table 3: Restricted Expenditures By Organization

NOTE 2

	FY2007 Budget	-----Change-----		FY2008 Budget
		Dollars	Percent	
Use of Funds by Organization				
President	\$ 70,687	\$ 669	0.9%	\$ 71,356
Student Affairs	661,054	59,203	9.0%	720,257
Research Division	11,635,653	505,243	4.3%	12,140,896
Academic Affairs				
Office of the Provost	46,560,310	615,174	1.3%	47,175,484
Library	294,945	26,881	9.1%	321,826
Architecture	929,338	(145,832)	-15.7%	783,506
Business Administration	4,859,107	491,642	10.1%	5,350,749
Education	5,720,211	1,322,845	23.1%	7,043,056
Engineering	12,143,962	618,578	5.1%	12,762,540
Hotel & Restaurant Management	2,639,495	(5,116)	-0.2%	2,634,379
Law	213,764	21,751	10.2%	235,515
Liberal Arts and Social Sciences	12,339,048	136,492	1.1%	12,475,540
Natural Sciences & Mathematics	19,570,992	85,528	0.4%	19,656,520
Optometry	4,825,789	39,021	0.8%	4,864,810
Pharmacy	2,933,041	313,152	10.7%	3,246,193
Social Work	3,559,250	(54,713)	-1.5%	3,504,537
Technology	1,309,080	209,997	16.0%	1,519,077
Honors	640,952	92,348	14.4%	733,300
Subtotal Academic Affairs	\$ 118,539,284	\$ 3,767,748	3.2%	\$ 122,307,032
Administration and Finance	77,310	6,147	8.0%	83,457
Total Uses	\$ 130,983,988	\$ 4,339,010	3.3%	\$ 135,322,998

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	Inflater
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.

Small Class Deflater							
Undergraduate	Class size	10	9	8	7	6	5
	Deflater	1.0	0.9	0.8	0.7	0.6	0.5
Graduate	Class size	5	4				
	Deflater	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 UHCL's Planning and Budgeting Committee (PBC). The PBC provides recommendations to UHCL's University Council which makes a recommendation 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 2008, 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 2008

Overview

UH-Clear Lake served a student body of 7,706 students in fall 2006. 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 over 37 bachelor's, 44 master's and one doctoral program 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 FY2008. The major priorities include:

1. Instruction and Instructional Support
 - Academic Programs
 - Distance Education (Off-Campus and Online Programs)
 - Faculty
 - 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
 - Operations Support
 - Tuition Revenue Bonds
 - Information Technology, Library and Computing Resources
 - Facilities and Capital Support
4. Student Financial Aid
 - Financial Assistance

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 (4,155 in Fall 2006) 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 (3,551 in Fall 2006) 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.)

Academic Programs

During 2006, UH-Clear Lake received permission to offer the doctoral degree in Educational Leadership and the master of science in Biotechnology. Effective June 1, 2007, UHCL was approved to offer the master of arts in Digital Media Studies. UHCL presently has a proposal to offer the master of science in Engineering Management under review by the Texas Higher Education Coordinating Board. This degree program proposal is in response to the aerospace and petrochemical industries surrounding UHCL. Two other program proposals, a bachelor of arts in Healthcare Services and a bachelor of science in Public Service Leadership, are under review within the University of Houston System.

Off-Campus Programs

UH-Clear Lake continues to offer bachelor's and master's degrees at various off-campus locations including the following:

- University of Houston System at Sugar Land
- University of Houston System at Cinco Ranch
- Alvin Community College (Alvin and Pearland)
- San Jacinto College North
- Clear Creek Independent School District
- Alief Independent School District
- E.B. Cape Center
- Texas Department of Corrections
- Texas Medical Center

During 2006-2007, a major new development for UHCL was the renovation of leased space in the Texas Medical Center for UHCL's graduate and undergraduate Healthcare Administration programs. Faculty and staff have been relocated from UHCL to the Texas Medical Center and classes are being offered in the renovated space effective with the Summer 2007 session. UHCL's proposal for the bachelor of arts in Healthcare Services would continue to enhance the partnership between UHCL and Houston Community College's Coleman College which is located in the Texas Medical Center by providing an opportunity for students in HCC's Allied Health programs to pursue a bachelor's degree in healthcare services.

UHCL has also been working with the City of Pearland to gain approval for a University of Houston-Clear Lake branch campus in Pearland. The University of Houston System Board of Regents approved the proposal in May 2007 and the Pearland City Council approved the letter of intent in June 2007. Final approval of the branch campus is on the agenda for the July 2007 meeting of the Texas Higher Education Coordinating Board. The branch campus facility would be built on City of Pearland-owned property on Pearland Parkway approximately one mile south of Beltway 8. The facility would be 30,000 square feet. A total of nine academic programs have been targeted for Pearland with five bachelor's degrees and four master's degrees from the Schools of Business, Education, and Human Sciences and Humanities.

Online Programs

UHCL currently offers three master's degrees online including Instructional Technology, Software Engineering, and the MBA. Additional master's programs targeted for online course development include Finance, Human Resource Management, Healthcare Administration and Systems Engineering. Once approved, the master's degree in Engineering Management will also undergo online course development.

Faculty

UHCL's immediate goal is to have 65% full-time and 35% part-time faculty coverage of semester credit hours taught in each of our four schools (Business, Education, Human Sciences and Humanities, and Science and Computer Engineering). With the addition of five more faculty positions, all four schools will meet this goal. Our ultimate goal is to have all four schools with a 70% full-time and 30% part-time faculty coverage. With slightly more than one-third of the semester credit hours being taught by part-time or adjunct faculty, UHCL is also striving to raise the adjunct pay rates per course to levels which are more competitive with other institutions in the Houston area. Target adjunct pay rates have been established in each of the four schools for adjunct faculty with master's and doctoral degrees.

FY 2008 Initiatives

Academic Programs - \$245,330

For fiscal year 2008, UHCL, through new and reallocated funds, will provide additional support for degree programs in Educational Leadership and Engineering Management.

\$170,330 School of Education Doctoral Program
\$ 75,000 Engineering Management Program

Distance Education (Off-Campus and Online Programs) - \$235,656

UHCL will continue a major commitment to off-campus and online programs during fiscal year 2008 including web-based and web-enhanced instruction.

Faculty - \$260,000

UHCL will add faculty positions to get closer to the target of having a 65% full-time and 35% part-time faculty coverage of semester credit hours taught. In addition, additional resources will be devoted to increasing pay rates for adjunct faculty.

\$ 60,000 School of Human Sciences and Humanities
\$200,000 Adjunct Pay Increase

Accredited Programs - \$272,844

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). Funds for full-time tenure-track positions are allocated to the School of Business to maintain program level standards required by AACSB.

\$ 272,844 Base funding for School of Business Accreditation

Instructional Support - \$850,000

UHCL will allocate a total of \$850,000 in HEAF to enhance classroom and instructional technology, student lab upgrades, renovations to classrooms and labs, and lab equipment upgrades.

\$100,000 Classroom and Instructional Technology
\$400,000 Student Lab Upgrades
\$200,000 Classroom/Lab Renovations
\$150,000 Lab Equipment Upgrades

Priority 1 – Investment of Resources

	<u>State & Local</u>	<u>HEAF</u>	<u>Total</u>
Academic Programs	\$ 245,330		\$245,330
Distance Education (Off-Campus and Online Programs)	\$ 235,656		\$235,656
Faculty	\$ 260,000		\$260,000
Accredited Programs	\$ 272,844		\$272,844
Classroom and Instructional Technology		\$ 100,000	\$100,000
Student Lab Upgrades		\$ 400,000	\$400,000
Classroom/Lab Renovations		\$ 200,000	\$200,000
Lab Equipment Upgrades		\$ 150,000	\$150,000
TOTAL	<u>\$ 1,013,830</u>	<u>\$ 850,000</u>	<u>\$1,863,830</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 2006-2007 academic year, UHCL's faculty salaries averaged \$85,200 at the professor level, \$66,100 at the associate professor level, and \$60,300 at the assistant professor level. Relative to some of UHCL's peer institutions, UHCL, on average, ranked higher than Texas A&M-Corpus Christi and Indiana University-South Bend; ranked nearly the same as University of Illinois-Springfield and University of West Florida; 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 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 2008 Initiatives

Faculty and Staff Compensation - \$1,622,286

For fiscal year 2008, UHCL will have a 3.5% pool for compensation increases, including merit and equity for faculty and an across-the-board and pay plan adjustments for staff.

\$ 1,177,654 Base Funding for Faculty and Staff Compensation
\$ 52,000 Base Funding for Faculty Promotions
\$ 392,632 Base Funding for Staff Benefits

Faculty and Staff Support - \$400,000

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.

\$ 400,000 HEAF funding for Faculty and Staff Computing Upgrades

Priority 2 – Investment of Resources

	<u>State & Local</u>	<u>HEAF</u>	<u>Total</u>
Faculty and Staff Compensation	\$ 1,177,654		\$1,177,654
Faculty Promotions	\$ 52,000		\$ 52,000
Staff Benefits	\$ 392,632		\$ 392,632
Faculty and Staff Computing Upgrades		\$ 400,000	\$ 400,000
TOTAL	\$ 1,622,286	\$ 400,000	\$2,022,286

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.

For fiscal year 2008, UHCL will complete the conversion to PeopleSoft 8.9 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 are also implementing version 8.9 at the same time as UHCL.

FY 2008 Initiatives

Information Systems and PeopleSoft Project - \$377,753

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

\$ 79,967 Functional analyst for PeopleSoft Project Support
\$297,786 HEAF funding for PeopleSoft Project Support

Operations Support - \$330,066

Since fiscal year 2004, the reduction in maintenance and operation (M&O) funding has not been restored. This new allocation will address part of the need departments have to resolve staffing, M&O, and/or current funded items, including support for Study Abroad Programs.

\$295,066 Operations Support
\$ 35,000 Study Abroad Programs

Tuition Revenue Bonds - \$950,068

The funding for tuition revenue bonds will enable UHCL to renovate and expand the Arbor Building which is the oldest building on campus. Additional space will be allocated for the schools of Education, and Human Sciences and Humanities.

Information Technology, Library and Computing Resources - \$1,755,084

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

\$1,276,613 HEAF funding for Library
\$ 402,471 HEAF funding for Network/Server Projects
\$ 76,000 HEAF funding for Instructional Technology Upgrades

Facilities and Capital Support - \$2,748,468

Adequate maintenance of facilities, including deferred maintenance, and replacement of equipment are essential to create an environment that is conducive to learning.

\$ 59,420 Facilities ADA Compliance
\$ 1,265,000 HEAF funding for Capital Renewal/Deferred Maintenance
\$ 1,100,000 Facilities-University Projects
\$ 220,000 HEAF funding for Capital Equipment
\$ 54,048 MITC Support
\$ 50,000 Building Maintenance

Priority 3 - Investment of Resources

	<u>State & Local</u>	<u>HEAF</u>	<u>Total</u>
Functional Analyst-PeopleSoft Project	\$ 79,967		\$ 79,967
Building Maintenance	\$ 50,000		\$ 50,000
Tuition Revenue Bonds	\$ 950,068		\$ 950,068
Operations Support	\$ 295,066		\$ 295,066
Study Abroad Programs	\$ 35,000		\$ 35,000
Library		\$1,276,613	\$1,276,613
Network/Server Projects		\$ 402,471	\$ 402,471
Instructional Technology Upgrades		\$ 76,000	\$ 76,000
Facilities ADA Compliance		\$ 59,420	\$ 59,420
Capital Renewal/Deferred Maintenance		\$ 1,265,000	\$1,265,000
Facilities-University Projects		\$ 1,100,000	\$1,100,000
Furniture and Equipment Replacement		\$ 220,000	\$ 220,000
PeopleSoft Project Support		\$ 297,786	\$ 297,786
MITC Support		\$ 54,048	\$ 54,048
TOTAL	<u>\$1,410,101</u>	<u>\$4,751,338</u>	<u>\$6,161,439</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

Context

A major challenge and need is to increase the amount of financial aid, and especially Scholarships, for new and continuing students, especially 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. During fiscal year 2006, UHCL distributed \$37,720,651 in financial aid including loans, grants, and scholarships. A total of 3,859 students received some form of financial aid.

FY 2008 Initiatives

Financial Assistance - \$265,937

With respect to increases in designated tuition for fiscal year 2008, UHCL with the University of Houston System Board of Regents' approval, will assess variable designated tuition rates of \$86 per semester credit hour for undergraduate students and \$118 per semester credit hour for graduate students. The stipulation that 20% for resident undergraduate and 15% for resident graduate of the increase in designated tuition be set aside for financial aid will generate additional funds of \$265,937 for student financial assistance. The total of undergraduate and graduate resident set aside for fiscal year 2008 is \$1,075,092.

Priority 4 – Investment of Resources

	<u>State & Local</u>	<u>HEAF</u>	<u>Total</u>
Student Financial Assistance	\$ 265,937		\$265,937

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 2008 Resources

<u>Revenue Changes</u>	
General Revenue	
General Revenue Appropriation	\$ 1,676,540
Staff Benefits Appropriation	276,879
Subtotal	<u>\$ 1,953,419</u>
Tuition	
Statutory and Grad Premium Tuition	\$ (387,346)
Designated Tuition - General	1,537,520
Designated Tuition - Differential	277,284
Subtotal	<u>\$ 1,427,458</u>
Other Student Fees	\$ 41,517
Other Revenue Changes	\$ 130,563
<u>Reallocations</u>	
Expenditure Shifts/Reallocations	\$ 430,370
Department Reallocations	253,827
New Academic Initiatives	75,000
Subtotal	<u>\$ 759,197</u>
Total New Funds for Allocation	<u><u>\$ 4,312,154</u></u>

<u>Priority/Initiative</u>	<u>Allocation</u>
Priority 1. Instruction and Instructional Support	
Distance Education (off campus and on-line)	\$ 235,656
New Initiatives - Engineering Management	75,000
School of Business	272,844
School of Human Sciences and Humanities	60,000
Adjunct Pay Increase	200,000
School of Education Doctoral Program	170,330
	<u>\$ 1,013,830</u>
Priority 2. Faculty and Staff Recruitment & Retention	
Faculty Compensation	\$ 536,118
Staff Compensation	641,536
Faculty Promotions	52,000
Staff Benefits	392,632
	<u>\$ 1,622,286</u>
Priority 3. Academic, Student and Administrative Support	
Operations Support	\$ 295,066
Study Abroad Programs	35,000
Functional Analysts for PeopleSoft Project Support	79,967
Building Maintenance	50,000
Tuition Revenue Bonds	950,068
	<u>\$ 1,410,101</u>
Priority 4. Student Financial Aid	
Financial Assistance	\$ 265,937
	<u>\$ 4,312,154</u>
Total New Investments	

University of Houston-Clear Lake
Appendix B - Allocation of FY 2008 HEAF

FY08 Allocation	
HEAF	\$ 6,001,338

<u>Priority/Initiative</u>	<u>Allocation</u>
Priority 1. Instruction and Instructional Support	
Classroom and Instructional Technology	\$ 100,000
Student Lab Upgrades	400,000
Classroom/Lab Renovations	200,000
Lab Equipment Upgrade	150,000
	<u>\$ 850,000</u>
Priority 2. Faculty and Staff Recruitment & Retention	
Faculty and Staff Computing Upgrades	\$ 400,000
Priority 3. Academic, Student and Administrative Support	
Library	\$ 1,276,613
Network/Server Projects	402,471
Univ Computing/Instructional Technology Upgrades	76,000
Deferred Maintenance	1,265,000
Facilities - University Projects	1,100,000
Facilities ADA Compliance	59,420
Furniture & Equip Replacement	220,000
MITC Support	
Cinco Ranch	13,601
Sugarland	40,447
PeopleSoft Project Support	297,786
	<u>\$ 4,751,338</u>
Total New Investments	<u>\$ 6,001,338</u>

University of Houston-Clear Lake

Appendix C - Projected Availability of Scholarships and Grants

	<u>FY2007</u>	<u>FY2008</u>
Funds from Endowed Scholarships	\$ 375,000	\$ 353,000
Texas Grant Program Scholarships	85,000	85,000
Texas Public Education Grant (TPEG)	1,070,368	1,038,113
Property Deposit Scholarships	10,000	24,375
Designated Tuition Financial Aid Set-Asides		
Undergraduate Scholarships	429,800	537,900
Graduate Scholarships	415,388	537,192
B-on-Time Program	143,267	179,300
New Student Scholarships	161,000	161,000
Alumni Annual Fund Scholarships	28,000	51,865
Cullen Leaders Scholarships	23,000	38,000
Federal College Work Study	200,000	183,000
Federal Pell Grants	3,200,000	3,200,000
Federal Supplemental Education Opportunity Grants (SEOG)	216,599	211,248
Total	<u>\$ 6,357,422</u>	<u>\$ 6,599,993</u>

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

<u>Operating Budget</u>	FY2007 Budget	-----Change----- Dollars Percent		FY2008 Budget
Source of Funds				
Operations	\$ 76,604,283	\$ 5,448,403	7.1%	\$ 82,052,686
Restricted	6,550,833	(513,077)	-7.8%	6,037,756
Total	<u>\$ 83,155,116</u>	<u>\$ 4,935,326</u>	<u>5.9%</u>	<u>\$ 88,090,442</u>
Use of Funds				
Operations	\$ 76,604,283	\$ 5,448,403	7.1%	\$ 82,052,686
Restricted	6,550,833	(513,077)	-7.8%	6,037,756
Total	<u>\$ 83,155,116</u>	<u>\$ 4,935,326</u>	<u>5.9%</u>	<u>\$ 88,090,442</u>
<u>Capital Budget</u>	FY2007 Budget	-----Change----- Dollars Percent		FY2008 Budget
Source of Funds	\$ 1,419,424	\$ 1,513,407	106.6%	\$ 2,932,831
Use of Funds	\$ 1,419,424	\$ 1,513,407	106.6%	\$ 2,932,831
<u>Total Operating Budget & Capital Budget</u>	FY2007 Budget	-----Change----- Dollars Percent		FY2008 Budget
	<u>\$ 84,574,540</u>	<u>\$ 6,448,733</u>	<u>7.6%</u>	<u>\$ 91,023,273</u>

University of Houston-Clear Lake

Table 2 - Operations

Source of Funds	FY2007 Budget	Change		FY2008 Budget
		Dollars	Percent	
General Funds				
State General Revenue Appropriations				
Formula Funding	\$ 25,197,162	\$ 726,472	2.9%	\$ 25,923,634
Special Items	473,172			473,172
Tuition Revenue Bonds	2,286,156	950,068	41.6%	3,236,224
State Benefits Appropriation	5,561,577	276,879	5.0%	5,838,456
Subtotal State General Revenue Appropriations	33,518,067	1,953,419	5.8%	35,471,486
Tuition and Fees				
Statutory & Graduate Premium	12,405,251	(387,346)	-3.1%	12,017,905
Lab/other Student Fees	800			800
Subtotal Tuition and Fees	12,406,051	(387,346)	-3.1%	12,018,705
HEAF	4,000,892	2,000,446	50.0%	6,001,338
Aux Admin Chg/Opt Clinic/Institutes/Cont. Ed/Other	(113,798)	6,222	-5.5%	(107,576)
Income on State Treasury Deposits	180,000	(16,000)	-8.9%	164,000
Fund Balance	500,000	41,536	8.3%	541,536
Subtotal General Funds	50,491,212	3,598,277	7.1%	54,089,489
Designated				
Tuition and Fees				
Designated Tuition - General	12,988,692	1,537,520	11.8%	14,526,212
Designated Tuition - Differential	283,156	277,284	97.9%	560,440
Library Fee	814,856	(22,832)	-2.8%	792,024
Technology Fee	1,995,424	(58,043)	-2.9%	1,937,381
Major/Department/Class Fees	3,370,927	190,299	5.6%	3,561,226
Subtotal Tuition and Fees	19,453,055	1,924,228	9.9%	21,377,283
Indirect Cost	348,614	(164,072)	-47.1%	184,542
Investment Income on Non-Endowed Funds	650,000	300,000	46.2%	950,000
Endowment Income	211,342	11,315	5.4%	222,657
Contracts / Grants / Gifts	121,330	2,700	2.2%	124,030
Self Supporting Organizations/Others	1,026,147	7,096	0.7%	1,033,243
Fund Balance	722,596	(32,660)	-4.5%	689,936
Subtotal Designated Funds	22,533,084	2,048,607	9.1%	24,581,691
Auxiliary Enterprises				
Student Fees				
Student Service Fee	2,933,514	(73,907)	-2.5%	2,859,607
Other Student Fees	603,834	6,000	1.0%	609,834
Subtotal Student Fees	3,537,348	(67,907)	-1.9%	3,469,441
Sales & Service - Parking	709,780	(66,280)	-9.3%	643,500
Sales & Service - Athletics/Hotel/UC/Other	878,296	16,092	1.8%	894,388
Fund Balance	250,000	73,166	29.3%	323,166
Subtotal Auxiliary Funds	5,375,424	(44,929)	-0.8%	5,330,495
Total Current Operating Funds	78,399,720	5,601,955	7.1%	84,001,675
Interfund transfer	(1,795,437)	(153,552)	8.6%	(1,948,989)
Total Sources	\$ 76,604,283	\$ 5,448,403	7.1%	\$ 82,052,686
Use of Funds by Object				
Salaries and Wages	\$ 40,874,572	\$ 2,193,109	5.4%	\$ 43,067,681
Benefits	10,660,054	487,912	4.6%	11,147,966
M&O	13,957,054	(51,884)	-0.4%	13,905,170
Capital	2,542,254	1,696,890	66.7%	4,239,144
Scholarships	2,331,821	177,815	7.6%	2,509,636
Debt Service	2,655,662	947,412	35.7%	3,603,074
Utilities	3,463,936	733	0.0%	3,464,669
Transfers	118,930	(3,584)	-3.0%	115,346
Total Uses	\$ 76,604,283	\$ 5,448,403	7.1%	\$ 82,052,686

University of Houston-Clear Lake

Table 3 - Restricted

Source of Funds	FY2007 Budget	Change		FY2008 Budget
		Dollars	Percent	
Restricted				
Contracts and Grants				
Research	\$ 2,430,553	\$ (625,339)	-25.7%	\$ 1,805,214
Financial Aid	3,112,449	(11,840)	-0.4%	3,100,609
Gifts	117,822	91,000	77.2%	208,822
Endowment Income	263,807	25,367	9.6%	289,174
Other Restricted(encum, student fees, other E&G)	609,225	5,875	1.0%	615,100
Total Current Operating Funds	6,533,856	(514,937)	-7.9%	6,018,919
Interfund Transfer	16,977	1,860	11.0%	18,837
Total Sources	\$ 6,550,833	\$ (513,077)	-7.8%	\$ 6,037,756
Use of Funds by Object				
Salaries and Wages	\$ 807,383	\$ (59,406)	-7.4%	\$ 747,977
Benefits	156,430	(67,184)	-42.9%	89,246
M&O	1,544,767	(358,017)	-23.2%	1,186,750
Capital	65,997	(41,997)	-63.6%	24,000
Scholarships	3,976,256	13,527	0.3%	3,989,783
Total Uses	\$ 6,550,833	\$ (513,077)	-7.8%	\$ 6,037,756

University of Houston-Clear Lake

Table 4 - Capital Projects

	Project to Date (1)	FY2008 Budget	Future Year Budgets	Total Project Budget	Funded From			
					HCAF	Revenue Bonds	Gifts	Other
New Construction								
Arbor Building - Renovation and Expansion		\$ 1,500,000	\$ 10,094,808	\$ 11,594,808		\$ 10,604,808	\$	\$ 990,000
Subtotal New Construction	\$ -	\$ 1,500,000	\$ 10,094,808	\$ 11,594,808	\$	\$ 10,604,808	\$ -	\$ 990,000
Major Repair and Rehabilitation Projects Budgeted Annually								
Capital Renewal Deferred Maintenance	\$ 1,841,390	\$ 1,222,831		3,064,221	\$ 2,822,829	-	-	241,392
Parking Lot/Roadway Maintenance	246,696	210,000		456,696	-	-	-	456,696
Subtotal Major Repairs & Rehabilitation	\$ 2,088,086	\$ 1,432,831	\$ -	\$ 3,520,917	\$ 2,822,829	\$ -	\$ -	\$ 698,088
Total	\$ 2,088,086	\$ 2,932,831	\$ 10,094,808	\$ 15,115,725	\$ 2,822,829	\$ 10,604,808	\$ -	\$ 1,688,088

(1) Project expenditures to date, estimated through August 31, 2007

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

Employee Classification	FY2007 Budget	-----Change-----		FY2008 Budget
		FTE	Percent	
Faculty	187	4	2.1%	191
Part-time Faculty	93	2	2.2%	95
Professional Staff	236	5	2.1%	241
Classified Staff	273	3	1.1%	276
Temporary Staff	95	4	4.2%	99
Total	884	18	2.0%	902

University of Houston-Clear Lake

Table 6 - Student Credit Hours, Headcount, and FTE

	FY2004 Actuals	FY2005 Actuals	FY2006 Actuals	FY2007 Budget	FY2008 Budget	FY08 vs FY07 Change
Semester Credit Hours						
Upper Division	90,317	90,948	94,384	95,518	92,139	(3,379)
Masters	60,195	58,436	57,256	58,402	57,107	(1,295)
Total	150,512	149,384	151,640	153,920	149,246	(4,674)
Semester Credit Hours-On/Off Campus						
On Campus	140,810	139,895	127,862	125,305	121,825	(3,480)
Off Campus	9,702	9,489	23,778	28,615	27,421	(1,194)
Total	150,512	149,384	151,640	153,920	149,246	(4,674)
Fall Headcount	7,776	7,785	7,826	7,950	7,706	(244)
Fall FTE	4,668	4,680	4,743	4,810	4,636	(174)

Note: The FY2008 Budget is based on flat enrollment for fall and spring and a 2% decline in summer as compared to FY07 projected actuals. FY2007 projected actuals for SCH is 149,703; Fall 2007 headcount is 7706.

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

Sources	FY2007 Budget	Change		FY2008 Budget
		Dollars	Percent	
Current Year Revenue	\$ 2,904,076	\$ (73,166)	-2.5%	\$ 2,830,910
Budgeted Fund Balance		73,166		73,166
Total Sources	\$ 2,904,076			\$ 2,904,076
Allocations				
AVP, Student Affairs	\$ 119,265	\$ 1,566	1.3%	\$ 120,831
Career and Counseling	700,977	2,410	0.3%	703,387
Financial Aid	494,693			494,693
Health Service	281,446	826	0.3%	282,272
Intercultural/International Student Serv	191,569	2,951	1.5%	194,520
Student Life	246,886	2,574	1.0%	249,460
Orientation and Welcome Week	10,000			10,000
Annual Leadership Conference	12,500			12,500
Dean of Students	377,864	13,029	3.4%	390,893
Student Cultural Arts	20,000			20,000
Student Government Association	22,500			22,500
Fitness and Wellness	53,797			53,797
Student Life Programs	14,120			14,120
Student Publications	72,814			72,814
Women's Services	11,277			11,277
Utilities	90,000			90,000
Custodial	27,368	606	2.2%	27,974
Administrative Charge	104,160			104,160
System Service Charge	23,000			23,000
SGA Executive Council	2,500			2,500
SSF Unallocated	27,340	(23,962)	-87.6%	3,378
Total Allocations	\$ 2,904,076			\$ 2,904,076

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

NOTE 1

Use of Funds by Organization	FY2007	-----Change-----		FY2008
	Budget	Dollars	Percent	Budget
President				
President's Office	\$ 748,588	\$ 21,007	2.8%	\$ 769,595
University Advancement	1,017,575	38,636	3.8%	1,056,211
Subtotal President	1,766,163	59,643	3.4%	1,825,806
Academic Affairs				
International Initiatives	155,198	1,522	1.0%	156,720
Sr. VP and Provost	2,093,031	268,383	12.8%	2,361,414
Environmental Institute of Houston	344,151	1,721	0.5%	345,872
Student Services	5,955,888	322,176	5.4%	6,278,064
Academic Affairs (Enrollment Management)	2,877,074	55,831	1.9%	2,932,905
Information Resources	1,114,839	(79,013)	-7.1%	1,035,826
University Computing and Telecommunications	5,017,178	202,510	4.0%	5,219,688
Library	2,993,897	181,480	6.1%	3,175,377
Business	8,431,148	572,744	6.8%	9,003,892
Education	5,979,108	475,800	8.0%	6,454,908
Human Sciences and Humanities	6,556,634	372,708	5.7%	6,929,342
Science and Computer Engineering	5,514,579	280,745	5.1%	5,795,324
Subtotal Academic Affairs	47,032,725	2,656,607	5.6%	49,689,332
Administration and Finance				
VP Administration & Finance	5,368,108	173,284	3.2%	5,541,392
Facilities Management & Construction	3,677,063	1,329,181	36.1%	5,006,244
Utilities	3,463,936	733	0.0%	3,464,669
Subtotal Administration & Finance	12,509,107	1,503,198	12.0%	14,012,305
Other				
Information System Project to UHSA	382,871	(152,029)	-39.7%	230,842
Unallocated: Other	3,093	47,894	1548.5%	50,987
Debt Service	2,655,662	947,412	35.7%	3,603,074
System Service Charge	1,237,582	17,953	1.5%	1,255,535
Other Transfers	118,930	(3,584)	-3.0%	115,346
Staff Benefits	9,285,944	392,632	4.2%	9,678,576
Fund Balance Contingency	1,250,000			1,250,000
Insurance Premiums	362,206	(21,323)	-5.9%	340,883
Subtotal Other	15,296,288	1,228,955	8.0%	16,525,243
Total Uses	\$ 76,604,283	\$ 5,448,403	7.1%	\$ 82,052,686

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

NOTE 2

	FY2007 Budget	-----Change-----		FY2008 Budget
		Dollars	Percent	
Use of Funds by Organization				
President				
President's Office	\$ 7,391	\$ (2,089)	-28.3%	\$ 5,302
University Advancement	10,836	335	3.1%	11,171
Subtotal President	18,227	(1,754)	-9.6%	16,473
Academic Affairs				
Environmental Institute of Houston	76,141	222,669	292.4%	298,810
Student Services	4,161,387	(3,915)	-0.1%	4,157,472
Library	324,792	(120,370)	-37.1%	204,422
Business	102,108	(46,096)	-45.1%	56,012
Education	750,875	(524,753)	-69.9%	226,122
Human Sciences & Humanities	371,798	(81,079)	-21.8%	290,719
Science and Computer Engineering	730,955	34,271	4.7%	765,226
Subtotal Academic Affairs	6,518,056	(521,027)	-8.0%	5,998,783
Administration and Finance				
	14,550	7,950	54.6%	22,500
Total Uses	\$ 6,550,833	\$ (513,077)	-7.8%	\$ 6,037,756

6.1 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 AS SET FORTH IN UHD'S STATE AGENCY STRATEGIC PLAN FY 2000 - FY 2005

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

FY 2008 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.

While the basic features of UHD's unit planning process remain the same, each year the process is reviewed to determine ways in which it might be improved. In the unit planning guidelines distributed last fall, units were alerted to a number of significant changes that were being implemented. These changes are listed below.

- Unit plans to cover both years of the biennium: Starting this year, units will only submit plans in the fall of even-numbered years. This change is being made to better align unit-planning with the biennial appropriations process and to reduce the time and effort required in putting a complete plan together each year.
- Opportunity to reorder priorities: If a spending initiative is below the cutoff line for funding the first year of the biennium, it will be eligible for funding the second year of the biennium if additional funding is available. Units will have the opportunity to amend, add to, or remove items on their ranked list of spending priorities before final budget decisions are made for the second year of the biennium.
- Clearer rationale for funding requests required: The SACS Visiting Committee cited the University for lacking systematic assessment procedures and for failing to document how assessment findings are being used to improve institutional effectiveness. To be considered for funding in this planning cycle, proposed initiatives must include a description of the assessment or evaluation evidence that supports the need for the initiative as well as an explicit statement of the goal or objective the initiative is designed to address.
- Format of unit plans has been shortened: Units will no longer be asked to discuss the longer-range future of the university and university-wide needs in their unit plans. Units will continue to be able to propose joint spending initiatives to address areas of common concern.
- Unit plans will be prepared, submitted and stored electronically: Beginning this year, all required unit-planning forms are to be completed electronically.
- Quality Enhancement Plan (QEP): The narrative sections in which units are asked to discuss the ways in which they can support the QEP and make use of new technologies have been eliminated. If a specific spending initiative supports a general university activity like the QEP or the expanded use of technology, this relationship should be clearly explained in the initiative's rationale.
- Strengths, Weaknesses, Opportunities, Threats (SWOT) Analysis: The University SWOT will no longer be developed as a part of the unit planning and budgeting process, but will be part of a new long range planning process.

- Long Range Planning: The President will be soliciting suggestions on the best way to begin long range planning during the current year with the intent of implementing a formal long range planning process in the Fall of 2007. While the planning framework is yet to be determined, the long range planning process will be an inclusive one involving all components of the university.
- Plan Timetable: While the plan will cover at least the next three biennia, it will be revisited in the fall of every odd-numbered year (when unit plans are not being done) to make whatever modifications are necessary.
- LOGIC: The President has identified the five strategic principles to guide the first round of long range planning. The five are: Learning and Achievement, Outreach, Globalization, Interdisciplinary Programming, and Connectivity (LOGIC). The number of principles may be expanded during the planning process, but the above five will be central to the plan since they are derived directly from the University's mission.
- New Generation University: UHD has long identified with other universities founded in the 1970s with missions of emphasizing access, services for non-traditional students, and a strong commitment to community outreach. As a new generation university, UHD's long-range planning will be forward looking and not limited by traditions and values that do not meet the needs of an ever-changing society.

SECTION 3

FY 2008 PRIORITIES OVERVIEW

While UH-Downtown uses a “bottom-up” planning model, unit managers are reminded at the beginning of every planning cycle that their planning initiatives should support those strategic priorities for higher education established by The Texas Higher Education Coordinating Board (THECB) and the University of Houston System. Planning guidelines also stress that plans should be both mission-driven and assessment driven. This year unit managers were asked to give special consideration to five distinguishing characteristics of New Generation Universities, universities like UHD that were established in the 1970s to expand educational access and promote community engagement. These five characteristics are easily remembered through the acronym LOGIC:

Learning and Achievement
Outreach
Globalization
Interdisciplinary Programming
Connectivity

Bringing the new Shea Street Building into service and making market equity adjustments in both faculty and staff compensation were two of the main priorities established at the start of the FY 2008 planning process. With the movement of the College of Business to the Shea Street facility, space in One Main becomes available for other facility needs, the most important of which is the renovation and expansion of the library. Special attention was also given to determining how new technologies could best be used to improve the institution’s effectiveness. A special long-range technology planning process was conducted in the fall to analyze how various technology projects would serve the university’s mission and to identify those that were needed most.

These and other major new spending initiatives in UHD’s FY 2008 budget all directly address the UHS Board of Regents’ *Strategic Principles and Initiatives*. 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.”

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 2008 Plan and Budget provides for market equity adjustments for both faculty and staff that were based on studies conducted by outside organizations.

To make effective use of its resources (Strategic Principle 8 – Accountability and Administrative Efficiency) the University is budgeting funds for a variety of technology upgrades and for other initiatives designed to safeguard university resources and improve efficiencies.

In order to prevent the university from becoming overly reliant on part-time faculty, UH-Downtown has, over the past five years, made significant investments in full-time faculty. UHS 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 FY 2008 plan will add six new tenure-track faculty positions.

In ranking the university planning priorities for FY 2008, the University Planning Council conducted a Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis, evaluated institutional performance indicator data, and reviewed the goals set forth in the state's *Closing the Gaps Report* and the *UHS Strategic Principles and Initiatives* document. The Council then worked with the President in establishing the following priority groupings for its FY 2008 budget initiatives:

1) Providing the Programs and Services Needed to Support **Student Success**

- Scholarship Support
- Service Learning
- Advising Support
- Student Service Fee Initiatives
- University Center Fee Initiatives
- Student Learning Assessment
- Library Support
- Support for Academic Programs and Support Units

2) Providing the **Faculty and Staff Support** Needed to Support Educational Excellence

- Adjusting Summer Faculty Salary Budgets to Reflect Growth of Last Biennium and to Support Continued Growth
- Faculty and Staff Market/Equity Adjustments and Benefits
- Addressing Tenure/Tenure Track Faculty Coverage Issues
- Faculty Research and Professional Development Support

3) Providing the **Physical Facilities** Conducive to High Quality Instruction and Learning

- Shea Street Building Operations
- TRB Debt Service on Shea Street
- Major Library Renovation/Expansion
- Enhanced Security Measures
- Roof Replacement and Other Planned Maintenance Projects
- Upgrades in the Auditorium and Special Events Center
- Other Renovation Projects
- Funds Reserved for Land Acquisition

4) Using **Technology** to Improve Effectiveness and Efficiency of University Operations

- Application Consulting
- Additional Funds for Maintenance Agreements
- Continuation of Desktop Project
- Equipment Upgrades
- Business Recovery Center in Shea Street Building
- Network Infrastructure Enhancement
- Phase One of New Web Content Management System
- Data Warehousing

5) Addressing **Mandates**, Ongoing Commitments and General Administration

- Contingency Reserve for Growth
- Strategic Planning Initiative
- Increase in Advertising Budget
- Office of Public Affairs
- Increase in Bank Charges (Credit Card costs)
- Community Development Grants
- Annual Salary Surveys

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

SECTION 4

FY 2008 UNIVERSITY PRIORITIES AND SUPPORTING INITIATIVES

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

CONTEXT

Expanding educational access has been a central component of UHD's mission since its founding. With a strong commitment to academic excellence, the university enrolls a student body that is fully reflective of the state's rich ethnic and cultural diversity. Total enrollment has increased by 40% over the past ten years and now stands at 11,449. Further, the 1,882 undergraduates who earned a degree from UHD in 2006-2007 represented a 128% increase over the number who graduated in 2000-2001. Minority graduates have increased at an even higher rate—from 339 to 967, or about 185% for the same time frame. As the university prepares for the new biennium, its highest priority will continue to be providing those programs and support services that will enable students to achieve their academic objectives and become productive and responsible members of society.

Enrollment and graduation data show that UHD is playing a significant role in addressing both the System's enrollment goals and the goals of the State's "Closing the Gaps" plan. Despite relatively flat enrollments the past two years, UHD is confident of continued strong growth in the future, because no other University in the region is better positioned to serve the types of students who will be seeking higher education in the years ahead. As an urban commuter university, UH-Downtown recognizes that it has a special responsibility to provide educational access to those who have not had access in the past. Its FY 2008 Plan and Budget continues to reflect its ongoing commitment to provide the programs and support services that students need in order to achieve their academic objectives. In addition to the new initiatives discussed below, UHD continues to move forward with the implementation of its new Quality Enhancement Plan (QEP), which focuses on helping its first generation college students develop the knowledge, skills and values that they will need to succeed in college. The University is supplementing the funding approved in last year's budget for its QEP with additional funding from Houston Endowment in the form of an Achieving the Dream grant.

The University's FY 2008 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 2008 INITIATIVES

- Scholarship Support (\$750,000) -- With an increasing proportion of the state's traditional college-age population coming from economically disadvantaged backgrounds, UHD is committed to aggressively pursuing the public and private scholarship dollars needed to ensure these students access to quality higher education. Scholarship dollars also enable the university to compete more effectively for high performing students from all educational backgrounds. UHD's increase in its designated tuition rate will result in an additional \$750,000 of mandated scholarship set-aside funds, of which \$563,000 will be immediately available to UHD students (the balance will go to the state's B-On-Time program). It is estimated that \$7,218,000 of total scholarship funds will be available to UHD students for FY2008. This breakdown is provided on the table entitled *Availability of Scholarship/Grant Funds – FY2008* which is provided behind Tab 5.

-- \$ 750,000 State-mandated 20% set-aside of the designated tuition increase
(New \$s)

- Support for Student Advising (\$165,500) -- With an increasing number of students in its degree programs, UHD has several advising issues that the FY 2008 Plan and Budget seeks to address. In addition to adding staff to college advising offices, the university will hire two additional Transcript Analysts so that transfer students – the fastest growing category of students at UHD – can be processed in a more timely fashion.

-- \$43,400 Academic advisor in the College of Business (New \$s)
-- \$32,500 Clerical support in the College of Public Service Advising Office
(New \$s)
-- \$89,600 Transcript Analysts (2) (New \$s)

- Support for Academic Programs (\$533,650) -- The ongoing support needs of all units were analyzed during the planning process. Distribution models are utilized to allocate a portion of university HEAF funds to meet routine college equipment needs. The Assessment Coordinator position will help the university track the effectiveness of its academic programs, including those student success programs that were recently established as part of its Quality Enhancement Plan and Achieving the Dream initiative. A Director of Service Learning position is being created to help all degree programs explore ways of integrating a service component into their curricula. Other support initiatives were funded based primarily on the direct impact they were expected to have on the university's ability to offer quality programs and services to students.

-- \$327,750 Equipment for the academic colleges (HEAF)
-- \$ 78,000 Director of Service Learning position (New \$s)
-- \$ 52,000 Assessment Coordinator position (New \$s)
-- \$ 33,000 Student Accounting Clerk (New \$s)
-- \$ 42,900 Administrative Assistant in University College (New \$s)

- Student Support Services (\$272,648) -- Additional funds generated through the Student Service Fee and University Center Fee are allocated by committees which include students as members. Final allocation of these funds will be reflected in the final Plan and Budget document which will be submitted with the Executive Summary materials in July. These new funds will be used to support initiatives coming out of the Student Services and Enrollment Management division.
 - \$ 239,145 Student Service Fee funded initiatives (New \$s)
 - \$ 33,503 University Center Fee funded initiatives (New \$s)

- Library Support (\$1,551,963) -- 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. To better safeguard library resources and provide students and other users with a safe and secure environment, the university will be adding two library security officers in FY 2008.
 - \$1,469,563 Continued development of library collection (HEAF)
 - \$ 21,000 Scanner to transfer articles requested through interlibrary loan (HEAF)
 - \$ 61,400 Security officers (2) in the library (New \$s)

- Student Labs and Classroom Equipment (\$1,074,400) -- The Information Technology Long Rangé Strategic Plan discusses a variety of ways in which computer technologies are transforming the way in which the university conducts its business. As technology becomes more integral to more fields of inquiry, more specialized computer labs and other instructional technologies are needed. To ensure that students are prepared for the technology-based workplace, the university must provide them with access to current technology in its labs and classrooms.
 - \$225,000 Upgrades in the main Academic Computing Lab (HEAF)
 - \$365,000 Upgrades in satellite computer labs (HEAF)
 - \$ 85,000 Computer lab upgrades in the Commerce Street Building (HEAF)
 - \$ 25,000 Catch-up funding for needed upgrades that were not funded in FY2007 (HEAF)
 - \$250,000 Additional classroom presentation systems (20) (HEAF)
 - \$ 34,400 Computerized classroom and Production Center in the College of Public Service (HEAF)
 - \$ 90,000 Microscopy/instrumentation room and tissue culture facility in the College of Sciences and Technology (HEAF)

New Funds Committed to Support Priority 1

New \$s	HEAF	Total Funds Priority 1
\$1,455,448	\$2,892,713	\$4,348,161

KEY PERFORMANCE INDICATORS

The following performance indicators are based on official tracking cohort data. The university also computes the retention and graduation rates of other cohort groups such as part-time and transfer students.

- Percent of freshmen retained after one academic year
- Persistence rate of under-prepared students requiring developmental education
- Ratio of new students admitted to graduates
- Six-year Graduation Rate for FTICs
- Four-year Graduation Rate for Transfer Students

While this priority calls for strengthening the quality of programs and services to improve retention, other relevant indicators include basic enrollment measures, such as:

- Headcount and semester credit hour enrollment

Few of the available performance indicators directly measure educational outcomes, but one that does is the statewide test taken by teacher education candidates.

- Certification Rate of Teacher Education Graduates

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

CONTEXT

The quality of UHD's academic programs 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 attempted to address issues of market equity by using salary benchmarks developed by outside organizations. Since 2001, it has been using the national faculty salary survey conducted by the College and University Personnel Association (CUPA) against which to benchmark faculty salaries. The FY 2008 budget is funding 67% of what would be needed to bring all ranked faculty members to the average salary paid at other Masters' level public universities. In addition to these market adjustments, the university has established a 3% merit pool that will be distributed according to the university's merit pay policy.

To provide fair compensation for its staff, the university contracted with Deloitte Consulting, LLP two years ago to conduct a compensation study and develop a staff pay plan. Phase I of the plan was implemented in the FY 2007 budget, when all staff positions below the minimum for their grade were brought to those minimums. The FY 2008 budget continues to address the market inequities for staff members that were identified in this study, providing 59% of what is needed to fully fund the staff plan. In addition to the Deloitte adjustments, the University is also providing a 3% raise pool that will be distributed as an across-the-board increase for eligible employees.

Linked closely to the compensation issue is the issue of course coverage with tenured or tenure-track faculty. 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 SCH's 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% coverage, 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 75 new faculty positions. The FY2008 budget adds six new tenure-track positions, bringing the total number of new tenure-track faculty positions added during the past six years to 81.**

FY 2008 INITIATIVES

- New Faculty Positions (\$468,000) -- UHD continues to have a small number of full-time, tenure-track faculty compared to universities serving similar-sized student bodies. 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.

-- \$468,000 New faculty positions (6) including benefit costs (New \$s)

- Establish More Competitive Faculty Salaries (\$812,432) -- During the FY 2005 planning process, the university used the national faculty salary survey conducted by the College and University Personnel Association (CUPA) to determine how UHD salaries compared to the average salaries paid at other master's level universities to faculty in comparable ranks and disciplines. The intent was not to bring all faculty members of similar rank and discipline to the average salary but to have a university average equal to the national figures reported in the CUPA survey. The same CUPA salary benchmarking study repeated this year showed that an additional \$380,000 would be needed to bring faculty averages up to those paid at other public master's level institutions. Because there are other needs to be addressed, the university is only able to fund 67% of the amount needed to bring base FY 2006 salaries up to the CUPA averages. The actual salaries faculty members receive in FY 2008 will include the CUPA adjustments made to their current salaries plus raises from a 3% faculty merit pool plus any promotion adjustments to which they are entitled. According to UHD policy, merit pay raises are awarded on the basis of a faculty member's annual performance evaluation rating.

-- \$260,000 Fund 70% of the amount needed to bring the salaries of all faculty members up to their CUPA benchmarks (New \$s)

-- \$462,432 Faculty merit raises per policy (New \$s)

-- \$ 40,000 Faculty promotion raises (New \$s)

-- \$ 50,000 Increase in faculty summer school budget to reflect actual expenditures made in FY 2007 (New \$s).

- Staff Pay Raises (\$1,291,393) -- In recent years the university has seen an increasing number of valued staff members leave for better paying positions elsewhere. Further, the University has had difficulty filling some important staff positions because of low salaries, particularly in high-demand fields like Information Technology. The same year that the university began benchmarking faculty salaries against the average salaries paid at the public, Masters-level universities, it made a commitment to contract with an outside firm to conduct a staff salary analyses and to begin addressing issues of staff pay equity. Two years ago UHD contracted with Deloitte LLP to conduct a staff compensation study and began implementation of the study's findings in its FY 2007 budget. This year the university is budgeting 60% of the amount that would be needed to fully fund the Deloitte recommendations for staff. The actual compensation staff will receive in FY 2008 will include any Deloitte adjustments made to their current salaries plus an across-the-board raise of 3%.

-- \$591,393 Across-the-board pay increases (New \$s)

-- \$700,000 Continue implementation of the Deloitte compensation study
(Reallocation \$s - \$470,879; New \$s - \$229,121)

- Faculty Research and Professional Development Support (\$155,000) -- The University is committed to supporting faculty research directed at improving student success. Such support is provided through its Office of Sponsored Programs, through a HEAF set-aside for matching grants, and through a limited number of internally funded grants. The university was able to significantly increase its grant activity this past year by contracting with an experienced grant writer to assist faculty members in preparing proposals, with major grants coming from NSF (\$900,000 over 2 years), NIH (\$960,000 over 5 years), and the Brown Foundation (\$875,000). The success of this contract arrangement justifies continuing it in the FY 2008 budget. The budget also contains funds for software needed for research and educational assessments. As a Hispanic Serving Institution and a Minority Institution, UHD is poised to further increase its sponsored project funding over the next ten years.

- \$50,000 Set-aside for matching grants (HEAF)
- \$50,000 Academic software and collaborative tools (HEAF)
- \$55,000 Grant writer on a contract basis (New \$s)

New Funds Committed to Support Priority 2

New \$s	Reallocation	HEAF	Total Funds Priority 2
\$2,155,946	\$470,879	\$100,000	\$2,726,825

KEY PERFORMANCE INDICATORS

The following performance measure is requested by the Legislative Budget Board of all public universities in Texas.

- Percentage of lower division courses taught by tenure and tenure-track faculty

Providing the support needed to recruit and retain quality faculty and staff is another factor that directly contributes to the university's ability to provide students with quality programs and services. Performance indicators for this priority will be the same as those listed for Priority 1. Faculty and staff salary studies, using appropriate national benchmarks, will provide a more direct measure of the adequacy of university compensation levels. Faculty-student ratios and other administrative support ratios provide a more direct measure of the adequacy of staffing.

PRIORITY 3: PROVIDING THE PHYSICAL FACILITIES CONDUCTIVE TO HIGH QUALITY INSTRUCTION AND LEARNING

CONTEXT

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 to provide broad access to higher education opportunities, the UHS Board of Regents endorsed a number of growth-oriented planning initiatives, including the construction of new facilities on the existing University campuses. In January 2006, UHD began construction of the new Shea Street Academic Building, which will open for classes this fall. In the April/May 2006 special session, the 79th Legislature authorized UHD to issue \$31.6 million of tuition revenue bonds in support of this project. The 80th Legislature provided approximately \$5 million over the 2008/2009 biennium to cover associated debt service.

The University's FY 2008 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 have created a much more appealing environment for students as they pursue their educational objectives. Well-designed and maintained facilities are important to the satisfaction of faculty, staff and students, and are also important to overall institutional effectiveness. Providing adequate space to meet the demands of its growing student body will be a continuing challenge for the University.

FY 2008 INITIATIVES

- New Shea Street Building (\$3,563,452) -- The university's new academic building on Main and Shea will be operational in Fall 2007. The Shea Street facility will house UHD's College of Business, which is now located on the 10th floor of the north tower of the One Main building.
 - \$1,100,000 Building operations at Shea Street (New \$s) [NOTE – these costs will be allocated to the appropriate units when the final FY2008 Plan and Budget is submitted with the Executive Summary materials]
 - \$2,463,452 TRB debt service (New\$S)

- Upgrading Existing Space in the One Main Building (\$2,200,000) -- The departure of the College of Business from One Main will free space to address a number of long-standing needs, the most important of which is the renovation and expansion of the W.I. Dykes Library.
 - \$1,750,000 Library Renovation (HEAF - \$1.65M, Gift - \$100K)

- \$ 100,000 Upgrade lighting and A/V equipment in the auditorium and special events area in the Academic Building (HEAF)
 - \$ 100,000 Aesthetic upgrades to the auditorium and special events area (HEAF)
 - \$ 75,000 Replace chairs in the Academic Computing Lab (HEAF)
 - \$ 175,000 Renovation projects – OMB 6N & 6S and 7S (HEAF)
- Continued Campus Repair and Rehabilitation (\$975,000) -- The university continuously seeks to identify maintenance needs and systematically address them. UHD will address selected non-critical deferred maintenance items that appear on its MP3 report, which is part of the Campus Master Plan on file with the THECB. Other projects are designed to give the university a stronger and more appealing presence in downtown Houston.
 - \$400,000 North roof of the One Main building (HEAF)
 - \$325,000 Address other deferred maintenance needs on the MP3 list (HEAF)
 - \$250,000 Other renovation projects including improved signage and creating a more appealing entrance from the visitors' parking garage (HEAF)
- Building Security (\$432,000) – To protect the investments it has made in its physical plant, the University must provide adequate security. The following items will enable the police to use electronic surveillance to respond more effectively to threats to building security.
 - \$175,000 Video surveillance to cover all exterior doors (HEAF)
 - \$125,000 Expansion of Electronic Access Control Program (HEAF)
 - \$ 32,000 Additional police dispatcher (New \$s)
 - \$ 50,000 e-911 service (HEAF)
 - \$ 50,000 Call box upgrades (HEAF)
- Preparing for Future Expansion (\$500,000) -- If the University is to continue to grow and meet the ambitious enrollment goals set by both the System and the State, it will need additional instructional space. The University will hold \$500,000 in reserve and explore opportunities to acquire already-identified area land that could be used for future campus expansion.
 - \$500,000 Additional land purchase (HEAF)

New Funds Committed to Support Priority 3

New \$s	HEAF	Gift	Total Funds Priority 3
\$ 3,595,452	\$3,975,000	\$100,000	\$7,670,452

PRIORITY 4: USING TECHNOLOGY TO IMPROVE EFFECTIVENESS AND EFFICIENCY OF UNIVERSITY OPERATIONS

CONTEXT

UHD has made instructional technology and distance education support a high institutional priority. The university's ongoing commitment to standardized desktop computing support, enhancement of its networking infrastructure, computing lab and electronic classrooms, and technical support services positions enable it to take advantage of new technologies to improve instructional and administrative services. The university has made significant 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. However, the university must continue to fund its comprehensive and renewable technology reinvestment plan at an appropriate level if it is to protect its investments and maintain an up-to-date technical environment.

The need for reliable and secure technology has become increasingly important as the university continues to increase the integration of technology in its overall operations. The university must be prepared to respond to the resulting challenges such as individual privacy, copyright compliance, misuse of resources, expanded web based service delivery and disaster recovery. Increased wide area communications will also result in greater vulnerability to unauthorized system access.

While UHD's technology initiatives are listed here as a separate priority, they are closely tied to the earlier priorities related to supporting student success and providing faculty and staff support. During the past academic year, staff from the Division of Information Technology led the university community in a long-range technology planning process to identify the campus's most pressing needs and to develop strategies for meeting them in the most efficient way possible. The following initiatives were all identified as critical needs during that process.

FY 2008 INITIATIVES

- Ongoing Technology Projects (\$535,000) -- 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 (word processing, spreadsheet and database programs) needed to effectively perform job responsibilities. It provides for an orderly upgrade of hardware and software through centralized purchases. In addition to budgeting funds to replace computers scheduled for replacement this year, an additional "catch-up" amount is included in the budget because this project was not fully funded in FY 2007. The university is also budgeting additional money for selected faculty and staff whose needs can best be served by laptop computers instead of the standard desktop model.

-- \$410,000 Scheduled updates of the Desktop Project (HEAF)

- \$ 25,000 Catch-up funding for needs carried over from FY 2007 (HEAF)
- \$100,000 Upgrade certain faculty and professional staff computers during the rotation (HEAF)
- Protect, Maintain and Upgrade Existing Technology (\$1,580,000) -- Significant expenditures must be made each year to maintain and update the university's existing investments in technology. The computer-related equipment on which the university depends for its instructional program and administrative operations has a short shelf life and must be replaced in a systematic manner. The university's FY 2008 plan addresses a number of equipment replacement and upgrade needs. These include:
 - \$135,000 Increases in current hardware/software maintenance contracts (New \$s)
 - \$120,000 Application consulting (New \$s)
 - \$200,000 Upgrades in the Teaching Technology Learning Center (TTLC) (HEAF)
 - \$150,000 Server upgrades (HEAF)
 - \$475,000 Network infrastructure enhancements (HEAF)
 - \$200,000 Shea Street Business Recovery Center (HEAF)
 - \$100,000 Data Center Power (HEAF)
 - \$175,000 Secured shared storage (HEAF)
 - \$ 75,000 Data warehousing (HEAF)
 - \$ 50,000 Initial payment for a web content management system (HEAF)

New Funds Committed to Support Priority 4

New \$s	HEAF	Total Funds Priority 4
\$255,000	\$1,960,000	\$2,215,000

KEY PERFORMANCE INDICATORS

The technology initiatives listed above will improve the university's capacity to deliver quality programs and services. UHD believes that these expenditures will have a positive impact on a variety of enrollment-related performance measures including:

- Headcount and semester credit hour enrollment
- Student diversity
- Percent of freshmen retained after one academic year
- Persistence rate of under-prepared students requiring developmental education
- Ratio of new students admitted to graduates

PRIORITY 5: MANDATES, ONGOING COMMITMENTS AND GENERAL ADMINISTRATION

CONTEXT

To support ongoing commitments and safeguard investments, funding must be provided for routine operations and for initiatives that will improve the effectiveness and efficiency of such operations. Funding also must be provided for certain “pass throughs” that support activities outside of the university.

Several new initiatives in FY 2008 are designed to strengthen the university’s identity and assist in student recruitment and fundraising. This category also includes a contingency reserve for growth. With an increasing percentage of total revenue coming from tuition and fees, a failure to meet enrollment projections could have serious consequences. There are a variety of factors affecting enrollment growth over which the university has little control, so the university is holding in reserve two-thirds of the additional revenue that would be generated by enrollment growth of 3%.

FY 2008 INITIATIVES

- General Administration and Operations (\$237,550) -- To support the ongoing operation of the university, funding must be provided for general administrative expenses. The following items will help improve the effectiveness and efficiency by which basic administrative functions are performed.
 - \$192,250 Equipment set-aside for administrative units (HEAF)
 - \$ 10,000 FORTIS equipment (document imaging) for Business Affairs (HEAF \$s)
 - \$ 27,500 Police vehicle (HEAF)
 - \$ 7,800 Annual salary surveys (New \$s)

- Charges and “Pass-Throughs” (\$230,000) -- There are certain expenses over which the university has little control. These include the charges banks levy for the processing of credit card payments, and the expenditures related to the pass-through community development grants included in the university’s state appropriation.
 - \$180,000 Additional bank charges (New \$s)
 - \$ 50,000 Community development grants (New \$s)

- University Identity (\$335,200) -- As part of the annual planning process, members of the University Planning Council review the strengths, weaknesses, opportunities and threats facing the universities. Over the past several years, there has been a growing consensus on campus that UHD needs to define more clearly its mission and goals, and to find ways to more effectively market itself to prospective students and to the community at large. To help bring greater focus to its planning efforts, the university has contracted with Academic Leadership Associates to lead a campus-wide strategic planning process

that will take place in Fall 2007. Beginning in FY2008, UHD's Office of Public Affairs, which had previously been embedded in the University Advancement operation, will become a more stand-alone unit with a direct reporting line to the president.

- \$ 65,000 Strategic Planning Initiative (New \$s)
- \$133,000 Establish an Office of Public Affairs (New \$s)
- \$ 51,200 Writer position in Public Affairs (New \$s)
- \$ 86,000 Increase in the Advertising Budget (New \$s)

- Contingency for Future Growth (\$888,197) -- The University's budget is based on a 3% increase in enrollment. While annual growth over the past ten years has averaged around three percent, enrollment fluctuates from year to year, influenced by the strength of the economy and other factors over which the university has little control. Two-thirds of the money that would come from increased enrollments is not being committed at this time in case enrollment falls short of projections.

- \$888,197 Unallocated reserves (New \$s)

New Funds Committed to Support Priority 5

New \$s	HEAF	Reallocation	Total Funds Priority 5
\$1,386,197	\$229,750	\$75,000	\$1,690,947

KEY PERFORMANCE INDICATORS

The majority of the funding initiatives supporting this priority were adopted to provide students the facilities and basic infrastructure needed for a quality academic experience. The university believes that these expenditures will have a positive impact on a variety of enrollment-related performance measures including:

- Headcount and semester credit hour enrollment
- Student diversity
- Percent of freshmen retained after one academic year
- Ratio of new students admitted to graduates
- Persistence rate of under-prepared students requiring developmental education
- Six-year Graduation Rate for FTICs
- Four-year Graduation Rate for Transfer Students

**SECTION 5
BRIDGE TABLES**

University of Houston-Downtown
Appendix A - Allocation of New FY 2008 Resources

<u>Revenue Changes</u>	
General Revenue	
G/R Apprn	\$ 3,746,290
Staff Benefits	290,982
Tuition - S/M	39,123
Subtotal	<u>\$ 4,076,395</u>
Tuition	
Designated Tuition	\$ 3,746,659
Designated Other	702,518
Utility Surcharge	(90,177)
Aux-SSF,UCF	272,648
Subtotal	<u>\$ 4,631,648</u>
Other	
Investment Income	\$ 140,000
Gift (Rockwell)	100,000
Subtotal	<u>\$ 240,000</u>
Reallocations:	
SACS Funds	\$ 20,879
Utilities	300,000
Staff Study \$\$	50,000
Shea St. Bldg start-up (cfwd)	100,000
University Advancement	75,000
Subtotal	<u>\$ 545,879</u>
Total New Funds for Allocation	<u><u>\$ 9,493,922</u></u>

<u>Priority/Initiative</u>	<u>Allocation</u>
Priority 1. Student Success	
Scholarships - 20% Tuit-Des set-aside	\$ 750,000
Student Advisor in COB w/ben.	43,400
Advising Center Ofc. Asst. COPS w/ben.	32,500
Transcript Evaluators (2) w/ben.	89,600
Director of Service Learning w/ben.	78,000
Assessment Coordinator w/ben.	52,000
Student Accounting Clerk w/ben.	33,000
Admin. Asst. - Univ. College (w/ben.)	42,900
SSF-funded initiatives (per SSF Comm)	239,145
UCF-funded initiatives (per SSF Comm)	33,503
Library - Security Officers (2) w/ben.	61,400
Subtotal	<u>\$ 1,455,448</u>
Priority 2. Faculty/Staff Support	
Six (6) new T/TT faculty positions w/ben	\$ 468,000
Faculty market/equity adjustments w/ben.	260,000
Fac merit pay (3%) per UHD policy w/ben.	462,432
Faculty promotion pay	40,000
Incr. summer faculty budgets to reflect actual	50,000
ATB/Merit pay increase - staff (3%)	591,393
Staff market/equity adjustments w/ben.	700,000
Grant Writer - contracted	55,000
Subtotal	<u>\$ 2,626,825</u>
Priority 3. Provide High Quality Facilities	
Shea St. Building operations	\$ 1,100,000
TRB debt service refinance - new building	2,463,452
Library Renovation (Rockwell)	100,000
Police Dispatcher w/ben.	32,000
Subtotal	<u>\$ 3,695,452</u>
Priority 4. Technology	
Add'l funds for maintenance agreements	\$ 135,000
Application Consulting	120,000
Subtotal	<u>\$ 255,000</u>
Priority 5. Commitments/General Admin	
Annual Salary Surveys	\$ 7,800
Add'l bank charges (credit card costs)	180,000
Community Development Grants	50,000
Strategic planning consultants	65,000
Establish Office of Public Affairs (upgrade)	133,000
Writer - Office of Public Affairs (w/ben)	51,200
Advertising budget increase	86,000
Contingency Reserve for Growth	888,197
Subtotal	<u>\$ 1,461,197</u>
Total New Investments	<u><u>\$ 9,493,922</u></u>

University of Houston-Downtown
Appendix B - Allocation of FY 2008 HEAF

<u>FY08 Allocation</u>		
HEAF	\$	9,628,151
UHS charges		(470,688)
Total Available	\$	<u>9,157,463</u>

<u>Priority/Initiative</u>		<u>Allocation</u>
Priority 1. Student Success		
Equipment funds for academic units	\$	327,750
Library collection		1,469,563
Library Scanner - Inter-library loans		21,000
Upgrades - Academic Computing Lab		225,000
Upgrades - Satellite Com. Labs		365,000
Upgrades - Commerce Street Lab		85,000
Satellite Computing Labs - FY2007 catch-up		25,000
Classroom Presentation Systems (20)		250,000
Multi-use Computer Instruct. Room - UC/CMS		23,000
COPS Research, Presentation & Prod. Ctr		11,400
Real Time Control System (ET)		30,000
Microscopy/Insrtumentation Room (NS)		30,000
Tissue Culture Facility (NS)		30,000
Subtotal	\$	<u>2,892,713</u>
Priority 2. Faculty/Staff Support		
Set-aside for matching grants	\$	50,000
Academic Software & Collaborative Tools		50,000
Subtotal	\$	<u>100,000</u>
Priority 3. Provide High Quality Facilities		
Library Renovation	\$	1,650,000
Special Events/Auditorium upgrades (IT)		100,000
Special Events/Auditorium upgrades (Other)		100,000
Replace chairs in ACL (8-South)		75,000
Renovation projects - OMB 6N&S, 7S		175,000
North Roof Replacement		400,000
Planned Maintenance Projects		325,000
Other renovation projects (sign, visitor garage)		250,000
Video expansion - all exterior doors		175,000
Expansion of Electronic Access Control Program		125,000
e-911 service		50,000
Call box upgrades		50,000
Funds reserved for land acquisition		500,000
Subtotal	\$	<u>3,975,000</u>
Priority 4. Technology		
Desktop Support Project	\$	410,000
Desktop - Catch-up from FY2007		25,000
Laptop Supplement (Fac & Prof. Staff)		100,000
Equipment Upgrades - TTLC		200,000
Server upgrades		150,000
Network Infrastructure Enhancement		475,000
Business Recovery Center (Shea St.)		200,000
Data Center Power		100,000
Secured Shared Storage		175,000
Data Warehousing		75,000
Web Content Mgmt System (initial invest.)		50,000
Subtotal	\$	<u>1,960,000</u>
Priority 5. Commitments/General Admin		
Equipment for Admin. units	\$	192,250
FORTIS Equipment (Business Affairs)		10,000
Police Vehicle		27,500
Subtotal	\$	<u>229,750</u>
Total New Investments	\$	<u>9,157,463</u>

University of Houston-Downtown

Appendix C - Projected Availability of Scholarships and Grants

	FY2007	FY2008
TEXAS Grant	\$ 2,076,000	\$ 2,076,000
Texas Public Education Grants (TPEG)	1,808,818	1,900,000
Designated Tuition - Scholarship set-aside (20%)	1,289,093	1,850,000
 <u>Endowed Scholarships</u>		
UHD endowed scholarship funds:		
Scholarship Match - Jeff Davis program (Edmonds)	\$ 122,500	\$ 128,000
AMP Match - Scholars Academy (Edmonds/Jones)	100,000	75,000
Jesse H. Jones Scholars (Jones)	48,000	75,000
Red Rose Scholarships funded through endowments	40,000	50,000
All Other UHD endowed scholarship funds	197,800	260,000
	\$ 508,300	\$ 588,000
 UHD portion of shared UH System scholarship endowments	 \$ 64,975	 \$ 78,000
Autrey, Cullen Leadership, Cullinan, Southland, Enron Project GRAD		
Endowed scholarships held at the UH Foundation	\$ 130,000	\$ 91,000
Dykes, A/B & Hearst-UHD, Hugh Roy Cullen-UHS		
 <u>Non-Endowed Scholarships</u>		
UCSS/STEM Matching Scholarship (Designated Tuition)	\$ 83,000	\$ -
Scholarship Match - National Science Foundation (Designated Tuition)	71,400	
Teacher Education Scholarships - Cain (1)	320,000	320,000
Red Rose Scholarships (RRB proceeds)	35,000	25,000
Deans' Transfer Scholarships (RRB proceeds)	40,000	40,000
100 Club Scholarships	200,000	250,000
All Other UHD non-endowed scholarship funds:	\$ 749,400	\$ 635,000
	\$ 6,626,586	\$ 7,218,000
 Total		

- (1) Gift from The Gordon and Mary Cain Foundation. FY2008 will be the 9th year of this \$3.9 million gift being paid out over 10 years.
UHD expects to process over \$11.8 million in PELL, SEOG, and CWSP grants in FY2008.

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

<u>Operating Budget</u>	FY2007 Budget	-----Change-----		FY2008 Budget
Source of Funds		Dollars	Percent	
Operations	\$ 84,650,383	\$ 9,787,553	11.6%	\$ 94,437,936
Restricted	17,758,673	3,074,880	17.3%	20,833,553
Total	<u>\$ 102,409,056</u>	<u>\$ 12,862,433</u>	<u>12.6%</u>	<u>\$ 115,271,489</u>
Use of Funds				
Operations	\$ 84,650,383	\$ 9,787,553	11.6%	\$ 94,437,936
Restricted	17,758,673	3,074,880	17.3%	20,833,553
Total	<u>\$ 102,409,056</u>	<u>\$ 12,862,433</u>	<u>12.6%</u>	<u>\$ 115,271,489</u>
<u>Capital Budget</u>	FY2007 Budget	-----Change-----		FY2008 Budget
Source of Funds		Dollars	Percent	
	\$ 25,665,000	\$ (22,265,000)	-86.8%	\$ 3,400,000
Use of Funds	\$ 25,665,000	\$ (22,265,000)	-86.8%	\$ 3,400,000
<u>Total Operating Budget & Capital Budget</u>	FY2007 Budget	-----Change-----		FY2008 Budget
	\$ 128,074,056	\$ (9,402,567)	-7.3%	\$ 118,671,489

University of Houston-Downtown
Table 2 - Operations

Source of Funds	FY2007 Budget	-----Change-----		FY2008 Budget
		Dollars	Percent	
General Funds				
State General Revenue Appropriations				
Formula Funding	\$ 20,800,424	\$ 960,767	4.6%	\$ 21,761,191
Special Items	332,500	50,000	15.0%	382,500
Tuition Revenue Bonds	3,789,743	2,735,523	72.2%	6,525,266
State Benefits Appropriation	4,160,464	688,983	16.6%	4,849,447
Dedicated Appropriations-TX Grant/College Work Study	1,881,528	226,394	12.0%	2,107,922
Subtotal State General Revenue Appropriations	30,964,659	4,661,667	15.1%	35,626,326
Tuition and Fees				
Statutory & Graduate Premium	15,075,919	39,125	0.3%	15,115,044
Lab/other Student Fees	68,000	14,000	20.6%	82,000
Subtotal Tuition and Fees	15,143,919	53,125	0.4%	15,197,044
HEAF	6,418,766	3,209,385	50.0%	9,628,151
Income on State Treasury Deposits	76,000	43,000	56.6%	119,000
Fund Balance	1,091,209	(763,705)	-70.0%	327,504
Subtotal General Funds	53,694,553	7,203,472	13.4%	60,898,025
Designated				
Tuition and Fees				
Designated Tuition - General	18,233,203	3,746,660	20.5%	21,979,863
Library Fee	755,237	314,506	41.6%	1,069,743
Technology Fee	2,982,775	293,447	9.8%	3,276,222
Major/Department/Class Fees	2,956,334	(8,730)	-0.3%	2,947,604
Subtotal Tuition and Fees	24,927,549	4,345,883	17.4%	29,273,432
Indirect Cost	102,639	66,509	64.8%	169,148
Investment Income on Non-Endowed Funds	350,000	241,000	68.9%	591,000
Endowment Income	51,542	3,528	6.8%	55,070
Contracts / Grants	73,505	(1,494)	-2.0%	72,011
Self Supporting Organizations/Others	1,021,100	172,400	16.9%	1,193,500
Fund Balance	681,820	(228,124)	-33.5%	453,696
Subtotal Designated Funds	27,208,155	4,599,702	16.9%	31,807,857
Auxiliary Enterprises				
Student Fees				
Student Service Fee	2,711,533	239,145	8.8%	2,950,678
Recreation and Wellness Center	657,860	33,503	5.1%	691,363
Other Student Fees	95,000	15,000	15.8%	110,000
Subtotal Student Fees	3,464,393	287,648	8.3%	3,752,041
Sales & Service - Parking	724,016	56,000	7.7%	780,016
Sales & Service - Athletics/Hotel/UC/Other	1,291,000	(65,000)	-5.0%	1,226,000
Fund Balance	115,047	(17,644)	-15.3%	97,403
Subtotal Auxiliary Funds	5,594,456	261,004	4.7%	5,855,460
Total Current Operating Funds	86,497,164	12,064,178	13.9%	98,561,342
Interfund transfer	(1,846,781)	(2,276,625)	123.3%	(4,123,406)
Total Sources	\$ 84,650,383	\$ 9,787,553	11.6%	\$ 94,437,936
Use of Funds by Object				
Salaries and Wages	\$ 42,284,199	\$ 4,040,559	9.6%	\$ 46,324,758
Benefits	10,652,230	809,237	7.6%	11,461,467
M&O	13,058,180	1,409,986	10.8%	14,468,166
Capital	4,445,267	2,236,884	50.3%	6,682,151
Scholarships	5,232,333	978,794	18.7%	6,211,127
Debt Service	6,528,174	(2,908)	0.0%	6,525,266
Utilities	2,450,000	315,001	12.9%	2,765,001
Total Uses	\$ 84,650,383	\$ 9,787,553	11.6%	\$ 94,437,936

University of Houston-Downtown
Table 3 - Restricted

Source of Funds	FY2007 Budget	-----Change-----		FY2008 Budget
		Dollars	Percent	
Restricted				
Contracts and Grants				
Research	\$ 2,717,399	\$ 1,026,002	37.8%	\$ 3,743,401
Financial Aid	11,767,115	1,077,149	9.2%	12,844,264
Gifts	1,481,507	137,000	9.2%	1,618,507
Endowment Income	613,501	41,020	6.7%	654,521
Other Restricted(encum, student fees, other E&G)	900,590	874,638	97.1%	1,775,228
Total Current Operating Funds	17,480,112	3,155,809	18.1%	20,635,921
Interfund Transfer	278,561	(80,929)	-29.1%	197,632
Total Sources	\$ 17,758,673	\$ 3,074,880	17.3%	\$ 20,833,553
Use of Funds by Object				
Salaries and Wages	\$ 1,265,634	\$ 68,895	5.4%	\$ 1,334,529
Benefits	266,970	(958)	-0.4%	266,012
M&O	3,273,052	1,728,894	52.8%	5,001,946
Scholarships	12,953,017	1,278,049	9.9%	14,231,066
Total Uses	\$ 17,758,673	\$ 3,074,880	17.3%	\$ 20,833,553

University of Houston-Downtown

Table 4 - Capital Projects

Project to Date (1)	FY2008 Budget	Future Year Budgets	Total Project Budget	Funded From		
				HEAF	Revenue Bonds	Gifts Other
Major Repair and Rehabilitation						
Library Renovation - Phase 1	\$ -	\$ 1,750,000	\$ 1,750,000	\$ 3,300,000	\$ -	\$ 200,000
North Roof Replacement - One Main Bldg		400,000	400,000	400,000		
Renovations - One Main Bldg		175,000	175,000	175,000		
Signage / Visitor Entry		250,000	250,000	250,000		
Projects Budgeted Annually						
Capital Renewal Deferred Maintenance		325,000	325,000	325,000		
Subtotal Major Repairs & Rehabilitation	\$ -	\$ 2,900,000	\$ 1,750,000	\$ 4,450,000	\$ -	\$ 200,000
Land Acquisition						
Willow Street Pump Station	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ -
Subtotal Land Acquisition	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ -
Total	\$ -	\$ 3,400,000	\$ 1,750,000	\$ 4,950,000	\$ -	\$ 200,000

(1) Project expenditures to date, estimated through August 31, 2007

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

Employee Classification	FY2007 Budget	-----Change-----		FY2008 Budget
		FTE	Percent	
Faculty	218	4	1.9%	222
Part-time Faculty	227	2	0.9%	229
Professional Staff	211	7	3.3%	218
Classified Staff	233	12	5.2%	245
Temporary Staff	125	10	8.3%	135
Total	1,013	36	3.5%	1,049

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

	FY2004 Actuals	FY2005 Actuals	FY2006 Actuals	FY2007 Budget	FY2008 Budget	FY08 vs FY07 Change
Semester Credit Hours						
Lower Division	131,308	126,550	121,833	130,944	131,253	309
Upper Division	112,707	124,411	132,213	128,854	129,632	778
Masters	2,004	2,187	1,791	2,089	1,618	(471)
Total	246,019	253,148	255,837	261,887	262,503	616
Semester Credit Hours-On/Off Campus						
On Campus	223,015	228,347	227,668	236,222	236,865	643
Off Campus	23,004	24,801	28,169	25,665	25,638	(27)
Total	246,019	253,148	255,837	261,887	262,503	616
Fall Headcount	10,974	11,408	11,433	11,829	11,797	(32)
Fall FTE	7,404	7,655	7,746	7,765	7,742	(23)

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

	FY2007 Budget	-----Change-----		FY2008 Budget
		Dollars	Percent	
Sources				
Current Year Appropriations	\$ 2,719,533	\$ 239,145	8.8%	\$ 2,958,678
Remissions/Exemptions	(8,000)			(8,000)
Other Income	170,000	20,000	11.8%	190,000
Budgeted Fund Balance	2,425	(22)		2,403
Total Sources	\$ 2,883,958	\$ 259,123	9.0%	\$ 3,143,081
Allocations				
Bayou Review	\$ 10,500	\$ (740)	-7.0%	\$ 9,760
Call Center		41,600		41,600
Campus Activities Board	43,400			43,400
Career Services	255,838	5,477	2.1%	261,315
Clubs and Organizations	74,595	2,428	3.3%	77,023
Disabled Student Services	20,410	(615)	-3.0%	19,795
Drama Production	37,755			37,755
Financial Aid Office	797,115	29,417	3.7%	826,532
Graduation/Diplomas	120,400	15,000	12.5%	135,400
Handbook	8,000			8,000
One Main Event	38,000			38,000
Registrar - SSF	215,973	29,648	13.7%	245,621
Student Academic Competition	13,000			13,000
Student Activities	302,976	16,909	5.6%	319,885
VP Student Services/Enroll Mgmt	194,183	72,726	37.5%	266,909
Student Assistant Program	237,000	(10,000)	-4.2%	227,000
Student Awards	1,700	1,300	76.5%	3,000
Student Government	31,945			31,945
Student Health Service	221,616	46,566	21.0%	268,182
Student Newspaper	35,870			35,870
Student Services	105,687	4,729	4.5%	110,416
Utilities/Other Overhead	78,630	4,776	6.1%	83,406
Volunteer Center	39,365	(98)	-0.2%	39,267
Total Allocations	\$ 2,883,958	\$ 259,123	9.0%	\$ 3,143,081

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

NOTE 1

Use of Funds by Organization	FY2007 Budget	-----Change-----		FY2008 Budget
		Dollars	Percent	
President	\$ 1,085,150	\$ 284,581	26.2%	\$ 1,369,731
University Advancement	1,176,464	(511,917)	-43.5%	664,547
Public Affairs		751,069		751,069
Employment Services and Operations	1,399,281	(179,341)	-12.8%	1,219,940
Academic Affairs				
Administration (Provost)	3,189,328	1,072,322	33.6%	4,261,650
Business Administration	7,521,803	422,366	5.6%	7,944,169
Humanities and Social Sciences	9,596,996	482,344	5.0%	10,079,340
Public Service	3,706,894	318,172	8.6%	4,025,066
Sciences and Technology	6,291,618	475,806	7.6%	6,767,424
University College	891,253	249,644	28.0%	1,140,897
Subtotal: Academic Affairs	31,197,892	3,020,654	9.7%	34,218,546
Scholarships	5,232,333	978,794	18.7%	6,211,127
Library	2,694,191	396,803	14.7%	3,090,994
Continuing Education	636,358	196,102	30.8%	832,460
Administration				
Administration (VP Administration)	919,263	381,735	41.5%	1,300,998
Budget and Procurement	376,650	28,442	7.6%	405,092
Business Affairs	1,739,975	146,794	8.4%	1,886,769
Computing and Telecommunication	5,347,634	962,925	18.0%	6,310,559
Academic Computing	2,645,894	1,714,925	64.8%	4,360,819
Physical Plant	5,471,885	978,060	17.9%	6,449,945
Utility	2,450,000	315,001	12.9%	2,765,001
Subtotal: Administration	18,951,301	4,527,882	23.9%	23,479,183
Student Affairs				
Administration (Student Affairs)	810,528	165,751	20.4%	976,279
Enrollment Services	2,942,781	209,236	7.1%	3,152,017
Student Support Services	691,707	50,644	7.3%	742,351
Student Life	1,266,007	30,102	2.4%	1,296,109
Subtotal: Student Affairs	5,711,023	455,733	8.0%	6,166,756
Staff Benefits	7,547,405	310,148	4.1%	7,857,553
Community Development	332,500	50,000	15.0%	382,500
System Admin - Software Project	709,089	(158,380)	-22.3%	550,709
System Service Charges	828,322			828,322
Insurance Premium	349,080	(73,543)	-21.1%	275,537
Debt Service	6,528,174	(2,908)	0.0%	6,525,266
Fund Balance Contingency	271,820	(258,124)	-95.0%	13,696
Total Uses	\$ 84,650,383	\$ 9,787,553	11.6%	\$ 94,437,936

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

NOTE 2

Use of Funds by Organization	FY2007 Budget	-----Change-----		FY2008 Budget
		Dollars	Percent	
President	\$ 122,011	\$ -		\$ 122,011
University Advancement	4,304	5,150	119.7%	9,454
Academic Affairs				
Administration (Provost)	143,936	141,490	98.3%	285,426
Business Administration	146,092	2,917	2.0%	149,009
Humanities and Social Sciences	90,493	121,493	134.3%	211,986
Public Service	714,486	34,283	4.8%	748,769
Sciences and Technology	1,666,331	1,091,096	65.5%	2,757,427
University College	1,180,297	(225,906)	-19.1%	954,391
Subtotal: Academic Affairs	3,941,635	1,165,373	29.6%	5,107,008
Scholarships	12,714,600	1,139,520	9.0%	13,854,120
Continuing Education	6,845	(6,845)	-100.0%	-
Administration				
Administration (VP Administration)	73,576	(52,609)	-71.5%	20,967
Physical Plant	49,100	35,000	71.3%	84,100
Subtotal: Administration	122,676	(17,609)	-14.4%	105,067
Student Affairs				
Enrollment Services	45,500	(45,500)	-100.0%	-
Student Life	512	153	29.9%	665
Subtotal: Student Affairs	46,012	(45,347)	-98.6%	665
Fund Balance Contingency	800,590	834,638	104.3%	1,635,228
Total Uses	\$ 17,758,673	\$ 3,074,880	17.3%	\$ 20,833,553

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, Education and Human Development, and Nursing. 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 onsite 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 local and international communities.

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.

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 2007-2008

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;
- *Relevant research* related to academic programs & regional opportunities
- *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 instruction and research needs as efficiently and effectively as possible, for stewardship of its resources, and for the educational satisfaction of its graduates.

The University aspires to be a model for a new kind of institution; one more defined by its unique delivery systems than its primary location. 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's 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 perception of quality. Being an upper-level institution means that its undergraduate student body turns over fairly rapidly and that its recruitment efforts are 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 and research, 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 continuing concern 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 over the past few years. If continued, such 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.
 - Currently, the President, Deans of the Schools of Arts & Sciences and Business Administration, and the Director of International Programs and Special Projects are involved in negotiating study and teaching abroad and/or student exchange programs with educators in China, Egypt, India, Jamaica, Mexico, Spain, and the United Kingdom.
- 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:

- Construction of a shared classroom/office building at the UH System center in Sugar Land for both Wharton County Junior College (WCJC) and UHS institutions. A shared Fort Bend County library building that would also include WCJC and UH System will be constructed.
- 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 space.

New programs:

- Implementation of a Master's degree in Nursing (MSN), to be offered in Victoria and Sugar Land (requires additional faculty; Board of Regents; Board of Nursing Examiners (BNE)—and Coordinating Board approval expected this summer).
- Approval and implementation of new programs in the School of Arts & Sciences include BA in Spanish, new BAAS concentrations in gaming & biotechnology and MAIS concentration in Forensics.
- Planning a new graduate concentration in Healthcare Administration is in process.

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 (\$947,386)***
For FY08, UHV will hire additional faculty, increase operating budgets, and make other investments needed for program initiatives. These include implementing the new MSN in Nursing; a new graduate concentration in Healthcare Administration; BAAS concentration in gaming and biotechnology, BA in Spanish and courses for adult education. A fourth school, the School of Nursing, will be submitted to the Board of Regents and the Texas Higher Education Coordinating Board for implementation by Fall 2007.

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

New Resources

- Additional FTE for Arts & Sciences faculty: Biology, Spanish, Communications, History, Nursing & Criminal Justice \$315,021
- Additional faculty summer salaries 166,457
- M&O increases 310,050
- Additional staff salaries 122,658

HEAF

- Equip/Instr Support 33,200

▪ ***Continue to Provide On-line Courses and To Support UHS Distance Education Efforts (\$12,597)***

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

- WebCT cost \$12,597

▪ ***Support UH System Efforts at Sugar Land and at Cinco Ranch (\$863,911)***

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 is working with WCJC to construct a new academic building for the UHSSL site that will be completed by December 2008.

Both sites will be 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. For example, 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 faculty and recruiting, advising and retaining students.

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

New Resources

· UHS-Sugar Land Additional Faculty	\$245,638
· UHS-Sugar Land Additional Staff	123,612
· UHS-Sugar Land Service Charge	50,988
· UHS-Sugar Land Marketing	30,000
· UHS-Cinco Ranch Service Charge	7,763
· UHS-Sugar Land Contingency to Cover Expansion	200,000

HEAF

· Capital support for UHS-Sugar Land	141,391
· Capital support for UHS-Cinco Ranch	64,519

▪ ***Continue Recruitment, Retention and Outreach Initiatives (\$849,657)***

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, initiate and expand athletics, extend recruitment directly into the high schools, and continue the LEAD initiative, which is an ongoing effort to inform public school and community college students and their parents about prospects, resources, and reasons for attending college, specifically UHV. 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.

Additional funding to continue recruitment and outreach initiatives

New Resources

· Marketing	\$115,000
· New Scholarships	136,388
· Additional staff salaries	72,421
· Additional M&O	48,874
· Athletics	476,974

▪ ***Expand involvement in international education (\$78,347)***

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 China, Egypt, India, Jamaica, Mexico, Spain and the United Kingdom.

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

New Resources

· Additional faculty salary	\$74,347
· Additional M&O Support	4,000

Priority 1. Growth and Access

	<u>Source of Funds</u>		Total
	New Resources	HEAF	
Continue to Develop and Extend Academic Program Offerings	\$914,186	\$ 33,200	\$947,386
Continue to Develop On-line Courses and Support UHS Distance Education Efforts	12,597		12,597
Support UH System Efforts at Sugar Land and at Cinco Ranch	658,001	205,910	863,911
Continue Recruitment and Outreach Initiatives	849,657		849,657
Expand Involvement in International Education	78,347		78,347
Total:	\$2,512,788	\$239,110	\$2,751,898

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 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 (\$1,021,718)***
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

▪ Increased Costs of Employee Benefits	\$259,389
▪ Classification System Consultant	7,500
▪ Merit, Promotions, Equity, Reclassifications	754,829

▪ ***Provide Training and Development Opportunities (\$17,700)***

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 to attend classes	\$14,100
▪ Increased Employee Training	3,600

▪ ***Enhance attention to and support of faculty research, especially sponsored research (\$10,000)***

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 works directly with faculty to write grant proposals to secure external funding.

Beginning 2008 the workload expectations for faculty research will increase from 20-35% to 25-35%. To prepare for this change, the Assistant Vice President for Research and Director of Nursing is chairing a committee of faculty to study faculty/school research needs and issues and to make recommendations to the Provost. The Schools and nursing program have been charged to develop a broad set of research expectations that are discipline appropriate during spring semester 2007.

At this time, the Assistant Vice President for Research works directly with faculty to write grant proposals. This process is inefficient and limited to a few faculty. To increase faculty involvement in writing grants and seeking external funding, the Office of Sponsored

At this time, the Assistant Vice President for Research works directly with faculty to write grant proposals. This process is inefficient and limited to a few faculty. To increase faculty involvement in writing grants and seeking external funding, the Office of Sponsored Research under the leadership of the Assistant Vice President will develop a series of workshops on preparing research proposals and a resource for finding appropriate funding agencies. The university expects faculty involvement to funded research to increase and needs to provide training and staff support.

Additional funding to support faculty research and sponsored programs

New Resources

- Faculty development \$10,000

▪ ***Provide Support for Additional Quality Improvements (\$468,516)***

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. The university is revising the new applicant, student opinion, exit and alumni surveys. The new surveys are tailored for the specific targeted audience and have been tested by focus groups.

We will continue implementation of the Breeze platform that provides synchronous online communications that is useful for instructional and other purposes such as student advising.

Additional funding to provide support for additional quality improvements

New Resources

- Additional staff salaries \$59,547
- M&O increase 56,689

HEAF

- Library Media Center Equip Upgrade 90,000
- Library Materials 232,280
- Equipment support-Biology 30,000

Priority 2. Quality Improvement

	<u>Source of Funds</u>		Total
	New Resources	HEAF	
Competitive and Equitable Pay	\$1,021,718		\$1,021,718
Provide Training and Development	17,700		17,700
Enhance Support of Faculty Research	10,000		10,000
Provide Support for Additional Quality Improvements	116,236	\$352,280	468,516
Total	\$1,165,654	\$352,280	\$1,517,934

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, Efficiency, 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, alumni, benefactors, and 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 (\$908,450)***
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 bandwidth for the campus support for on-line course delivery, and support of online registration. UHV will continue to make new investments in IT technical support, as well as upgrades to computers, servers and other equipment. UHV is joining the LEARN Network which will support sufficient bandwidth needed for at least the next 5 years in a cost effective manner.

Additional funding to support technology needs

New Resources

- Server licenses and services \$128,700

HEAF

- Computer Replacement \$ 230,400
- IT Equipment Replacement 110,100
- Server Equipment Upgrades 138,800

· LEARN Network	150,000
· EEG Equipment	150,450

▪ ***Support Needed Development and Efficient Use of Facilities (\$3,287,108)***

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

· Debt services for building projects	\$2,842,280
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HEAF

· Plant support	\$ 44,828
· Supplemental funding for construction projects	400,000

▪ ***Support Fundraising Efforts***

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 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 had recently 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, support for the American Book Review, support for athletics, and support for the new buildings in Sugar Land.

▪ ***Continue Emphasis on Administrative Efficiency (\$520,140)***

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	\$ 4,556
· Additional staff salaries	48,668

HEAF

· PeopleSoft support	127,079
· Contingencies	339,837

▪ ***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 2007. 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>		Total
	<u>New Resources</u>	<u>HEAF</u>	
Support Technology Needs	\$ 128,700	\$779,750	\$ 908,450
Support Needed Development and Efficient Use of Facilities	2,842,280	444,828	3,287,108
Support Fund Raising and Stewardship Continue Emphasis on Administrative Efficiency	53,224	466,916	520,140
Total	\$3,024,204	\$1,691,494	\$4,715,698

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 2008 Resources

<u>Revenue Changes</u>	
General Revenue	
New Special Item-Nursing	\$ 600,000
Tuition Revenue Bond Funding	2,842,852
Other General Revenue	666,534
Subtotal	<u>\$ 4,109,386</u>
Tuition	
Statutory and Grad Premium Tuition	\$ 258,550
Designated Tuition	892,034
Subtotal	<u>\$ 1,150,584</u>
Student Fees	
Extended Access Fee	\$ 104,198
Graduate Business Fee	57,403
Library Use Fee	13,025
Student Service Fee	82,474
Miscellaneous Fees	120,655
Subtotal	<u>\$ 377,755</u>
Other Income	\$ 198,000
Reallocations	\$ 866,921
Total New Funds for Allocation	<u><u>\$ 6,702,646</u></u>

<u>Priority/Initiative</u>	<u>Allocation</u>
Priority 1. Growth and Access	
Extend Academic Program Offerings	\$ 914,186
On-line Courses and Distance Education Support	12,597
UHS@Sugar Land and UHS@Cinco Ranch Support	658,001
Increased Student Recruitment Efforts	849,657
Expand International Education	78,347
Subtotal	<u>\$ 2,512,788</u>
Priority 2. Quality Improvement	
Support Competitive and Equitable Pay	\$ 1,021,718
Increase Training & Development	17,700
Enhance Support of Faculty Research	10,000
Support for Quality improvements	116,236
Subtotal	<u>\$ 1,165,654</u>
Priority 3. Accountability, Efficiencies and Stewardship	
Support Technology Needs	\$ 128,700
Support Development and Efficient Use of Facilities	2,842,280
Continue Administrative Efficiency	53,224
Subtotal	<u>\$ 3,024,204</u>
Total New Investments	<u><u>\$ 6,702,646</u></u>

University of Houston-Victoria
Appendix B - Allocation of FY 2008 HEAF

<u>FY08 Allocation</u>	
HEAF	<u>\$ 2,282,884</u>

<u>Priority/Initiative</u>	<u>Allocation</u>
Priority 1. Growth and Access	
Equip/Instructional Support-New Academic Program	\$ 33,200
Support UHS Sugar Land and UHS Cinco Ranch	205,910
Subtotal	<u>\$ 239,110</u>
Priority 2. Quality Improvement	
Library Media Center Equipment Upgrade	\$ 90,000
Library materials	232,280
Upgrade Biology Equipment	30,000
Subtotal	<u>\$ 352,280</u>
Priority 3. Accountability, Efficiencies and Stewardship	
Computer Replacement	\$ 230,400
IT Equipment Replacement	110,100
Server Equipment Upgrades	138,800
LEARN Network	150,000
EEG Equipment	150,450
Plant Support	44,828
PeopleSoft Support	127,079
Construction Projects	400,000
Contingency	339,837
Subtotal	<u>\$ 1,691,494</u>
Total New Investments	<u><u>\$ 2,282,884</u></u>

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

	<u>FY2007</u>	<u>FY2008</u>
Funds from Endowed Scholarships	\$ 297,453	\$ 295,837
State Scholarships		
Texas Grant Program Scholarship	71,060	72,380
Accounting Scholarship	3,000	3,000
Teacher Quality Grants	25,080	25,080
Texas Pubile Education Grant (TPEG)	448,803	551,247
Property Deposit Scholarships	8,000	8,000
Designated Tuition Financial Aid Set-Asides		
Undergraduate Scholarships	89,159	137,501
Graduate Scholarships	99,208	162,835
Institutional Scholarships	88,990	50,000
MBA Scholarships	40,000	40,000
Staff Scholarships	35,900	50,000
Employee Tuition Exchange Program with Victoria College	15,000	15,000
Education Initiatives Scholarships	100,000	37,000
Austin Community College Scholarship Initiative	75,000	40,000
Texas College Work Study	9,826	7,669
Special Leveraging Education Assistance Program (SLEAP)	5,634	2,921
Federal College Work Study	50,000	50,000
Federal Pell Grants	1,201,450	1,261,450
Leveraging Education Assistance Program		2,513
Professional Nursing Scholarship		2,528
Institutional Nursing Scholarship		30,000
Federal Supplemental Education Opportunity Grants (SEOG)	47,464	51,580
Total	<u>\$ 2,711,027</u>	<u>\$ 2,896,541</u>

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

<u>Operating Budget</u>	FY2007 Budget	-----Change-----		FY2008 Budget
Source of Funds		Dollars	Percent	
Operations	\$ 29,849,049	\$ 6,702,399	22.5%	\$ 36,551,448
Restricted	2,249,272	803,002	35.7%	3,052,274
Total	<u>\$ 32,098,321</u>	<u>\$ 7,505,401</u>	<u>23.4%</u>	<u>\$ 39,603,722</u>
Use of Funds				
Operations	\$ 29,849,049	\$ 6,702,399	22.5%	\$ 36,551,448
Restricted	2,249,272	803,002	35.7%	3,052,274
Total	<u>\$ 32,098,321</u>	<u>\$ 7,505,401</u>	<u>23.4%</u>	<u>\$ 39,603,722</u>
<u>Capital Budget</u>	FY2007 Budget	-----Change-----		FY2008 Budget
Source of Funds		Dollars	Percent	
	\$ 4,000,000	\$ 27,269,000	681.7%	\$ 31,269,000
Use of Funds	\$ 4,000,000	\$ 27,269,000	681.7%	\$ 31,269,000
	FY2007 Budget	-----Change-----		FY2008 Budget
<u>Total Operating Budget & Capital Budget</u>		Dollars	Percent	
	<u>\$ 36,098,321</u>	<u>\$ 34,774,401</u>	<u>96.3%</u>	<u>\$ 70,872,722</u>

University of Houston-Victoria

Table 2 - Operations

Source of Funds	FY2007 Budget	Change		FY2008 Budget
		Dollars	Percent	
General Funds				
State General Revenue Appropriations				
Formula Funding	\$ 9,879,406	\$ 666,534	6.7%	\$ 10,545,940
Special Items	444,875	600,000	134.9%	1,044,875
Tuition Revenue Bonds	1,697,558	2,842,852	167.5%	4,540,410
State Benefits Appropriation	2,481,073	(46,153)	-1.9%	2,434,920
Dedicated Appropriations-TX Grant/College Work Study	110,425	(23,760)	-21.5%	86,665
Subtotal State General Revenue Appropriations	14,613,337	4,039,473	27.6%	18,652,810
Tuition and Fees				
Statutory & Graduate Premium	3,695,425	179,243	4.9%	3,874,668
Lab/other Student Fees	26,000			26,000
Subtotal Tuition and Fees	3,721,425	179,243	4.8%	3,900,668
HEAF	1,521,923	760,961	50.0%	2,282,884
Aux Admin Chg/Opt Clinic/Institutes/Cont. Ed/Other	1,160,388	150,647	13.0%	1,311,035
Income on State Treasury Deposits	55,000	22,000	40.0%	77,000
Fund Balance	609,372	52,325	8.6%	661,697
Subtotal General Funds	21,681,445	5,204,649	24.0%	26,886,094
Designated				
Tuition and Fees				
Designated Tuition - General	3,587,712	816,692	22.8%	4,404,404
Technology Fee	1,198,296	109,104	9.1%	1,307,400
Major/Department/Class Fees	647,163	73,410	11.3%	720,573
Subtotal Tuition and Fees	5,433,171	999,206	18.4%	6,432,377
Indirect Cost	131,014	(62,242)	-47.5%	68,772
Investment Income on Non-Endowed Funds	220,000	66,000	30.0%	286,000
Contracts / Grants / Gifts	8,500	91,500	1076.5%	100,000
Self Supporting Organizations/Others	1,165,771	109,340	9.4%	1,275,111
Fund Balance	359,841	198,142	55.1%	557,983
Subtotal Designated Funds	7,318,297	1,401,946	19.2%	8,720,243
Auxiliary Enterprises				
Student Fees				
Student Service Fee	748,935	66,746	8.9%	815,681
Other Student Fees		92,500		92,500
Subtotal Student Fees	748,935	159,246	21.3%	908,181
Sales & Service - Athletics/Hotel/UC/Other	9,900			9,900
Fund Balance	90,472	(63,442)		27,030
Subtotal Auxiliary Funds	849,307	95,804	11.3%	945,111
Total Current Operating Funds	29,849,049	6,702,399	22.5%	36,551,448
Total Sources	\$ 29,849,049	\$ 6,702,399	22.5%	\$ 36,551,448
Use of Funds by Object				
Salaries and Wages	\$ 14,587,759	\$ 2,015,442	13.8%	\$ 16,603,201
Benefits	3,492,103	57,079	1.6%	3,549,182
M&O	7,300,042	453,954	6.2%	7,753,996
Capital	1,189,954	1,306,048	109.8%	2,496,002
Scholarships	1,099,200	15,191	1.4%	1,114,391
Debt Service	1,767,497	2,854,685	161.5%	4,622,182
Utilities	412,494			412,494
Total Uses	\$ 29,849,049	\$ 6,702,399	22.5%	\$ 36,551,448

University of Houston-Victoria
Table 3 - Restricted

Source of Funds	FY2007 Budget	Change		FY2008 Budget
		Dollars	Percent	
Restricted				
Contracts and Grants				
Research/Contracts and Grants	\$ -	\$ 1,126,585		\$ 1,126,585
Financial Aid	1,307,934	(238,078)	-18.2%	1,069,856
Endowment Income	384,798	36,481	9.5%	421,279
Other Restricted(encum, student fees, other E&G)	556,540	(121,986)	-21.9%	434,554
Total Current Operating Funds	2,249,272	803,002	35.7%	3,052,274
Total Sources	\$ 2,249,272	\$ 803,002	35.7%	\$ 3,052,274
Use of Funds by Object				
Salaries and Wages	\$ 104,494	\$ 415,581	397.7%	\$ 520,075
Benefits	29,258	116,363	397.7%	145,621
M&O	545,133	1,057,473	194.0%	1,602,606
Scholarships	1,570,387	(786,415)	-50.1%	783,972
Total Uses	\$ 2,249,272	\$ 803,002	35.7%	\$ 3,052,274

University of Houston-Victoria

Table 4 - Capital Projects

	Project to Date (1)	FY2008 Budget	Future Year Budgets	Total Project Budget	Funded From			
					HEAF	Revenue Bonds	Gifts Other	
New Construction								
	\$ 2,500,000	\$ 25,000,000	\$ 7,500,000	\$ 35,000,000	\$ 441,000	\$ 22,900,000	\$ 10,000,000	\$ 1,659,000
UHS-Sugar Land Academic Building								
Regional Economic Development Building	-	4,819,000	3,200,000	8,019,000	500,000	6,719,000		800,000
Allied Health	-	1,200,000	800,000	2,000,000	200,000	1,800,000		
Subtotal New Construction	\$ 2,500,000	\$ 31,019,000	\$ 11,500,000	\$ 45,019,000	\$ 1,141,000	\$ 31,419,000	\$ 10,000,000	\$ 2,459,000
Major Repair and Rehabilitation								
	50,000	250,000	-	300,000	250,000			50,000
Media Library Conversion to Offices								
Subtotal Major Repairs & Rehabilitation	\$ -	\$ 250,000	\$ -	\$ 300,000	\$ 250,000	\$ -	\$ -	\$ 50,000
Total	\$ 2,500,000	\$ 31,269,000	\$ 11,500,000	\$ 45,319,000	\$ 1,391,000	\$ 31,419,000	\$ 10,000,000	\$ 2,509,000

(1) Project expenditures to date estimated through August 31, 2007

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

Employee Classification	FY2007 Budget	Change		FY2008 Budget
		FTE	Percent	
Faculty	80	2	2.5%	82
Part-time Faculty	25	15	60.0%	40
Professional Staff	109	11	10.1%	120
Classified Staff	102	3	2.9%	105
Temporary Staff	16	2	12.5%	18
Total	332	33	9.9%	365

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

	FY2004 Actuals	FY2005 Actuals	FY2006 Actuals	FY2007 Budget	FY2008 Budget	FY08 vs FY07 Change
Semester Credit Hours						
Upper Division	25,590	27,182	27,310	29,557	33,402	3,845
Masters	19,188	18,840	18,729	20,372	21,073	701
Total	44,778	46,022	46,039	49,929	54,475	4,546
Semester Credit Hours-On/Off Campus						
On Campus	32,084	31,971	32,688	35,949	37,043	1,094
Off Campus	12,694	14,051	13,351	13,980	17,432	3,452
Total	44,778	46,022	46,039	49,929	54,475	4,546
Fall Headcount	2,411	2,459	2,491	2,633	2,864	231
Fall FTE	1,314	1,340	1,364	1,423	1,563	140

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

Sources	FY2007 Budget	-----Change-----		FY2008 Budget
		Dollars	Percent	
Current Year Revenue	\$ 733,207	\$ 174,974	23.9%	\$ 908,181
Budgeted Fund Balance	90,872	(63,842)		27,030
Total Sources	\$ 824,079	\$ 111,132	13.5%	\$ 935,211
Allocations				
Financial Aid	\$ 241,735	\$ 30,423	12.6%	272,158
Student Relations	78,295	(35,793)	-45.7%	42,502
Student Senate	4,000	(100)	-2.5%	3,900
International Programs/Special Projects	60,096	19,928	33.2%	80,024
Registrar	86,457	68,835	79.6%	155,292
Publications	9,000			9,000
Student Organization	3,250			3,250
SS Fees Contingency	49,971	(4,971)	-9.9%	45,000
Special Events	14,288	(446)	-3.1%	13,842
Student Service Support	35,025			35,025
Credit Card Support	64,000	14,000	21.9%	78,000
Parking	1,000			1,000
Telecommunications Service	12,622	2,487	19.7%	15,109
Transcripts	10,000	(3,000)	-30.0%	7,000
Commencement	42,000	10,000	23.8%	52,000
Graduation & Diploma	10,000			10,000
VIP/Registration Support	10,393	1,498	14.4%	11,891
Career Services	57,671	8,271	14.3%	65,942
ADA Compliance	3,000			3,000
International Student Relations	1,000			1,000
Student Projects	826			826
Community and Alumni Relations	21,750			21,750
Student Software Training Modules	7,700			7,700
Total Allocations	\$ 824,079	\$ 111,132	13.5%	\$ 935,211

University of Houston-Victoria

Note to Table 2: Operations Expenditures By Organization

NOTE 1

Use of Funds by Organization	FY2007	Change		FY2008
	Budget	Dollars	Percent	Budget
President				
Human Resources	\$ 639,359	\$ 915,441	143.2%	\$ 1,554,800
Regional Outreach	317,399	156,827	49.4%	474,226
University Advancement	222,402	(222,402)	-100.0%	
Academic Affairs	557,685	(88,034)	-15.8%	469,651
Office of the Provost	1,247,975	(652,438)	-52.3%	595,537
Arts and Sciences	2,404,597	639,676	26.6%	3,044,273
Business Administration	3,478,547	260,805	7.5%	3,739,352
Small Business Development Center	197,500			197,500
Education	2,506,459	357,065	14.2%	2,863,524
Nursing		1,168,754		1,168,754
Student & Academic Services	1,317,300	239,375	18.2%	1,556,675
Library	890,247	145,213	16.3%	1,035,460
Subtotal Academic Affairs	12,042,625	2,158,450	17.9%	14,201,075
Scholarships	1,099,200	215,191	19.6%	1,314,391
Administration and Finance				
Office of the VP Administration and Finance	1,102,878	489,213	44.4%	1,592,091
Budget	76,455	19,946	26.1%	96,401
Business Services	735,609	136,448	18.5%	872,057
Finance	426,634	(8,658)	-2.0%	417,976
Financial Aid	245,785	30,423	12.4%	276,208
Information Technology	1,600,262	249,780	15.6%	1,850,042
Plant Operations	890,629	57,038	6.4%	947,667
Marketing		311,444		311,444
Subtotal Administration and Finance	5,078,252	1,285,634	25.3%	6,363,886
Staff Benefits	3,492,103	(387,796)	-11.1%	3,104,307
Contingency	230,000	128,955	56.1%	358,955
Debt Service	1,767,479	2,854,703	161.5%	4,622,182
System Service Charge	1,714,948	(273,216)	-15.9%	1,441,732
System Center-Sugar Land	1,248,634	21,967	1.8%	1,270,601
System Center-Cinco Ranch	934,429	(26,774)	-2.9%	907,655
Information System Project	92,040	(36,547)	-39.7%	55,493
Utilities	412,494			412,494
Total Uses	\$ 29,849,049	\$ 6,702,399	22.5%	\$ 36,551,448

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

NOTE 2

	FY2007 Budget	-----Change-----		FY2008 Budget
		Dollars	Percent	
Use of Funds by Organization				
President	\$ 72,508	\$ 2,350	3.2%	\$ 74,858
Academic Affairs				
Office of the Provost	48,953	208,235	425.4%	257,188
Regional Outreach	123,600	22,698	18.4%	146,298
School of Arts and Sciences	169,872	6,140	3.6%	176,012
School of Business		1,248,071		1,248,071
School of Education	85,783	89,101	103.9%	174,884
School of Nursing		12,825		12,825
Small Business Development Center	178,169	(366)	-0.2%	177,803
Library		363		363
Subtotal Academic Affairs	606,377	1,587,067	261.7%	2,193,444
Scholarships	1,570,387	(786,415)	-50.1%	783,972
Total Uses	\$ 2,249,272	\$ 803,002	35.7%	\$ 3,052,274

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.