

# FY2024 Annual Budget

## Executive Summary Presentation to Administration and Finance Committee

August 23, 2023

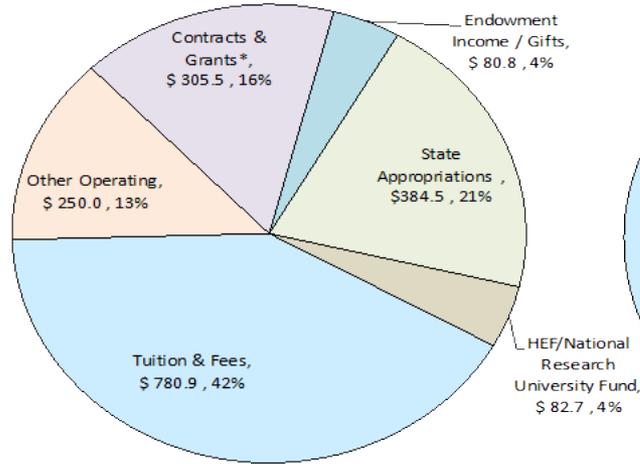
# University of Houston System FY2024 Budget Development Environment

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

# University of Houston System Budget

**FY2023**

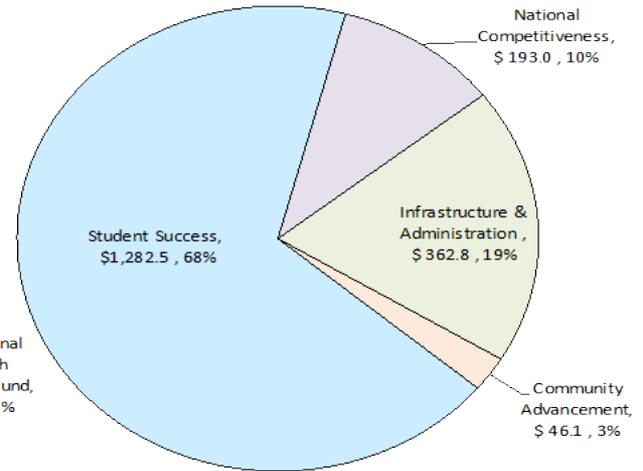
Operating Budget Source of Funds



\* Includes Federal Financial Aid

Total \$1,884.4 Million

Operating Budget Use of Funds



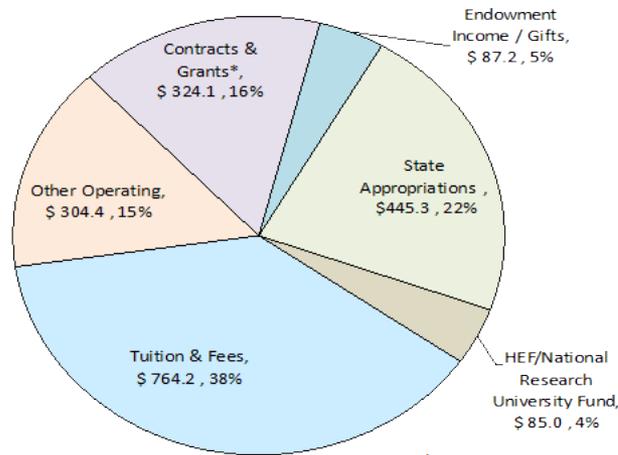
Total \$1,884.4 Million

**Total Budget**

	\$ Millions
Operating Budget	\$ 1,884.4
Capital Facilities	184.5
<b>Total</b>	<b>\$ 2,068.9</b>

**FY2024**

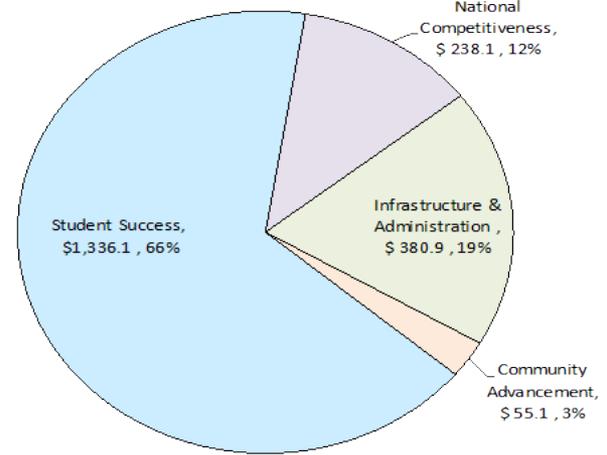
Operating Budget Source of Funds



\* Includes Federal Financial Aid

Total \$2,010.2 Million

Operating Budget Use of Funds



Total \$2,010.2 Million

**Total Budget**

	\$ Millions
Operating Budget	\$ 2,010.2
Capital Facilities	322.0
<b>Total</b>	<b>\$ 2,332.2</b>

# University of Houston System

## FY2024 Proposed Operating Budget

(\$ in Millions)

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

# University of Houston System

## FY2024 Budgeted Operating Revenue by Source by University

(\$ in Millions)

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

\* Includes Federal financial aid

# University of Houston System

## FY2020 - FY2024 Operating Revenue

(\$ in Millions)

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

\* Includes Federal financial aid

# University of Houston System

## FY2024 Operating Budget Expenditures by University

(\$ in Millions)

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

# University of Houston System

## FY2020-FY2024 Operating Expenditures

(\$ in Millions)

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

# University of Houston System

## FY2024 Proposed Capital Budget

(\$ in Millions)

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



# University of Houston System

## Combined Operating & Capital Budget

(\$ in Millions)

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

# University of Houston

## FY2024 Proposed Annual Budget

# University of Houston

## Highlighted Use of FY2024 Funds

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

# University of Houston

## FY2020 - FY2024 Operating Revenue

(\$ in Millions)

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

\* Includes Federal financial aid

# University of Houston

## FY2020 - FY2024 Operating Expenditures

(\$ in Millions)

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

# University of Houston Clear Lake

## FY2024 Proposed Annual Budget

# University of Houston Clear Lake

## Highlighted Use of FY2024 Funds

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

# University of Houston-Clear Lake

## FY2020 - FY2024 Operating Revenue

(\$ in Millions)

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

\* Includes Federal financial aid

# University of Houston-Clear Lake

## FY2020 - FY2024 Operating Expenditures

(\$ in Millions)

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

# University of Houston Downtown

## FY2024 Proposed Annual Budget

# University of Houston Downtown

## Highlighted Use of FY2024 Funds

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

# University of Houston-Downtown

## FY2020 - FY2024 Operating Revenue

(\$ in Millions)

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

\* Includes Federal financial aid

# University of Houston-Downtown

## FY2020 - FY2024 Operating Expenditures

(\$ in Millions)

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

# University of Houston Victoria

## FY2024 Proposed Annual Budget

# University of Houston Victoria

## Highlighted Use of FY2024 Funds

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

# University of Houston-Victoria

## FY2020 - FY2024 Operating Revenue

(\$ in Millions)

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

\* Includes Federal financial aid

# University of Houston-Victoria

## FY2020 - FY2024 Operating Expenditures

(\$ in Millions)

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

# University of Houston System Administration

FY2024 Annual Budget

# University of Houston System Administration

## FY2020 - FY2024 Operating Revenue

(\$ in Millions)

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

\* Includes CCAP debt service

# University of Houston System Administration

## FY2020 - FY2024 Operating Expenditures

(\$ in Millions)

	A 2020 Actual	B 2021 Actual	C 2022 Actual	D 2023 Budgeted	E 2024 Proposed
1 Student Success	\$ 1.3	\$ 1.3	\$ 0.9	\$ 1.5	\$ 2.6
2 National Competitiveness	0.5	0.5	-	-	-
3 Infrastructure & Administration	52.0	51.0	53.3	71.2	71.6
4 Total	<b>\$ 53.8</b>	<b>\$ 52.8</b>	<b>\$ 54.2</b>	<b>\$ 72.7</b>	<b>\$ 74.2</b>

\* Includes CCAP debt service

# Questions?