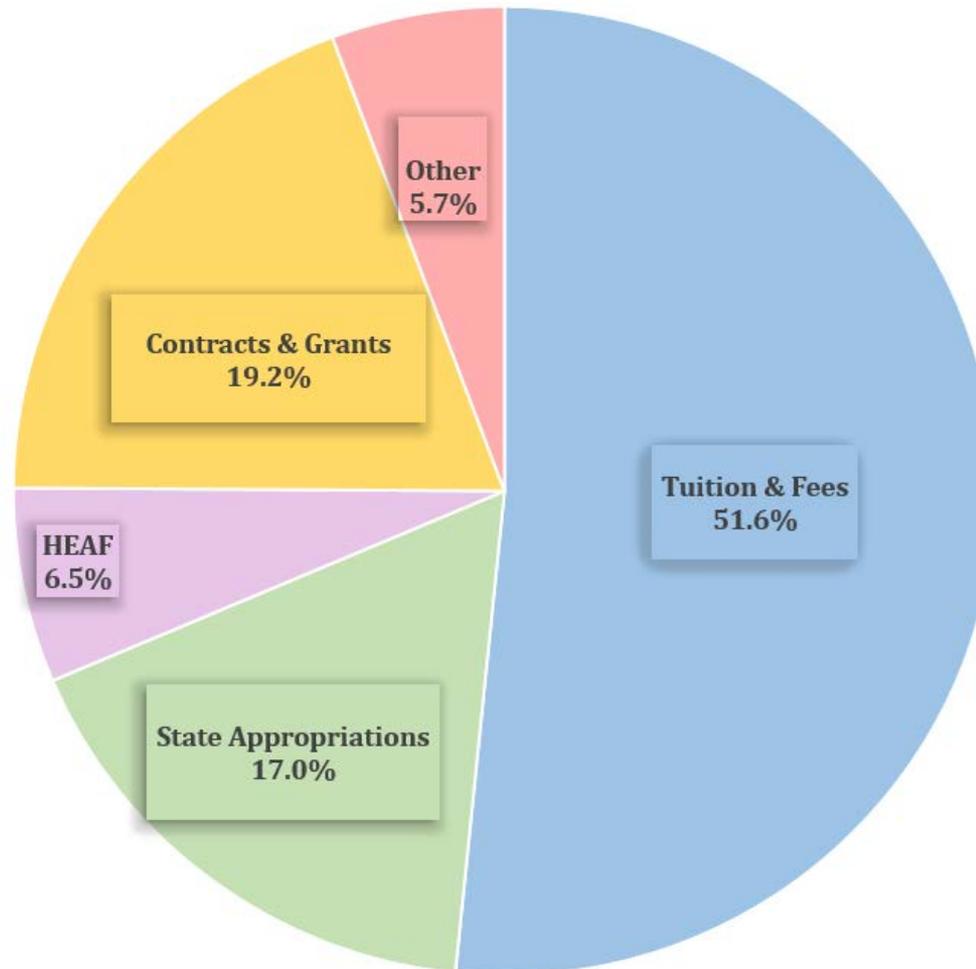


UHD Resources – Looking Ahead

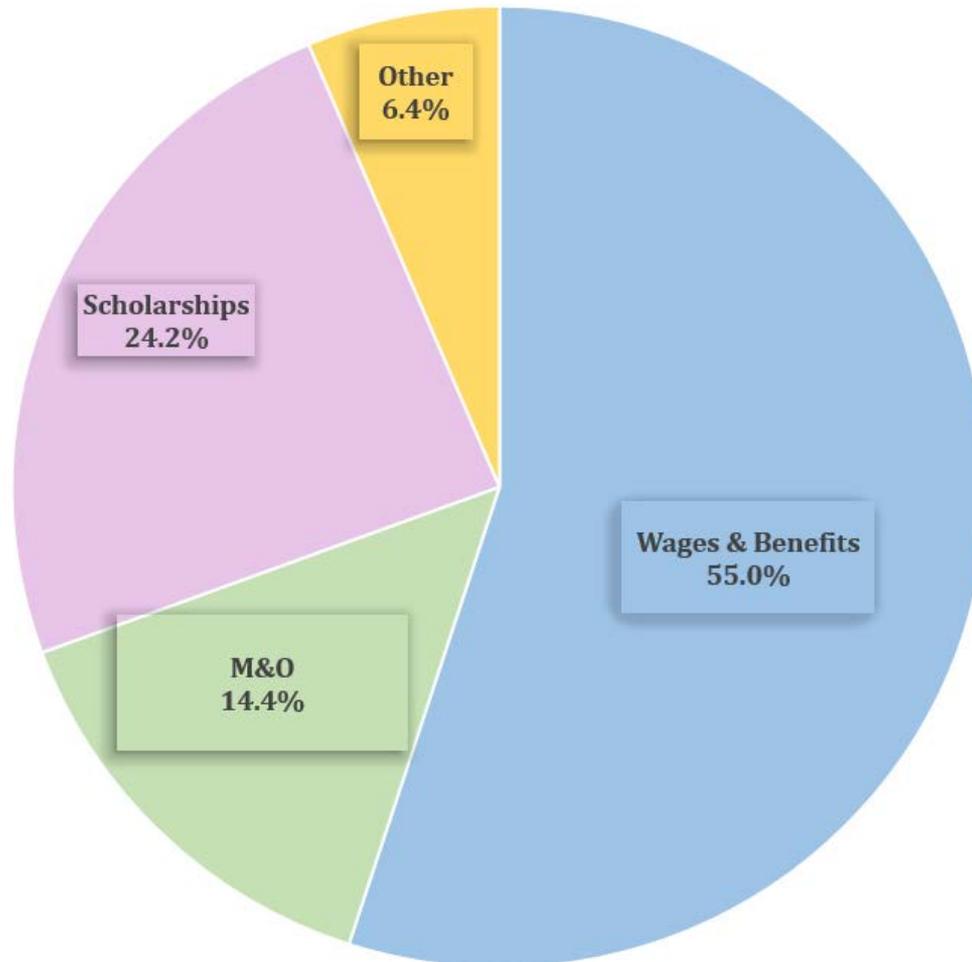
Challenges
Opportunities

UH – Downtown FY 2018 Operating Budget Sources of Funds



\$182.5M

UH – Downtown FY 2018 Operating Budget Uses of Funds



\$182.5M

UHD

- State Appropriations

State Appropriations per FTSE – FY 2016

UHD	\$3,849
Statewide Average	\$7,120

- UHD receives 54% of the statewide average. Why?
 - UHD generates a disproportionate number of lower division Liberal Arts SCHs (lowest funded hours)
 - UHD receives minimal non-formula/special item funding
- Formula funding can be increased by:
 - Growing enrollments overall
 - Improving SCH mix by level & discipline
 - Both

UHD

- Tuition & Fees

Cost of 30 Undergraduate SCHs - FY2017

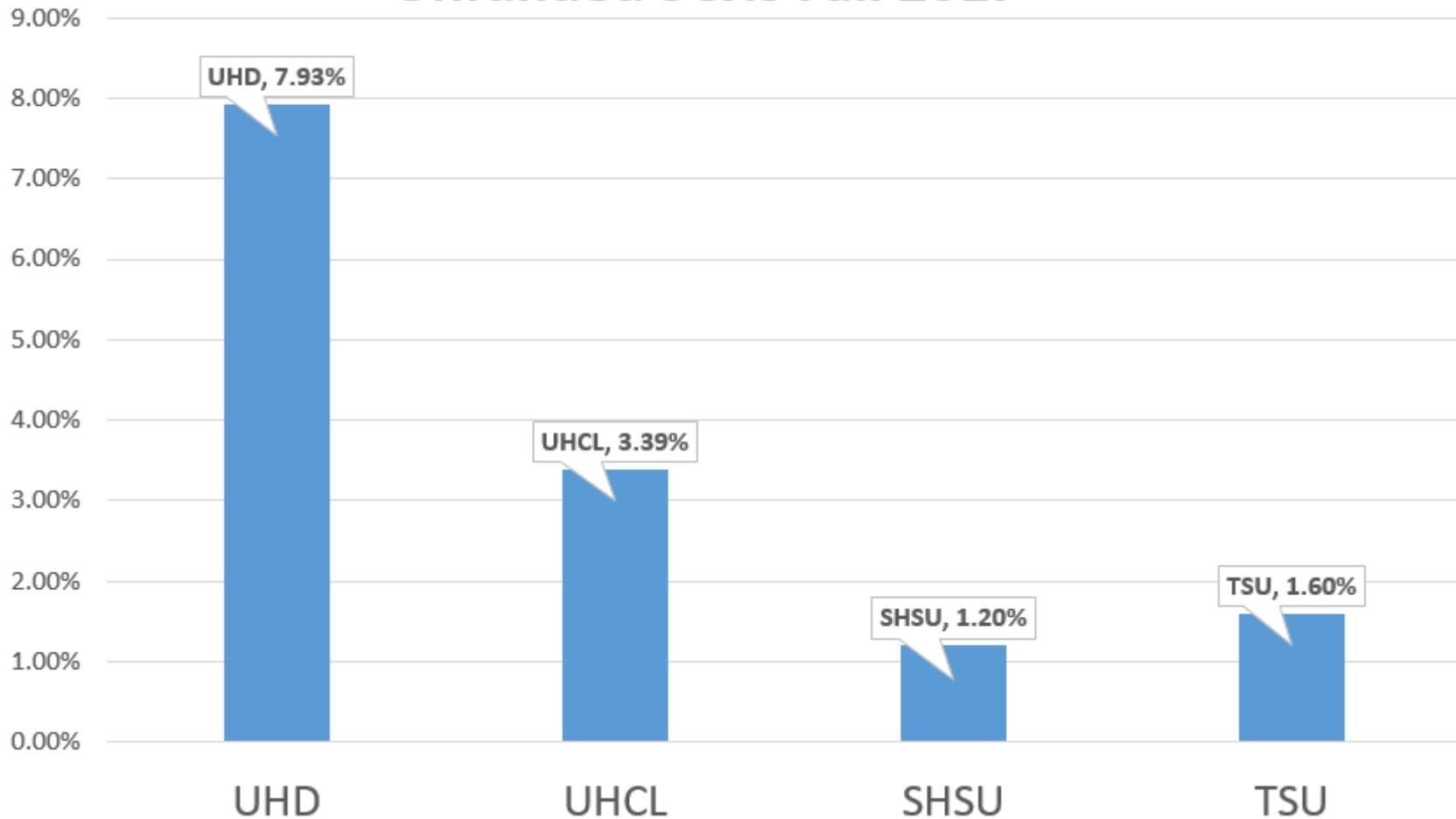
UHD	\$7,368
Statewide Average	\$8,748

- UHD Generates 16% less than the statewide average
- Tuition & fee revenue can be increased by:
 - Growing enrollments overall
 - Generating more SCHs at the GR level (higher tuition rates)
 - Both

'Funded' vs 'Unfunded' SCHs

- Per THECB data, UHD generates a disproportionately high % of unfunded SCHs
- Why?
 - Students exceeding the funded SCH caps (82%)
 - Students taking the same course 3 or more times (18%)

Unfunded SCHs Fall 2017



Funded 'Weighted' SCHs

- After applying the Instruction & Operations formula multipliers
- UHD has been improving its SCH 'mix'
 - More SCHs funded at higher levels
- For Fall 2016, Spring 2017 & Summer 2017 UHD generated an increasing number of 'weighted hours' even as total SCHs were declining

FY 2018 - 2019

- These funds are distributed on a weighted semester credit hour basis. The rate per weighted semester credit hour for the 2018-19 biennium is \$55.82 in fiscal year 2018 and fiscal year 2019
- Weighting is determined by the following matrix:

Code	Funding code	LowerDiv.	Upper Div.	Masters
1	Liberal Arts	1.00	1.73	4.01
2	Science	1.64	2.81	7.04
3	Fine Arts	1.46	2.51	6.07
4	Teacher Ed	1.53	2.07	2.39
5	Agriculture	2.08	2.58	6.54
6	Engineering	2.15	3.22	5.50
7	Home Economics	1.11	1.76	2.79
9	Social service	1.57	1.89	2.47
10	Library Science	1.44	1.54	3.35
12	Vocational Training	1.16	2.74	
13	Physical Training	1.46	1.26	
14	Health Services	1.02	1.55	2.54
15	Pharmacy	2.46	4.73	28.55
16	Business Admin	1.16	1.83	3.26
18	Teacher ed practice	1.91	2.18	
19	Technology	2.08	2.32	3.42
20	Nursing	1.49	2.04	3.00
21	Developmental Ed	1.00		
99	Non State funded			

Formula Funding by level/discipline (5,000 SCHs) FY 2018/19 I&O Matrix (\$55.82 Base)

Funding Code	UG/LD	UG/UD	MSTRS
<u>Liberal Arts</u>			
Multiplier	1.00	1.73	4.01
\$s Generated	\$ 279,100	\$ 482,843	\$ 1,119,191
<u>Business Admin.</u>			
Multiplier	1.16	1.83	3.26
\$s Generated	\$ 323,756	\$ 510,753	\$ 909,866
<u>Teacher Ed</u>			
Multiplier	1.53	2.07	2.39
\$s Generated	\$ 427,023	\$ 577,737	\$ 667,049
<u>Science</u>			
Multiplier	1.64	2.81	7.04
\$s Generated	\$ 457,724	\$ 784,271	\$ 1,964,864
<u>Engineering</u>			
Multiplier	2.15	3.22	5.50
\$s Generated	\$ 600,065	\$ 898,702	\$ 1,535,050

Operational Support \$s

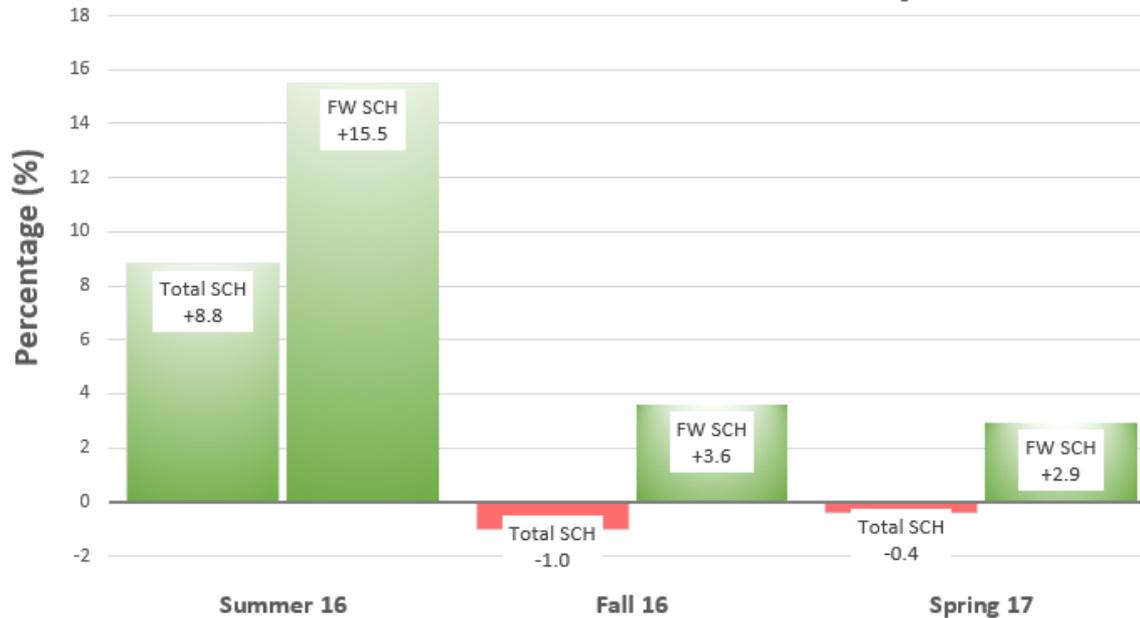
- Over the past three biennia, UHD has seen steady growth in Instruction & Operations formula support
- Cautionary Note:
 - The FY2018/19 biennium was driven by base period that included Fall 2016 SCHs
 - Fall 2017 was down 1.9% in total SCHs, and down 4.1% in weighted SCHs

UNIVERSITY OF HOUSTON - DOWNTOWN OPERATIONS SUPPORT AVERAGE ANNUAL BY BIENNIUM



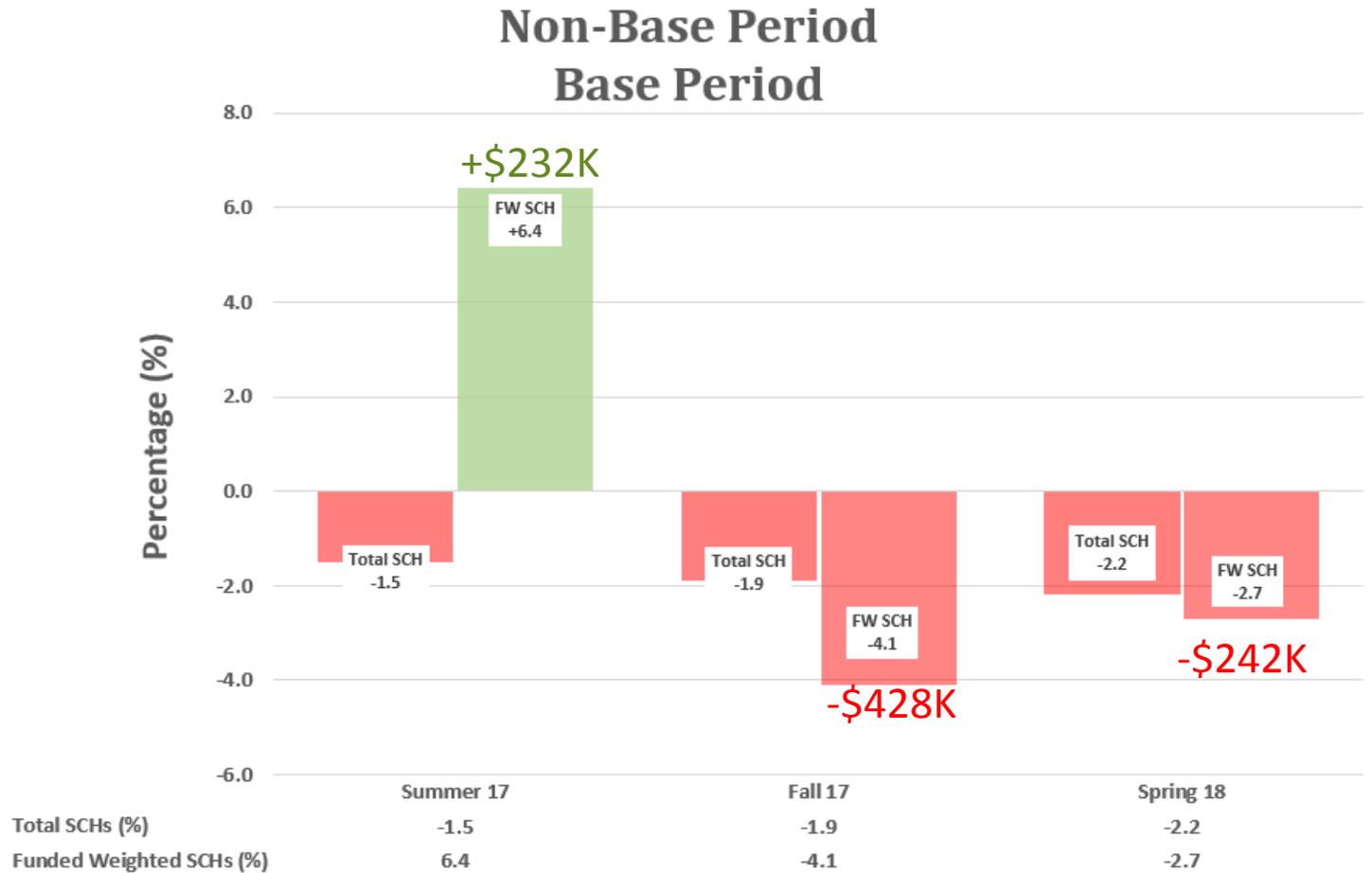
Growth of Total SCHs vs Growth of Funded Weighted SCHs

Base Period for FY2018/19



	Summer 16	Fall 16	Spring 17
Total SCHs (%)	+8.8	-1.0	-0.4
Funded Weighted SCHs (%)	+15.5	+3.6	+2.9

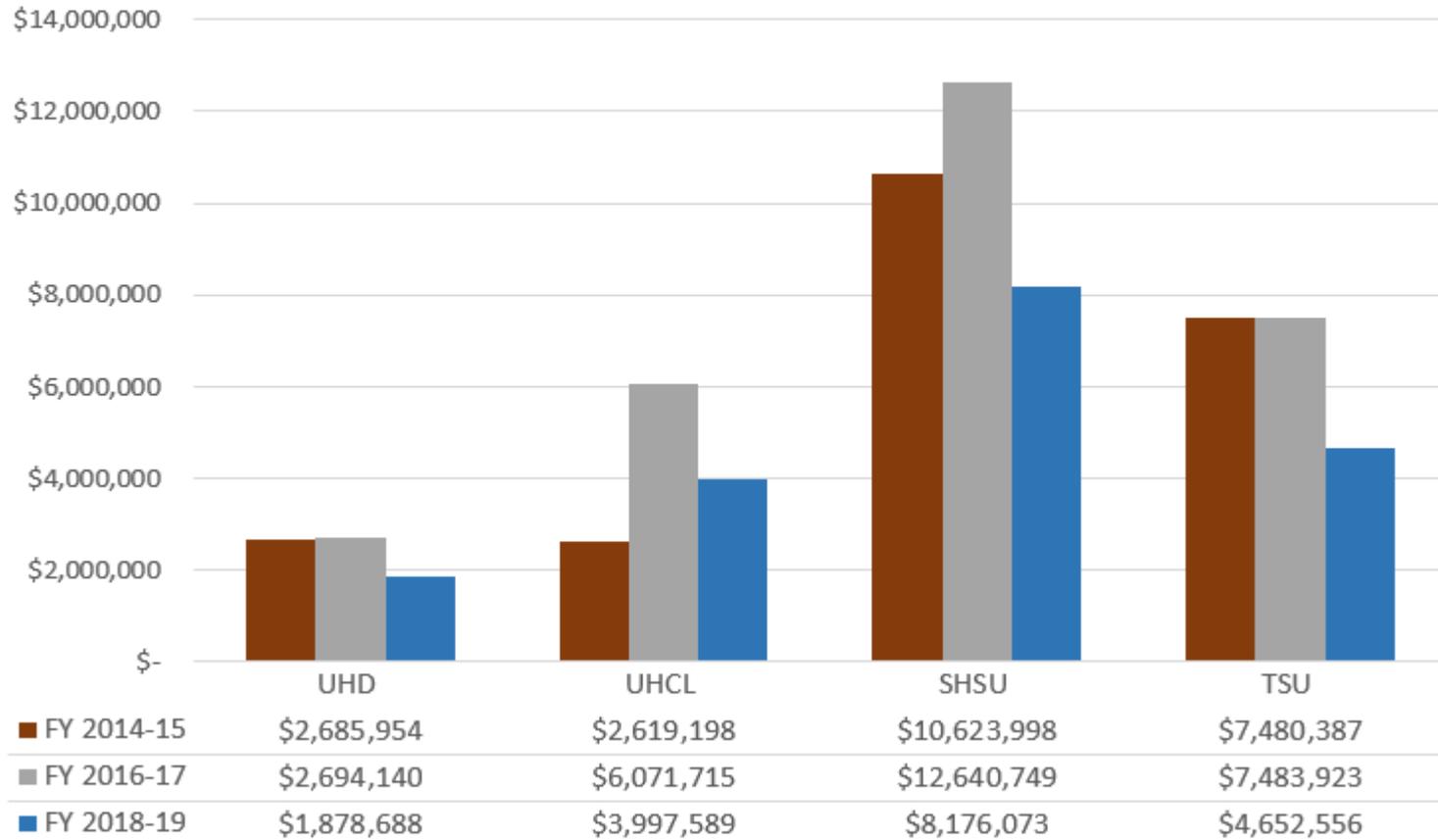
Growth of Total SCHs vs Growth of Funded Weighted SCHs



Non-formula Challenges

- The 85th Legislature reduced non-formula 'special item' funding by 30% - 40% across higher education
- The 'Good News' – Historically UHD has received minimal special item funding
 - Even so, in FY2018/19 UHD had its special item funding reduced by \$1.63M (\$815K per year)

SPECIAL ITEM SUPPORT AVERAGE ANNUAL BIENNIUM



Summary - UHD

- Formula Funding
 - Enrollments overall have been declining
 - SCH Mix – has improved, but now flattening out
 - Weighted SCHs now trending down
- Non-Formula Funding
 - Special Items
 - Deep cuts have already been sustained
 - Could be more in the future
 - Again, UHD not heavily dependent on non-formula funding

FY2019 Resources

- From 2% Budget Reduction - \$1.5M
 - To be used to offset enrollment - driven revenue shortfall
- From the increase being proposed for tuition/fees - \$2.9M
 - Known FY2019 Budget increase ‘mandates’

UHS Service Charges/Insurance premiums	\$400K
Remissions/Exemptions	\$134K
PeopleSoft Project	\$250K
Software licenses/Hardware maintenance	\$272K
Student Health Services Contract	\$40K
CART Services – Disability Services	\$50K
Faculty Promotion/Tenure	<u>\$94K</u>
Total	\$1.24M

The Future Is In Our Hands

(What we can control/influence)

- Stabilize UG enrollments in this post-admission standards environment
 - FTICs – More campus life/amenities
 - Transfers – Strengthen community college partnerships
 - This foundational work is underway
- Continue to improve SCH mix
 - Bright Note – UHD has considerable capacity to grow at the Masters level (just 8% of total SCHs in Fall 2017)
 - This foundational work is underway
- Continue development of graduate certificate programs to attract working adults, many of who may transition to the Masters programs
 - Non-degree seeking options

The Future Is In Our Hands (continued)

(What we can control/influence)

- Identify additional programs that can be offered on-line
 - Particularly important if we are to grow Masters Programs. Student preference
- Become the leader in the UH System in the awarding of competency-based credits
 - BAAS/BAIS Options
- Better utilize the Northwest Campus (LSC-UP), in which UHD has made a very heavy investment