

AGENDA

Planning & Budget Committee (PBC)

March 21st, 2024 | 12:00-1:30

1. **Call to order** (Noon)

2. **Approval of Meeting Notes/Minutes:**

January 2024 notes were approved with no changes.

3. **Old Business**

4. **New Business/Announcements**

1. General budget overview for FY25

While the final budget will not be available a general overview of the plan for FY25 will be provided.

Presented by: Mark Denney

Question was asked if PBC should vote on initiatives proposed by Admin & Finance?

- Phased implementation of the Market Study – Staff & Faculty
- Additional Funds for Summer Semester

Answer: The initiatives don't need to be approved but forwarded with PBC recommendation. Motion made and seconded to approve the initiatives as written. Motion carried.

There will be a Financial State of the Institute on ~~April 9~~ April 16th, 2024 ~~10 a.m. – Noon~~ 11:30-1. This will be online. (Updated 4/3/24)

2. Update to the budget guidelines for FY25

Please see the file included, changes made are highlighted

Presented by: Deja Sero

3. Aligning PBC By-laws to new common template

Presented by: Mark Denney

PBC will vote on changes to by-laws at the April meeting.

4. Announcement for the Financial State of the Institute

Presented by: Nick Kelling

Question asked: Can staff see the market survey information of their position? The plan is for HR to roll out the information to each employee once the Board of Regents approves the budget.

5. *Expected Items for Next Meeting (April 18th, 2024)*

1. Further discussion of FY 25 budget
2. Vote on changes to by-laws


Meeting adjourned @ 1:31 p.m.

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FY25 Budget Development Overview


Vice President for Administration and Finance
Mark Denney



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Budget Process Overview

- Incremental Budget Development Process
- Contribution Margin model
- Contribution Margin Model
 - Goal of a Contribution Margin model:
 - Achieve the objective of a true RCM (flexibility and the ability for achievement = reward)
 - Minimize the challenge of a true RCM (ability to consolidate resources when necessary)
 - Central fund allocation for base
 - Local fund allocation for additional, retain the net Rev minus Exp from local

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Incremental Development Model

- Incremental Developmental Process:
 - Prior year base is starting point
 - Identify available new resources
 - Identify initiatives for the allocation of identified new resources
 - Complete the budget
- Current challenges: no new resources, deficit resources
- In this case, a zero-based budget might be a better vehicle for allocation of resources

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Contribution Margin Model

- Contribution Margin Model
 - Central fund allocation for base
 - Local fund allocation for additional, retain the net Rev minus Exp from local
- Lacking: Gain sharing for success with central dollars
- Lacking: Defined wall between central and local responsibility
- Lacking: Ability to make decisions that were uniquely best for UHCL

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FY 24

	Original Budget			Adjustments	Notes	
	Central	Local	Total			
State	\$48.2	\$0.2	\$48.4			1. Loss due to Headcount -1.0 2. Improvement over budget 1.0
Tuition/Fees	52.5	12.1	64.6	\$(1.0)M	# 1	3. Salary savings: Annual + Freeze -3.6
Misc. Other	(1.3)	4.5	3.2	\$1.0M	# 2	4. ORSP Restructure -0.3
Fund Balance Use	9.1	0.3	9.4			5. Summer Teaching +1.0
Total Revenue	\$107.2	\$18.5	\$125.7			6. Utilities -0.2
Labor	79.4	9.3	88.7	\$(2.9)	#3, 4, 5	7. End Of Year Sweep -0.9
Maint & Ops	23.0	14.0	37.0	\$(1.1)	#6, 7	
Total Expense	102.4	23.3	125.7			Ending FY24 using \$5M central fund balance
Net of Ops	+4.8	-4.8	0.0	\$4.0M		

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New Resources

- State: 2nd year of biennium no new resources
- Tuition/Fees: Projecting flat if lucky no new resources
- Misc. Other: No projected changes no new resources
- Savings in FY24 were one-time, no base changes no new resources
- FY24 began with \$9.4 fund balance use, \$9.1 Central – that remains

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Fund Balance use

- FY24 began with \$24.6 or 19.3% Central Fund Balance
- FY24 will use approx. \$5.1 M
- Leaving FY25 to start with \$19.5M or 15%
- If we again use \$9.4M, we will end FY25 with approx. \$10M or 8%
- Our budget will not be approved

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FY25 vs. normal process

- Instead of identifying new resources, we are identifying ways to reduce fund balance use
- General Plan:
 - Reduce Fund Balance use by ~ \$3.5M per year while enrollment recovers, that will take 3+ (FY25-FY27) before zero fund balance use is projected.
- FY25: \$6M, in cuts need to occur, FY26: \$4M cuts, FY27 \$3M cuts
 - That = \$13M, but we only have a deficit of \$9.4M?

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Identifying cuts

- They all hurt, but some can hurt less
- Office of VP for Admin and Finance and Office of Planning and Budget
- Identified \$6.4 of cuts that would not directly impact operations:
 - Designated Operations – move off of central onto local funding
 - Restructuring – reduce/realign some operations
 - Capturing historical underspending
 - Capturing long-standing vacancies
- Each Division VP is currently identifying exactly what they will do
 - Either from the list identified or areas of their initiative

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Why do we need more cuts than the deficit?

- **Initiatives**
- Two initiatives have been Proposed by VP A&F,
- If Supported by PBC and Executive Leadership, it will be Recommended to the President
- Phased Implementation of the Market Study – Staff and Faculty
- Additional funds for Summer Semester

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Timeline to finalize

- Presentation to PBC 03.21.24
- Final decisions by President 04.01.24
- Submit draft Appendix A and B to UHS 04.01.24
 - Appendix A: Identification of New Resources/Reallocations
 - Appendix B: Identification of Allocation of New Resources/Reallocations
- Financial State of the University Presentation Apr PBC meeting
 - Detail of Appendix A and B
 - We will know the exact actions and projected costs by that time
- Budget Presentation to Chancellor 04.22.24
- Budget approval by Board of Regents 05.15.24
- Communication of Market Study 06/07 2024

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FY2025 Budget Guidelines

“Encouraging open communication and collaboration”

Budgeting Overview

To maintain alignment with the University's strategic goals and objectives, the budget cycle focuses on four specific processes: planning, budgeting, implementing, and assessing. Unit assessment plans are utilized to assess results from the prior year(s) to aid in identifying department funding initiatives. Initiatives are then prioritized at the unit level, then the division level, and finally, the component level to complete the process. Upon the President's approval, the final list is distributed to the university community and the funded initiatives are entered into the proposed budget by Planning and Budget to be presented for final approval by UHS Board of Regents.

Each operating unit is responsible for developing its own budget. The Business Administrator for each division will coordinate the budget development process and update budget data utilizing forms and reports to be entered in the Hyperion Planning and Budget system. Following the annual budget calendar, data will be extracted from the Financial and Human Resources Systems and loaded into Hyperion. After the load is complete, each area will begin developing their next year's budget.

The Planning & Budget Office's objectives throughout the budget process are to encourage open communication at all times and provide guidance as needed. Please call x2121 for assistance.

Hyperion Planning and Budget

The Hyperion Planning and Budgeting system will be utilized to analyze and prepare the operating budget. Required annual training for employees will be conducted prior to budget development. All planning and budget development forms, guidelines, and policies are found on the PBO's website.

Security Authorizations

The Hyperion Planning and Budget system is designed to maintain the security and integrity of budget data which is monitored by UH security specialists. Department security is set for each user and the data accessed is determined by Department Code. As a result, department users can only see their data. Business Administrators will be given view only access to Hyperion during non-budget development time periods.

Accountability

Business Administrators are accountable for the accuracy and completeness of data. Although the Planning and Budget department is responsible for the correctness of the University's budget, individual units are required to reconcile their own cost center totals with their allocations and/or reductions. The units must secure all budgetary information to ensure confidentiality until the final budget is approved by the Board of Regents.

BUDGETING PRINCIPLES

Planning Driven Budgeting. The allocation of resources is driven by the priorities and initiatives defined in the planning process.

Realism. Recommended budgets for ongoing operations reflect current levels of actual income and expenditures. Budgets should accurately reflect the pool from which the expenditures are expected to occur. Recommended budgets are developed from base budgets with a check on current performance.

Unbiased Forecasts. Income projections are maximum likelihood estimates. They reflect neither an upward nor downward bias.

Full Disclosure. All revenue sources are budgeted. Prior year balances in support of current year expenditures are budgeted. All sources of funds supporting expenditures are included in budgeted income estimates.

Uses of available funds include all budgeted expenditures and transfers. Expense budgets should be established for those funds that are expected to be used. Conversely, funds cannot be spent or transferred unless they are budgeted.

Balanced. Budgeted sources of funds available are **equal** to budgeted uses of funds.

Prudent Fund Balances. Prudent and reasonable fund balances remain unbudgeted.

Year to Year Comparability. Changes in income and expenditures from one fiscal year to another reflect only substantive changes in funds available and expenditures. Year to year changes in income and expenditures do not result from changes in accounting conventions, organizational changes, creation or consolidation of cost centers, or shifts in income and expenditure classifications.

Compatibility. Budget reporting practices and conventions agree with generally accepted accounting principles. Budgeted income and expenditures are reported to correspond with actual income and expenditures.

BUDGET DEVELOPMENT

Revenue

The annual budget preparation process includes estimating revenues and expenditures. It is the responsibility of each unit, assisted by the business administrator, to provide revenue estimates for all non-central sourced income based on historical activity, program performance, and/or rate structure. By budgeting non-central sourced projected revenue, it provides units that incur costs, prior to the receipt of revenue, the flexibility needed to start operations each year.

- a. Corresponding expense budgets must be established to **balance** revenue to expense.
- b. Estimated Endowment Income is distributed by the UHS Treasurer's Office and entered by PBO. It is encouraged to budget projected year-end fund equity to maximize available student assistance.
- c. **Increases** to current year revenue must be **submitted to PBO** with a detailed justification prior to adjustment.
- d. **Reductions** to current year revenue and expense budgets should be completed by business administrator as soon as expected revenue is projected to not be met.

Expense

The annual budget preparation process includes estimating expenditures. It is the responsibility of the business administrator to analyze historical expenditures and adjust proposed expenditure budgets accordingly.

- a. **Recurring** annual expenses should have corresponding budget account node.
- b. **Increases** to central funded expenditure budgets are performed by Planning and Budget only. Departments with revenue budgets must **balance** to expense.
- c. Operations at the Pearland Campus must be budgeted in cost centers using a Pearland Campus department code. No faculty, includes staff positions and M&O if they are designated for the Pearland campus.

Budget Reduction

During the budget development process and also throughout the year, it is important to be financial stewards for the institution. Financial stewardship is defined as the responsibility of managing University financial resources wisely, executing these duties with integrity and ethical conduct. Financial stewardship is a proactive response that benefits the institution, and will lead an institution to success especially during challenging fiscal times.

Specific for the FY2025 budget development, budget cuts have been directed to accommodate declines in available sources resulting in a 6% need to reduce cost. While specific targets have been identified, all Divisions, Units, and Departments are encouraged to exceed those mandatory minimum targets. All reductions in excess of the stated targets will be applied to future reduction targets should those be required.

- a. Enrollment shortfall and reduced state funding impacts centrally allocated, departmental, and divisional resources, and as such, budget reductions should be factored into the development of the operational budget. If centrally allocated resources are reduced, what other resources does the department have to maintain their budget? Departments, units and division should be aware of available resources that can be budgeted if central sourced funding support is reduced. If no alternative resources are available, a reduction in operating expenses will need to occur in order to maintain a balanced budget otherwise, fund reserves will be budgeted to support expenses which is considered a deficit budget.
- b. **Cost saving plans** should be included in the operational assessment reports and budget development process. Expenditures can typically be placed in three categories: Fixed Expenditures, Variable Expenditures, and Non-critical expenditures.
 - i. **Fixed costs** – reoccurring cost that happen from year to year regardless of enrollment inclines or declines. Examples: Lease, rent, utility, academic memberships, and equipment rentals.
 - ii. **Variable costs** – costs that can fluctuate from year to year. Examples: Labor, office supplies, raw materials, and postage.
 - iii. **Non-critical costs** – these costs can typically be eliminated without causing a negative impact to the strategic plan or mission of the university. Examples: bottled water services, food and entertainment costs that do not directly include students or key constituents, travel, and other types of expenditures that are not of critical necessity.

Fund Equity

- a. Central funded cost centers (1051, 1052, and 2064 funds) **do not** hold fund equity.
 - i. Unexpended budget balances are swept at year-end.
 - ii. Unexpended carryforward budget balances for commitments are not considered available fund equity to the department.
 - iii. Central funded department cost centers cannot have fund balance (B4035) budgeted.
 - iv. Exceptions: State Funded Programs, Financial Aid, Scholarships, and Deferred Maintenance
- b. Central funded 2077 and 2078 cost centers will have unexpended balances **swept at year end**.

- c. Budget balances available at year end in non-central funded cost centers, auxiliary funds (3xxx), or Restricted funds (4xxx) **will remain in the cost center** to be budget for future use.
 - i. Exception: Additional sweeps may be approved by the Division's Vice President or President .
- d. Accumulated fund equity of 150% or more of annual expenditures will be reviewed. Managers should be able to justify and demonstrate an execution plan for large accumulated fund balances.
- e. It is necessary to budget fund equity if it will be relied upon to support operations.
 - i. **At the beginning** of each fiscal year, Planning & Budget will adjust down fund equity budgets that are **greater** than beginning of year fund equity balances.
- f. Units with endowments are encouraged to budget year-end fund equity balances to **maximize** available student assistance.

Encumbrances

Encumbrances and their budgets, if available, will be **carried forward automatically** at the beginning of each fiscal year. The unexpended carryforward balance in central funded cost centers is not available to the department and will be returned to central reserves.

Positions and FTE

All permanent and/or continuing positions should be **included** in the budget. Starting with FY2025, all filled and vacant positions will be base budgeted by position in the corresponding salary budget node. Dollars budgeted for operating expenses should not be converted to positions during the course of the fiscal year. Likewise, positions should not remain budgeted with a plan to lapse significant unused funds for other purposes.

1. Colleges are expected to reallocate lapsed faculty salary dollars to summer faculty budgets.
2. Positions are assigned the appropriate FTE and base budget in the corresponding salary and wage Budget Account Node for the associated cost center(s).
3. FTE should be **split** 25/75 and 50/50 OR split should be equal to position ownership.
4. New positions must be **adequately justified** and approved through the initiative process **and obtain** President approval. Only new positions approved through this process may be added to the budget.
 - i. Positions approved by the President outside of the budget initiative process will require inclusion in the next annual initiative process in order to receive base central funding.
 - ii. New positions approved for **central funding** will added to the budget by Planning and Budget. All others must be budgeted by department.

5. Salary adjustments should only be performed during budget development for **pay structure adjustments, merit pay, reclassifications, and promotions**. Equity adjustments may be performed outside of budget development.
 - i. Actions performed outside of the Budget Development process **will not** receive central funded base budget allocations.
6. Overtime, hazardous duty, and shift differential salary expenses are charged directly to the corresponding cost center of where the position of the employee is paid and must be budgeted in **budget account node B5006** as a lump sum amount.

Benefits

- a. Staff benefits, which **averages about 32%** of gross salary, must be budgeted.
 - i. **Centrally funded positions** (1051, 1052, & 2064) have fringe benefit base budgeted centrally in department C1007 where position benefit expenses will be paid.
 - A. Any request to add/modify centrally funded positions must include both salary and benefit costs as separate items.
 - ii. **Non-central funded positions** are budgeted at the department level using department (locally) generated income and will require an associated fringe benefit budget. The department is responsible to absorb the full cost of benefits.
 - iii. **Salary assessment fee** will be charged to all department cost centers with salary and wage budgets to cover unemployment insurance claims and worker's compensation claims.
 - iv. **Terminal payouts** are paid from the cost center from which the position salary is budgeted. The department is responsible for all terminal payouts.
 - A. If the terminal payout is for a centrally funded position, the department must adjust budget to cover the expense through **available salary savings**.
 - B. If salary savings are not immediately available, the **position must remain vacant** for a sufficient amount of time to recover the terminal payout cost.
- b. **Longevity expenses** are charged directly to budget account node B5006 in the corresponding cost center of where the position is paid from. Budget amount in B5006 should equal total sum of all employee longevity expenses in cost center (except state & 2064 cost centers) plus any additional budget needed for overtime, hazardous duty, and shift differential.

See appendix A for assistance in estimating benefit costs.

Administrative Charge 8%

The administrative charge is a percentage of administrative costs incurred for the **support of operation and maintenance**. The projected administrative charge must be included when preparing the expenditure budget

- a. For all **self-supporting units** the administrative charge will be 8% of actual revenue.
- b. **Auxiliary and designated sales and service cost centers** have a basic need for administrative services; therefore, a share of the administrative support expenses will be charged.
- c. The activities classified as auxiliary or designated sales and service are considered self-supporting activities and as such, set cost of goods and services at a level to cover the normal operating expenses expected for operations.
- d. The charge is assessed at the end of each month during the year.
- e. Funds are used to support university operations.

Contract and Grant Funds

For reporting purposes only, all contracts and grants (fund 5xxx) will be budgeted in holding cost centers established for each division and **will not** load to PeopleSoft. In addition to estimating a balance available at year end, each division, with the assistance of Office of Research & Sponsored Programs, will project anticipated awards for upcoming fiscal year.

Plant Funds

For reporting purposes only, plant funds (fund 7xxx) will be budgeted in holding cost centers and **will not load** to PeopleSoft. Facilities, Management, and Construction will provide estimates for project costs and will manage all plant funded cost centers (fund 7xxx).

APPENDIX

i. Estimating Longevity

1. Run the Years of Service report in PeopleSoft HRMS



2. Set the report parameters for year end FY2025 as seen below.

3. Leave years of service blank

4. Run by Division, College, or Department.

Years of Service

Run Control ID Report Manager Process Monitor Run

Report Request Parameters

As Of Date: Years of Service

Business Unit: UH Clear Lake

UHS Report Choice

None Division College Department

Division ID: VP, Admin & Finance

5. Click run and choose "CSV" for format

6. Click OK

7. Open the link with "csv"

File List

Name	File Size (bytes)
SQR_UPER014_14514697.log	1,837
uper014_14514697.csv	17,735
uper014_14514697.out	37,129

8. Create the following formulas:

a. In cell H8 (first employee listed) =rounddown(D8/2,0)*20

i. column D should be years of service. This will calculate how much they will earn in longevity monthly

b. In cell I8 create formula =H8*12. This is the annual cost

c. Optional formula in cell H8 for annual cost: =(rounddown(D8/2,0)*20)*12

9. Add the annual longevity amounts of each employee by cost center funding and budget in corresponding cost center's B5006 salary and wage budget node.

ii. **UHCL - Employer Matching Rate for Estimated Benefit Cost**

Fiscal Year 2024 Retirement Plans:

TRS – 8.0% Employer Contribution

ORP – 6.65% Employer Contribution (if hired after 9/1/1995)

ORP – 8.5% Employer Contribution (if hired prior to 9/1/1995)

Fiscal Year 2023 Retirement Plans:

TRS – 8.0% Employer Contribution

ORP – 6.65% Employer Contribution (if hired after 9/1/1995)

ORP – 8.5% Employer Contribution (if hired prior to 9/1/1995)

Calendar Year 2024 Wage Base for FICA:

Social Security Tax Rate for Employer - 6.20% up to \$147,000 maximum wage

Social Security Tax Rate for Employee - 6.20% up to \$147,000 maximum wage

Medicare Tax – 1.45% no wage maximum

Calendar Year 2023 Wage Base for FICA:

Social Security Tax Rate for Employer - 6.20% up to \$142,800 maximum wage

Social Security Tax Rate for Employee - 6.20% up to \$142,800 maximum wage

Medicare Tax – 1.45% no wage maximum

**Health Premium Rates with State Contribution for Full-Time Employees
Health Select of Texas – Full-Time FY24**

Full-time Employees and Retirees Not Eligible for Medicare (Same as Plan Year 2023)				
	Premium*	State Pays	You Pay	
HealthSelect of Texas®				
You Only	\$ 624.82	\$ 624.82	\$	0.00
You + Spouse	1,340.82	982.82		358.00
You + Children	1,104.22	864.52		239.70
You + Family	1,820.22	1,222.52		597.70

**Health Premium Rates with State Contribution for Full-Time Employees
HealthSelect of Texas – Part-Time FY24**

Part-time Employees and Retirees Not Eligible for Medicare, Graduate Students/Teaching Assistants, Post-doctoral and Adjunct Faculty† (Same as Plan Year 2023)				
	Premium*	State Pays	You Pay	
HealthSelect of Texas®				
You Only	\$ 624.82	\$ 312.41	\$	312.41
You + Spouse	1,340.82	491.41		849.41
You + Children	1,104.22	432.26		671.96
You + Family	1,820.22	611.26		1,208.96

iii. Revenue and Expense Budget Account Nodes

In order for revenue and expenses to be posted accurately during day-to-day processing, there must be a budget established in the corresponding Budget Account Node.

Revenue Budget Account Node and Description	Revenue Account Code Range:
B4001 Tuition	40100-40299
B4002 Designated Tuition	40300-40499
B4003 Student Service Fees	40500-40699
B4004 Other Fees	40700-40999
B4005 Remission & Exemptions	41000-41099 55500-55999 57010-57011
B4006 General Revenue Appropriation	41100-41103 41106-41111 41113-41299
B4007 Other General Revenue	41400-41499
B4008 Staff Benefits	41300-41399
B4009 Higher Education Assistance	41105-41105 41500-41599
B4010 Federal Grants and Contracts	41600-41799
B4011 Indirect Cost Recovered – Fed	41800-41899
B4012 Fed Pass Thru from State Agency	41900-41999
B4013 IDC Recovered – Fed Pass Thru	42000-42099
B4014 State Grants & Contracts	42201-42299
B4015 IDC Recovered – State	42100-42199
B4016 State Pass Thru from State	42401-42403 42406-42408 42410-42499
B4017 IDC Recovered – State Pass Thru	42300-42399
B4018 Local Grants & Contracts	42500-42599
B4019 IDC Recovered – Local	42600-42699
B4020 Private Gifts	42900-42914 42916-43099 44400-44428
B4021 Private Grants & Contracts	43100-43100

	43102-43199
B4022 IDC Recovered–Private Grant	42800-42899
B4023 IDC Recovered–Private Contract	42700-42799
B4024 INC/DEC in Fair Value of Investments	43200-43299
B4025 Other Investment Income	43300-43499
B4026 Endowment Income Distribution	43500-43599
B4027 Sales and Services – E&G	43600-43630 43635-43636, 43639 43641-43999
B4028 Sales and Services – Auxiliary	43631-43634 43637-43638 44000-44399
B4029 Other Sources	44429-44439 44441-44795 44797-44799, 49504
B4030 Among Funds-Mandatory	44801-44899
B4031 Among Funds-Non-Mandatory	44900-44999
B4032 Among Comp-Mandatory	44800, 45000-45099
B4033 Among Comp-Non-Mandatory	45100-45199
B4034 Encumbrances	45200-45299
B4035 Fund Balance	45300-45399
	<i>(Use 4035 if budgeting reserves to offset base expense budget)</i>
B4036 Recovered Cost	50050-50099
B4037 Shared Appropriations	41104
B4038 General Revenue – Salary Increase	41112
B4039 License Plate Scholarship	42200
B4040 Texas Grant Program	42400
B4041 TCWS	42404
B4042 TASP	42405
B4043 Texas Excellence Fund	42409
B4044 Endowment Transfer	43101

Expense Budget Account Node and Description	Expense Account Code Range:
B5005 Cost of Goods Sold	50000-50024
B5006 Longevity/OT/HD/SD	
B5007 Benefits	51000-51399
<i>(For local cost centers - if there is S&W budget, there must be a Benefits budget)</i>	
B5008 Capital	58000-58999
<i>(Expenditures in B5008 should be equal to or greater than \$5,000)</i>	
B5009 M & O	52000-57999 59000-59999
SALARY & WAGE BUDGET ACCOUNTS	
B5038 EXEMPT STAFF	50180 P&A STAFF SALARIES,EXEMPT
B5039 NON-EXEMPT STAFF	50190 P&A STAFF, NON-EXEMPT
B5039 NON-EXEMPT STAFF	50191 OTH SUPP STAFF, NON-EXEMPT
B5040 STUDENT EMPLOYEES	50201 NON CWS WAGES
B5035 NON-TENURE TRACK FAC	50150 VISITING FACULTY SALARIES
B5039 EXEMPT STAFF	50180 P&A STAFF SALARIES, EXEMPT
B5035 NON-TENURE TRACK FAC	50151 CLINICAL FACULTY SALARIES
B5038 EXEMPT STAFF	50182 RESEARCH STAFF - EXEMPT
B5035 NON-TENURE TRACK FAC	50153 RESEARCH FACULTY SALARIES
B5036 ADJUNCT FACULTY	50160 LECTURER SALARIES
B5040 STUDENT EMPLOYEES	50200 CWS WAGES-FEDERAL
B5040 STUDENT EMPLOYEES	50202 CWS WAGES-STATE
B5034 TENURE TRACK FACULTY	50140 RANKED FACULTY SALARIES
B5035 NON-TENURE TRACK FAC	50152 INSTRUCTIONAL FACULTY
B5055 SUMMER INSTR SALARIES	50212 SUMMER INSTR, ADJUNCT
B5037 GRADUATE ASSISTANTS	50171 TEACHING ASSISTANTS SALARIES
B5034 TENURE TRACK FACULTY	50141 ADMIN STIPENDS, FACULTY
B5039 NON-EXEMPT STAFF	50192 RESEARCH STAFF, NON-EXEMPT
B5035 EXEMPT STAFF	50153 RESEARCH STAFF-EXEMPT
B5037 GRADUATE ASSISTANTS	50174 GRADUATE ASSISTANT
B5055 SUMMER INSTR SALARIES	50210 SUMMER INSTR, TENURE TRACK
B5055 SUMMER INSTR SALARIES	50211 SUMMER INSTR, NON-TEN TRACK
B5066 Travel	See Travel Website
B5027 Bad Debt Expense	50025-50049
B5073 Purchased Utilities	52600-52605
B5076 Debt Service	54706-54709 54737,54739
B5091 Administrative Charges	54805

iv. **GLOSSARY OF TERMS**

Term	Definition
Academic Year	A nine-month period within a fiscal year beginning in September and ending in August and containing the academic sessions held during consecutive Fall and Spring terms.
Appropriation	Operating and capital outlay funds provided to the University of Houston for a fiscal year as appropriated by the State Legislature and signed by the Governor.
Approved Positions	The maximum annualized FTE that can be filled during the fiscal year. Positions are approved through the Legislative Appropriation Request process.
Auxiliary Enterprises	An activity that furnishes a service to students, faculty, or staff and charges a fee directly related to, but not necessarily equal to the cost of the service. They are essential elements in support of the educational program, and conceptually should be regarded as self-supporting.
Biennium	A two-year period. In Texas, as used in fiscal terms, this is the two-year period beginning on September 1 and ending on August 31 of odd-numbered years, for which general state Appropriations are made. A biennium is identified by the two-fiscal years of which it consists, e.g., 2023-2024 biennium.
Budget: Load	The original amount of budget approved during the budget development and allocation process.
Budget: Base	The original budget plus or minus any <u>permanent</u> transfers or adjustments.
Budget Balance Available (BBA)	The amount of budget that has not been spent or is not committed.
Budget: Adjustment/Current	The original budget plus or minus any <u>temporary</u> or one-time adjustments.
Budget Development Module	(BDM) Web-based budgeting tool.
Budget Journal	The document used to establish or modify the spending authority in a cost center.
Budget Principles	The philosophy within which the operating and capital budgets are developed.

Budget Process	The activity that encompasses the submission of the biennial Legislative Appropriation Request, the Appropriations Act, the allocations of funds at the University level by the President, and the University Operating Budget. Allocations are determined by the university mission, size, organization, economic factors and Texas law.
Budgeted	Refers to planned level of expenditures, performance, or number of positions for a particular fiscal year.
Capital Budget	That portion of the budget that is expended for capital construction projects or capital acquisitions.
Capital Equipment	A basic expenditure category is represented in the university operating budget, which details the cost of equipment with a life expectancy of more than one year and a cost of \$5,000 or more.
Cost Center Budget	The spending authority established for an activity. The budget does not affect fund equity or cash. A cost center may have a budget balance available (BBA) but be considered in deficit if actual expenditures exceed realized revenue. A BBA is only meaningful if the revenue budget is fully supported by cash in the general ledger.
Education and General (E&G) Funds	The general activities supported primarily by State Funds to provide services and programs throughout the University, including instructional programs leading to formal degrees, research, and public service.
Electronic Personnel Action Request (ePAR)	The form used to hire or terminate an employee or change an employee's job record, usually resulting in a payroll action.
Electronic Position Request (ePRF)	The form is used to create a new position or change a position's attributes or funding source.
Encumbrance	A financial transaction which reserves funds for a specific purpose.
Estimated	Refers to estimated revenues and expenditures for the current fiscal year. Because these numbers are developed later in the fiscal year, they are considered more accurate than budgeted numbers.
Expended	Refers to actual dollars or positions utilized during a completed fiscal year.
Expenditure	A financial transaction which records the cost of operations.

Fiscal Year	A twelve-month period beginning September 1st of one calendar year and ending August 31st of the next calendar year and specified by the calendar year in which the fiscal year ends, e.g., September 2023 through August 2024 is fiscal year 2024.
Full Time Equivalent (FTE) Positions	A unit of measure that represents the average number of state personnel working 40 hours a week. A nine-month faculty position (the academic year) is equal to an annual .75 FTE. A University Support Personnel or Administrative and Professional position for twelve months is equal to 1.0 FTE. This includes all faculty positions, full time exempt positions, full time classified positions, and full time hourly and seasonal positions. In addition, it includes those positions which are not full-time regular positions but are converted to full-time equivalents.
FTE: Annualized	Annualized FTE: Equal to the Term FTE times the duration of the assignment. The duration of the Fall or Spring semester is 4.5 months/12 months which equals 0.375. The duration of the three-month summer is 3 months/12 months which equals 0.25. The Annualized FTE is the calculated amount reported to the State quarterly.
FTE: Term	Term FTE: The Full-Time equivalent which should be reported on the Personnel Action Request (PAR) for the duration of the assignment. It is equal to the standard hours per week divided by forty.
Full Time Equivalent (FTE) Students	A workload measure based on credit hours generated for each term divided by the appropriate undergraduate or graduate divisor. The divisor (one FTE) is equivalent to 15 credit hours at the undergraduate level or to 12 credit hours at the master's level or special professional level, and to 9 credit hours at the doctoral level.
Fund Equity	The difference between realized revenue and actual expenditures, net of any other fund additions or deductions. The fund equity is not affected by the budget or encumbrances.
General Revenue Funds	State funds appropriated to the University and which are used for operating funds.
Higher Education Assistance Funds	Special appropriations for eligible institutions of higher education to be used (HEAF) for acquisition of land, permanent improvements, construction and equipping of buildings, major repair or rehabilitation of buildings, and the

	acquisition of capital equipment, library books and library material.
Legislative Appropriation Request (LAR)	The method of submission by each state agency as a biennial budget request to the Legislative Budget Board in the year preceding the convening of the Legislature.
Legislative Budget Board (LBB)	The Texas Legislative Budget Board (LBB) is a permanent, joint committee of the Texas Legislature that develops recommendations for legislative appropriations for all agencies of state government.
Local E &G Funds	Dollars collected from students by the University, remitted to the state treasury and then reallocated to the University for expenditures on Education and General activities. Students' tuition and matriculation fees make up the largest portion of these funds.
Local Funds / Institutional Funds	Funds that belong to entities of the University that are maintained in local banks rather than the State Treasury. Some student fees, Designated Tuition, time deposits, sales and services make up the largest portion of these funds.
Maintenance and Operations	A basic expenditure category represented in the university operating budget, which details the cost of postage, telephones, travel, consumable supplies, and non-capital equipment.
Operating Budget	An expenditure plan developed by a university for each fiscal year. The plan must conform to the annual allocation/appropriation and indicate estimated expenditures for the year by expenditure category.
Project Year	A twelve-month period beginning in the first month a project cost center is established. A project year may not coincide with the university's fiscal year.
Recommended Budget	Refers to dollar amount or number of FTE positions recommended by the institution for the subsequent fiscal year.
Requested	Refers to the dollar amount or number of FTE positions sought by a college or division for use during the subsequent fiscal year.
Revenue	Financial transaction, which records new funds received by the institution.

Salaries & Benefits	A basic expenditure category represented in the university operating budget, which details funds to pay faculty and salaried employees.
Salary Rate	An individual's total annual rate of pay, excluding benefits.
Wages	A basic expenditure category represented in the university organizational budget, which details the cost of temporary employment such as Student Assistants, Graduate Assistants, Consultants, and Faculty Adjuncts.
Workflow	Order in which specific work is performed; in PeopleSoft, a background process that creates a list of administrative actions based on the user's criteria and specifies the procedure associated with each action.

V. General Appropriations Act for FY24-FY25 Biennium

UNIVERSITY OF HOUSTON - CLEAR LAKE		
	For the Years Ending	
	August 31, 2024	August 31, 2025
Method of Financing:		
General Revenue Fund	\$ 29,666,517	\$ 29,632,895
<u>General Revenue Fund - Dedicated</u>		
Estimated Board Authorized Tuition Increases Account No. 704	\$ 1,913,398	\$ 1,913,398
Estimated Other Educational and General Income Account No. 770	<u>10,606,634</u>	<u>10,644,905</u>
Subtotal, General Revenue Fund - Dedicated	\$ 12,520,032	\$ 12,558,303
License Plate Trust Fund Account No. 0802, estimated	<u>\$ 2,517</u>	<u>\$ 2,517</u>
Total, Method of Financing	<u>\$ 42,189,066</u>	<u>\$ 42,193,715</u>
Items of Appropriation:		
1. Educational and General State Support	\$ 42,189,066	\$ 42,193,715
Grand Total, UNIVERSITY OF HOUSTON - CLEAR LAKE	<u>\$ 42,189,066</u>	<u>\$ 42,193,715</u>
This bill pattern represents an estimated 27.5% of this agency's estimated total available funds for the biennium.		
Number of Full-Time-Equivalents (FTE)- Appropriated Funds	418.0	418.0
1. Informational Listing of Appropriated Funds. The appropriations made above for Educational and General State Support are subject to the special and general provisions of this Act and include the following amounts for the purposes indicated.		

A. Goal: INSTRUCTION/OPERATIONS

Provide Instructional and Operations Support.

A.1.1. Strategy: OPERATIONS SUPPORT	\$ 26,135,455	\$ 26,135,454
A.1.2. Strategy: TEACHING EXPERIENCE SUPPLEMENT	799,139	799,139
A.1.3. Strategy: STAFF GROUP INSURANCE PREMIUMS	1,609,417	1,609,417
A.1.4. Strategy: WORKERS' COMPENSATION INSURANCE	100,455	100,455

A.1.5. Strategy: TEXAS PUBLIC EDUCATION GRANTS	<u>1,337,732</u>	<u>1,342,382</u>
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Total, Goal A: INSTRUCTION/OPERATIONS	\$ 29,982,198	\$ 29,986,847
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B. Goal: INFRASTRUCTURE SUPPORT

Provide Infrastructure Support.

B.1.1. Strategy: E&G SPACE SUPPORT Educational and General Space Support.	\$ 3,176,125	\$ 3,176,125
B.1.2. Strategy: SMALL INSTITUTION SUPPLEMENT	<u>378,645</u>	<u>378,645</u>

Total, Goal B: INFRASTRUCTURE SUPPORT	\$ 3,554,770	\$ 3,554,770
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C. Goal: NON-FORMULA SUPPORT

Provide Non-formula Support.

C.1. Objective: INSTRUCTIONAL SUPPORT		
C.1.1. Strategy: EXPANSION FUNDING	\$ 2,725,000	\$ 2,725,000

C.2. Objective: RESEARCH		
C.2.1. Strategy: HIGH TECHNOLOGIES LABORATORY	\$ 29,066	\$ 29,066
C.2.2. Strategy: ENVIRONMENTAL STUDIES PARTNERSHIP	209,930	209,930

Houston Partnership for Environmental Studies.

C.2.3. Strategy: CENTER FOR AUTISM Center for Autism and Developmental Disabilities.	200,000	200,000
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C.3. Objective: INSTITUTIONAL SUPPORT		
C.3.1. Strategy: INSTITUTIONAL ENHANCEMENT	\$ 4,790,463	\$ 4,790,463
C.3.2. Strategy: SUCCESS THROUGH EDUCATION (STEP)	<u>500,000</u>	<u>500,000</u>

Success Through Education Program.

Total, Goal C: NON-FORMULA SUPPORT	\$ 8,454,459	\$ 8,454,459
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D. Goal: RESEARCH FUNDS

D.1.1. Strategy: COMPREHENSIVE RESEARCH FUND	<u>\$ 197,639</u>	<u>\$ 197,639</u>
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Grand Total, UNIVERSITY OF HOUSTON - CLEAR LAKE	<u>\$ 42,189,066</u>	<u>\$ 42,193,715</u>
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Object-of-Expense Informational Listing:

Salaries and Wages	\$ 10,853,953	\$ 10,177,013
Other Personnel Costs	1,965,944	2,046,847
Faculty Salaries (Higher Education Only)	17,410,861	18,735,827
Professional Fees and Services	141,723	237,468
Consumable Supplies	22,612	0
Utilities	537,716	388,738
Rent - Machine and Other	3,173	0
Other Operating Expense	9,759,125	9,265,440
Client Services	1,812	0
Grants	1,337,732	1,342,382
Capital Expenditures	<u>154,415</u>	<u>0</u>

Total, Object-of-Expense Informational Listing

\$ 42,189,066 \$ 42,193,715


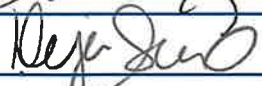


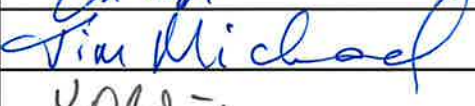
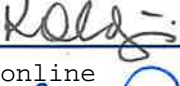
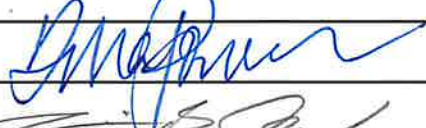



Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act:Employee Benefits

Retirement	\$ 3,107,958	\$ 3,183,140
Group Insurance	3,845,243	3,845,243
Social Security	<u>3,078,386</u>	<u>3,176,894</u>

Total, Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act

\$ 10,031,587 \$ 10,205,277




Planning and Budget Committee Attendance Sheet
FY2024
March 21, 2024

MEMBER	SEAT	ABSENT/PRESENT
Nick Kelling	<i>Chair</i>	
Deja Sero	Vice-Chair	
<i>Jamie Hester</i>	<i>PBC Administrative Support</i>	
Megan Bearden	USA	online
Abigale Chavez	SGA	online
Mark Denney	VP Administration & Finance	online
LeeBrian Gaskins	AVP Information Technology	online
Lorie Jacobs	Faculty 3 (<i>-serving until 2025</i>)	online
Nick Kelling	Faculty 4 (<i>-serving until 2025</i>)	
Chris Maynard	Academic Affairs/Provost	
Tim Michael	Faculty 5 (<i>-serving until 2024</i>)	
Kim Oldigs	USA	
Juan Olguin	Office of the President	online
Tina Powellson	•VP Student Affairs	
Miriam Qumsieh	Office of Institutional Research	
Larry Rohde	Faculty 1 (<i>-serving until 2024</i>)	
Glenn Sanford	College Dean	
Pamelyn Shefman	Planning & Assessment	
Omah Williams-Duncan	Faculty 2 (<i>-serving until 2024</i>)	
Michael Wu	Faculty 6 (<i>-serving until 2024</i>)	online

Planning and Budget Committee Attendance Sheet

FY2024

March 21, 2024

ALTERNATES	ALTERNATE SEAT	ABSENT/PRESENT
Gloria Boza		
Krista Buckminster		online
Vicky Gu		online
Preeti Jain		online
Kurt Lund		(13)
Kathryn Matthew		
Cindy Saltzman		✓ cas
Sheeba Thomas		✓ cas
Ed Waller		
Andrew Wiemer		
NON-VOTING GUEST	DEPARTMENT	ABSENT/PRESENT
Matthew Aschenbrener	Strategic Enrollment Management	
Lea Black	Strategic Enrollment Management	
Sherry Hawn	Administration & Finance	online
Yolanda Nimmer-Williams	Office of the President/Compliance	online
Tim Richardson	Student Success Initiatives	
Joe Staley	Vice President University Advancement	online
Carmen Conley	Planning & Assessment	
Martin Baylor	Interim VP Administration & Finance	
John L. Rodriguez	Dir. IT Infrastructure	

Online Guests: Stephen Cotten, Stacy Zellner, Ivelina Pavlova-Stout, Elby Antony,