

# AGENDA

## Planning & Budget Committee (PBC)

February 27th, 2025

1. **Call to order**
2. **New Business/Announcements**
3. **Informational Items**
  - a. FY26 Budget Status and Updates  
Presented by: Interim VP Marty Baylor  
Topics:
    - i. Voluntary Separation Incentive Program (VSIP)
    - ii. Budget Targets
      1. Details for each Target
    - iii. Process & Timeline
      1. VSIP
      2. Vacant Positions
      3. Other Budget Adjustments
      4. Reduction In Force

### Questions/Comments:

1. Presentation available on the teams site and can be shared.
2. What is the plan for the \$1M marketing investment? This is still being worked out. Once a plan is complete it will be presented to PBC. For transparency, outcomes and ROI will be reported.
3. Verification of across the division cuts: Each division has received cut targets based on their share of ENG. VP must decide whether to use across the board cuts or strategic reductions. Leadership has emphasized transparency, patience, and strategic focus rather than rushed decisions.
4. Will funding items that could be considered either auxiliary or E&G be re-evaluated? This is currently being looked at.

5. A re-evaluation of administrative spending is being included in this process.
6. Final decisions are expected May or June. It will be determined later what can be shared during the April meeting.

*\*Note: Until further notice PBC meetings will be held in person only*

University of Houston  Clear Lake

# FY26 Budget Planning & Next Steps

February 27, 2025

Interim Vice President Marty Baylor

Administration and Finance



SUMMARY OF PROPOSED FY26 BUDGET REDUCTIONS

Reduction Targets	SUM OF 10%
Budgets Reduced/Revised:	9,975,042.00
Budgeted Fund Balance	(9,100,000.00)
Additional Reduction	-
I&O Reduction	(2,500,000.00)
Institutional Enhancement	(4,750,000.00)
Budget Reductions	(16,350,000.00)
Budgets Increases:	
Utilities	2,000,000.00
Compensation Study:	
Year 2	
Faculty	427,912.50
Staff	1,183,506.00
Year 3	
Faculty	-
Staff	-
Marketing Investment	1,100,000.00
Reserve for Initiatives & Priorities	500,000.00
Budget Increases	5,211,418.50
Balance	(11,138,581.50)

SUMMARY OF PROPOSED FY26 BUDGET REDUCTIONS

SUM OF 13%

Reduction Targets	12,967,555.00
Budgets Reduced/Revised:	
Budgeted Fund Balance	(9,100,000.00)
Additional Reduction	-
I&O Reduction	(2,500,000.00)
Institutional Enhancement	(4,750,000.00)
Budget Reductions	(16,350,000.00)
Budgets Increases:	
Utilities	2,000,000.00
Compensation Study:	
Year 2	
Faculty	427,912.50
Staff	1,183,506.00
Year 3	
Faculty	-
Staff	-
Marketing Investment	1,100,000.00
Reserve for Initiatives & Priorities	500,000.00
Budget Increases	5,211,418.50
Balance	(11,138,581.50)

SUMMARY OF PROPOSED FY26 BUDGET REDUCTIONS

Reduction Targets	SUM OF 16%
Budgets Reduced/Revised:	15,960,068.00
Budgeted Fund Balance	(9,100,000.00)
Additional Reduction	-
I&O Reduction	(2,500,000.00)
Institutional Enhancement	(4,750,000.00)
Budget Reductions	(16,350,000.00)
Budgets Increases:	
Utilities	2,000,000.00
Compensation Study:	
Year 2	
Faculty	427,912.50
Staff	1,183,506.00
Year 3	
Faculty	-
Staff	-
Marketing Investment	1,100,000.00
Reserve for Initiatives & Priorities	500,000.00
Budget Increases	5,211,418.50
Balance	(11,138,581.50)

SUMMARY OF PROPOSED FY26 BUDGET REDUCTIONS

Reduction Targets	SUM OF 20%
Budgets Reduced/Revised:	19,950,085.00
Budgeted Fund Balance	(9,100,000.00)
Additional Reduction	(3,600,085.00)
I&O Reduction	(2,500,000.00)
Institutional Enhancement	(4,750,000.00)
Budget Reductions	(19,950,085.00)
Budgets Increases:	
Utilities	2,000,000.00
Compensation Study:	
Year 2	
Faculty	427,912.50
Staff	1,183,506.00
Year 3	
Faculty	-
Staff	-
Marketing Investment	1,100,000.00
Reserve for Initiatives & Priorities	500,000.00
Budget Increases	5,211,418.50
Balance	(14,738,666.50)



	<u>SUM OF 10%</u>	<u>SUM OF 13%</u>	<u>SUM OF 16%</u>	<u>SUM OF 20%</u>
Reduction Targets	9,975,042.00	12,967,555.00	15,960,068.00	19,950,085.00
Budgets Reduced/Revised:				
Budgeted Fund Balance	(9,100,000.00)	(9,100,000.00)	(9,100,000.00)	(9,100,000.00)
Additional Reduction	-	-	-	(3,600,085.00)
I&O Reduction	(2,500,000.00)	(2,500,000.00)	(2,500,000.00)	(2,500,000.00)
Institutional Enhancement	(4,750,000.00)	(4,750,000.00)	(4,750,000.00)	(4,750,000.00)
Budget Reductions	<u>(16,350,000.00)</u>	<u>(16,350,000.00)</u>	<u>(16,350,000.00)</u>	<u>(19,950,085.00)</u>
Budgets Increases:				
Utilities	2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00
Compensation Study:				
Year 2				
Faculty	427,912.50	427,912.50	427,912.50	427,912.50
Staff	1,183,506.00	1,183,506.00	1,183,506.00	1,183,506.00
Year 3				
Faculty	-	-	-	-
Staff	-	-	-	-
Marketing Investment	1,100,000.00	1,100,000.00	1,100,000.00	1,100,000.00
Reserve for Initiatives & Priorities	500,000.00	500,000.00	500,000.00	500,000.00
Budget Increases	<u>5,211,418.50</u>	<u>5,211,418.50</u>	<u>5,211,418.50</u>	<u>5,211,418.50</u>
Balance	<u>(11,138,581.50)</u>	<u>(11,138,581.50)</u>	<u>(11,138,581.50)</u>	<u>(14,738,666.50)</u>

# Voluntary Separation Incentive Program (VSIP)

- 38 Participants
  - Final day to sign agreement is 04/04/2025 & 04/12/2025
  - Final day to revoke signature is 04/11/2025 & 04/19/2025
- 24 Staff
  - Final Day at UHCL is May 30, 2025
- 14 Faculty
  - Final Day at UHCL is May 29, 2026

# Vacant Positions

- 89 Vacant Position
- \$5,264,427.00

# Other Budget Adjustments

- Department Restructures
  - Position Realignment
  - Position Demotion
    - Current salary will be guaranteed for one year
- Program Eliminations
- Reductions In:
  - Contracts
  - M&O
  - Travel

# Reduction In Force

- Final Option – Has become a necessary component to the budget reduction process
- End of May
- 90 Day Payout
  - Regular payroll processing thru 08/31/2025
  - Insurance coverage thru 08/31/2025

A photograph of a modern university building with large glass windows and a curved section. In the foreground, there is a paved walkway and a small landscaped area with a tree. The entire image has a blue color overlay.

University of Houston  Clear Lake

Thank you!