# NOTES

## Planning & Budget Committee (PBC)

April 24th, 2025

1. ***Call to order*** (12:02 pm)

2. ***New Business/Announcements***

3. **Informational Items**

    a. Review of February Meeting
    Presented by: Interim VP Marty Baylor
    MB - FY26 PBC Presentation 4.24.25

    b. Status of current budget reduction process
    Presented by: Interim VP Marty Baylor
    See link above for this presentation
    Questions:
    What is current HEF budget?
    What is increase in HEF budget?

    c. End of the year wrap up
    Presented by: Nick Kelling
    PBC End  the Year wrap Up 4-25
    No meeting in May or in the summer.
    Dr. Walker will send out final budget information to campus.
    Thank you to Marty for his help and thank you to all committee members for their participation this year.
    SB 37 – Dr. Kelling to post link for this bill as it will impact Higher Education.

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

Planning and Budget Committee (PBC) Attendance Sheet
FY2024-FY2025
April 24, 2025

| Member | ABSENT/PRESENT | ALTERNATE/GUEST | ABSENT/PRESENT |
|---|---|---|---|
| Anne Anders | | Elbby Antony (alternate) | |
| Marty Baylor | | Lea Black (alternate) | |
| Yvette Bendeck | | DeAngel Bonilla (alternate) | |
| Rudy Espinal | | Gloria Boza (alternate) | |
| Allison Gillespie | | Tammy Brasewell | |
| Jamie Hester | | Laquala Dixon (alternate) | |
| Lorie Jacobs | | LeeBrian Gaskins | |
| Nick Kellling | | Henock Gebrehiwot | |
| Kurt Lund | | Jennifer Grace (alternate) | |
| Chris Maynard | | Lee Hilyer | |
| Dolce Perez | | Vanessa Johnson (alternate) | |
| Alfredo Perez-Davila | | Karen Neira (alternate) | Karen Neira |
| Tina Powellson | | Yolanda Nimmer-Williams | |
| Scott Sawyer | | Miriam Qumsieh | |
| Georgeann Smith | | Glenn Sanford | |
| Joe Staley | | Bianca Schonberg (alternate) | |
| Omah Williams-Duncan | | Pamelyn Shefman | |
| Holly Nolan | | Mark Stout | |
| Miriam Qumsieh | | Ed Waller | Ed Waller |
| Stacey Zellner - policy coordinator | | Andrew Wiemer (alternate) | |
| Yvette Bendeck | | (alt COB) | |
| Daniela Valenzuela | | | |

University of Houston Clear Lake

# FY26 Budget Planning & Next Steps

April 24, 2025

Interim Vice President Marty Baylor
Administration and Finance

**Summary of February presentation:**

- Proposed FY26 Budget Reduction- 4 scenarios
- Voluntary Separation Incentive Program (VSIP)
- Vacant Positions
- Other budget Adjustments
- Reduction in Force

| | SUM OF 10% | SUM OF 13% | SUM OF 16% | SUM OF 20% |
|---|---|---|---|---|
| **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 | (16,350,000.00) | (16,350,000.00) | (16,350,000.00) | (19,950,085.00) |
| | | | | |
| **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 |
| **Year3** | | | | |
| 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** | 5,211,418.50 | 5,211,418.50 | 5,211,418.50 | 5,211,418.50 |

# Summary at the 18% reduction level

| Division | Budget | Targeted Reduction | Identified Cost Reductions | Percentage of Reduction | Variance |
|---|---|---|---|---|---|
| **Admin and Finance** | 13,103,470 | 2,358,625 | 2,358,624 | 18.0% | 0 |
| **Sr VP/Provost** | 63,669,726 | 11,460,551 | 11,120,411 | 17.5% | 340,139 |
| **Strat Enroll Mgmnt*** | 6,593,459 | 1,186,823 | 807,327 | 12.2% | 379,496 |
| **Univ Advancement** | 3,759,553 | 676,720 | 754,826 | 20.1% | -78,106 |
| **Student Affairs** | 902,150 | 162,387 | 1,148,683 | 127.3% | -986,296 |
| **President** | 2,613,763 | 470,477 | 470,506 | 18.0% | -29 |
| **Grand Total** | **90,642,121** | **16,315,582** | **16,660,377** | **18.4%** | **-344,795** |

* Excludes Scholarships & Grants

# High Level VSIP Participation Summary

- Administration and Finance
  - 11 Staff Final Day at UHCL is May 30, 2025
- Academic Affairs
  - 16 Staff Final Day at UHCL is May 30, 2025
  - 11 Faculty Final Day at UHCL May 29, 2026
  - I'm I'm

# Summary of Pending Actions

- RIFs on schedule for May
- OGC is reviewing divisional plans
- House/Senate passed Higher Ed budgets
  - Conference Committee has been appointed
- No return of Institutional Enhancement
- HEF is proposed at 100% increase in House *(current allocation = $6.34M)*
- No CCAP


University of Houston Clear Lake
Thank you!

# PBC End of the Year Wrap Up

Nicholas Kelling

# Year's Accomplishments

- Travel Policy
- Dissemination of Budget Information

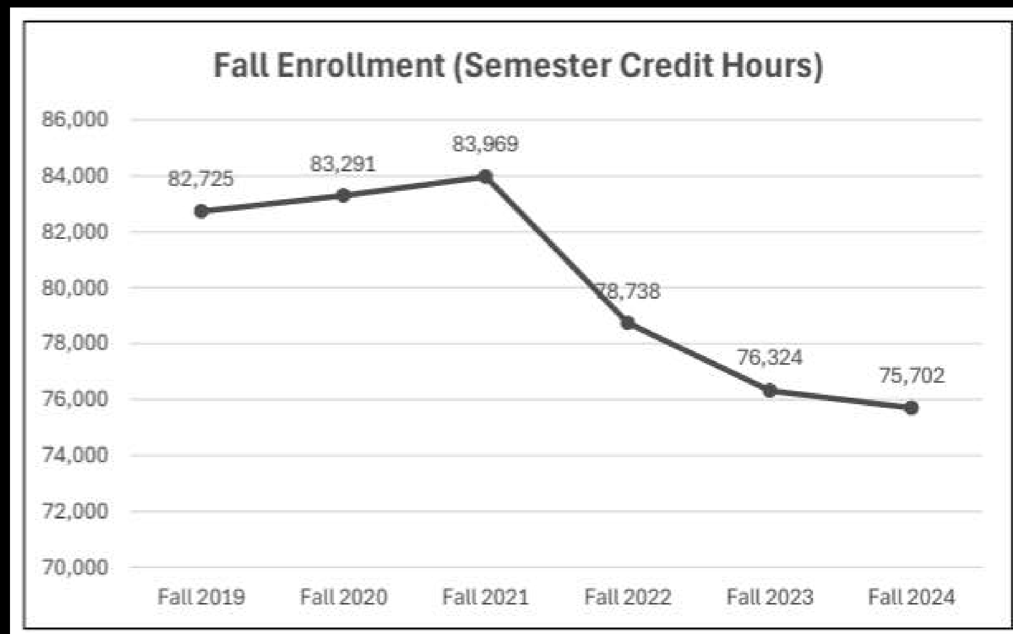
# Looking ahead

- Continuing and Potential Financial Challenges
  - FY26 Cut Impacts
  - Tuition Freeze and Enrollment
  - Expected Cost Increases
  - SB37 Potential Budget Impacts

# FY26 Cut Impacts

- Over the past two years, we have needed to reduce E&G spending by ≈25%
- Cuts of these magnitude can have a 3-5 year impact cycle before understanding their effect on revenue generation

# Tuition/Fee Freeze and Enrollment



# Expected Cost Increases

- Possible FY27 Budget Increases
  - Compensation Study – Year 3
  - Potential Inflation and Cost Increases
  - Potential $3.6 M Fund Balance Use for FY26*

    Current Budget Impact of Revenue Loss + New Costs ($21.56M) – 18% Cut ($17.96M)
  - Still the possibility of Legislative Budget Improvements

# SB37 Potential Budget Impacts

- Potential Changes to the Common Core Curriculum
  - One suggested outcome is the reduction of total common core hours

  - Direct impact on SCH generation for the university
    - 12 hour core reduction (from 42 to 30) would result in an estimated loss of 8,544 SCH* (5.6% of Estimated Fall/Spring total**)

*Back of the napkin calculations*

**[Fall 2024 Freshman (499) + ½ x Fall 2024 Sophomore (426)] x 12 credits*

***Estimated Fall/Spring total calculated = 2 x Fall 2024 SCH total*

Thank you and have a great end of the semester!