



University
of Houston
Clear Lake

AGENDA

Planning & Budgeting Committee

April 4, 2019 – Bayou Bldg. 1228
11:00 – 12:30

PBC Vice-Chair – Mark Denney

PBC Chair – Dr. Tim Michael

Time	<u>Action Item</u>	Presenter
5 min.	Approval of March 7, 2019 Minutes	Dr. Michael
	<u>Information/Discussion Items</u>	
20 min.	Finance Policies <ul style="list-style-type: none">• Finance & Accounting – Check and Cash Management• Finance & Accounting – Cell Phone Allowance• Finance & Accounting – Asset Management• Finance & Accounting – Payroll Check• Procurement and Payables – Vouchers• Procurement and Payables – Procurement	Mark Denney



Members In Attendance

Mark Denney, Michelle Giles, Nick Kelling, Tim Michael, Carol Pruitt, Leigh Ann Shelfer, Joan Pedro, Chloris Yue

Members Absent

Steven Berberich, Sarah Costello, Patricia Cuchens, Daniel Maxwell, Darius Randle, Deja Sero, Gene Shan, Laura Wilder, Paul Withey

Alternates Present

Karen Fiscus

Guest

Robert Bartsch, Lisa Gossett

Approval of Minutes

Due to lack of quorum, the approval of the March 7, 2019 was deferred until the May 2, 2019 meeting.

Information/Discussion Items

Outline of Initiative Process and timeline

VP Mark Denney reviewed with the committee the Budget Initiatives Process (see pages 3 & 4). Dr. Berberich and VP Denney will present their initiatives to the university community on April 11, 2019. As soon as the other Vice Presidents have their initiative list ready, VP Denney will share those with PBC. The initiatives list are what each vice president has submitted and prioritized within their areas (these list are not what is going to be funded). He said in early May, the Core Leadership would meet and rank the initiatives from each area. In May, after the legislature has finished we will have the full budget and know what resources we have to be able to fund some of these initiatives. He noted that the revenue growth projections are very preliminary and can change. VP Denney said that he has set aside \$1.7 million for faculty, staff and administration salary increase across the board. This was calculated by taking 2% of gross payroll and adding an additional percent for benefits, because they will increase. Another option is that you do the same level of pay raise, but do it mid-year and it cost half as much. However, people would have to wait six months to get their increase. VP Denney said that when you are doing an equity adjustment your goal is to move your bottom people up to your target. People that may already be above your target would not get an equity adjustment, because they are already at or above the target.

Legislative Update (see page 4)

VP Denney said the house and the senate have both published their proposal for funding higher education in the form of a bill, even though they are not the same and ultimately there will only be one bill.

A & F Policy Updates

- Finance & Accounting – Check and Cash Management
- Finance & Accounting – Cell Phone Allowance
- Finance & Accounting – Asset Management
- Finance & Accounting – Payroll Check
- Procurement & Payables – Vouchers
- Procurement & Payables – Procurement

VP Denny said there is no change in these policies other than putting them into the new format. Ultimately, we will review all of our policies and put them into the new format. He said that you would notice that the number says “to be determined”. Mr. Denney plans to attend the University Life and University Council meetings and propose a number system. The plan is to do this at the same time that we propose an organizational review system as to who is going to review which policies. The challenge that will come from the numbering systems is that it will replicate the numbering system at UH. There will also be a name change from CLAMS to MAPS for UHCL’s policies. Going forward we will have a standard format and a numbering system that will facilitate people being able to quickly locate what they are looking for in the policy. The goal is to have all policies, forms and backup documentation in one place. Dr. Gossett said that the policy template has not officially gone through the Shared Governance process, although it has been generally discussed. They are trying to finalize a policy coordinator position, because that person should be involved in this process.

At the conclusion of this meeting, the committee agreed to have a brief initiative presentation from each of the vice presidents and possibly have an additional meeting in May.

Next Meeting

May 2, 2019 | 11:00 a.m., Bayou 1228

With no further business to discuss, this meeting was adjourned.

Overview

• Steps:

1. Each Division collects and ranks their initiatives March
2. Each Division will give a presentation to their own Divisions (public) April
 - All 3 VP Lists will be shared with PBC
3. Core Leadership meets to collectively rank and certify consolidated list May
4. DRAFT Budget W/ 3% Reduction, but W/O any initiatives May
 - a) That creates the “Pool”
5. The Pool is then allocated to top initiatives until we stop at a balanced/sustainable budget May
 - Campus Wide Presentation

	Draft Base	3% Reduction	Adj Base	Adj Base + Init
Revenue				
State Appropriations	41,813,700		1,813,700	
Net Tuition	61,759,095		1,759,095	
Misc. Other	2,520,123		,520,123	
Total Revenue	106,092,918	-	06,092,918	-
Expenditures				
Labor				
Faculty	32,461,845	(362,453)	32,099,392	
Admin	20,341,927	(265,349)	20,076,577	
Classified	7,722,711	(178,729)	7,543,982	
Student	770,129		770,129	
Benefits	20,516,471	(241,959)	20,274,512	
Total Labor	81,813,083	(1,048,490)	80,764,593	-
M&O				
Supplies	3,214,930	(60,756)	3,154,175	
Services	6,472,847	(133,604)	6,339,184	
Utilities	11,059,721	(243,721)	10,816,698	
Maintenance	5,429,861	(121,512)	5,308,349	
Travel	1,507,465	(50,378)	1,477,087	
Capital	814,479	(18,227)	796,252	
Total M&O	28,499,303	(607,558)	27,891,745	-
Total Expenditures	110,312,386	(1,656,048)	108,656,338	-
Net of Operations	(4,219,468)	1,656,048	(2,563,420)	-
Net Transfers	(5,168,294)		(1,468,294)	
Change in Fund Bal	(9,387,762)		(4,031,714)	
Beginning Balance	9,972,000		9,972,000	
Ending Balance	4,284,238		5,940,286	
EFB % of Revenue	4.0%		5.6%	

Funded Initiatives:

- 1.
- 2.
- 3.
- 4.
- 5.
- Etc.

Current picture of State Funding

- Formula Funding
 - Senate increases rate but discounts for Online courses
 - House increases rate
- Non-Formula Funding
 - Senate Wants to cut UHCL's downward expansion by 50%
 - House is leaving all Non-Formula Funding intact
- \$2.8 Million (per Biennium) gap: Senate/House for UHCL
 - Senate: \$2 Million increase (per Biennium)
 - House: \$4.8 Million increase (per Biennium)

Perspective:

Revenue Growth projections

+ \$1.0 M	– State Appropriations
+ 5.6 M	– Designated Tuition (rate X growth)
+ <u>1.3 M</u>	– Statutory Tuition (Out-of-State increase)
\$7.9 M	

Budget Challenges

- \$5.9 M	– Original structural deficit
+ <u>1.7 M</u>	– 3% Cut
\$4.2 M	– Remaining structural deficit
\$3.7 M	– to invest: Reserves, Pay, + ~ \$6M in initiatives