



University  
of Houston  
Clear Lake

**FINANCIAL STATE  
OF THE UNIVERSITY**

*Vice President Mark Denney  
February 15, 2022*

# *Objective to today's presentation*

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- Financial outlook for UHCL
- Basis of that outlook
- Prioritization as we move forward

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# *Financial Outlook for UHCL*

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- Informed by the Financial Pro Forma
- Overall: Strong Foundation
  - Projecting continued enrollment growth
  - Financial stability
  - Strong reserves
  - Still requires focus and commitment

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**Basis for that positive outlook**

***UHGCL***

# *Financial Outlook*

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- Operational Trends
  - Enrollment History
  - Improved Budgeting
  - Forecasting forward
- Results:
  - Strong Fund Balance
  - Ability to Invest in our key assets

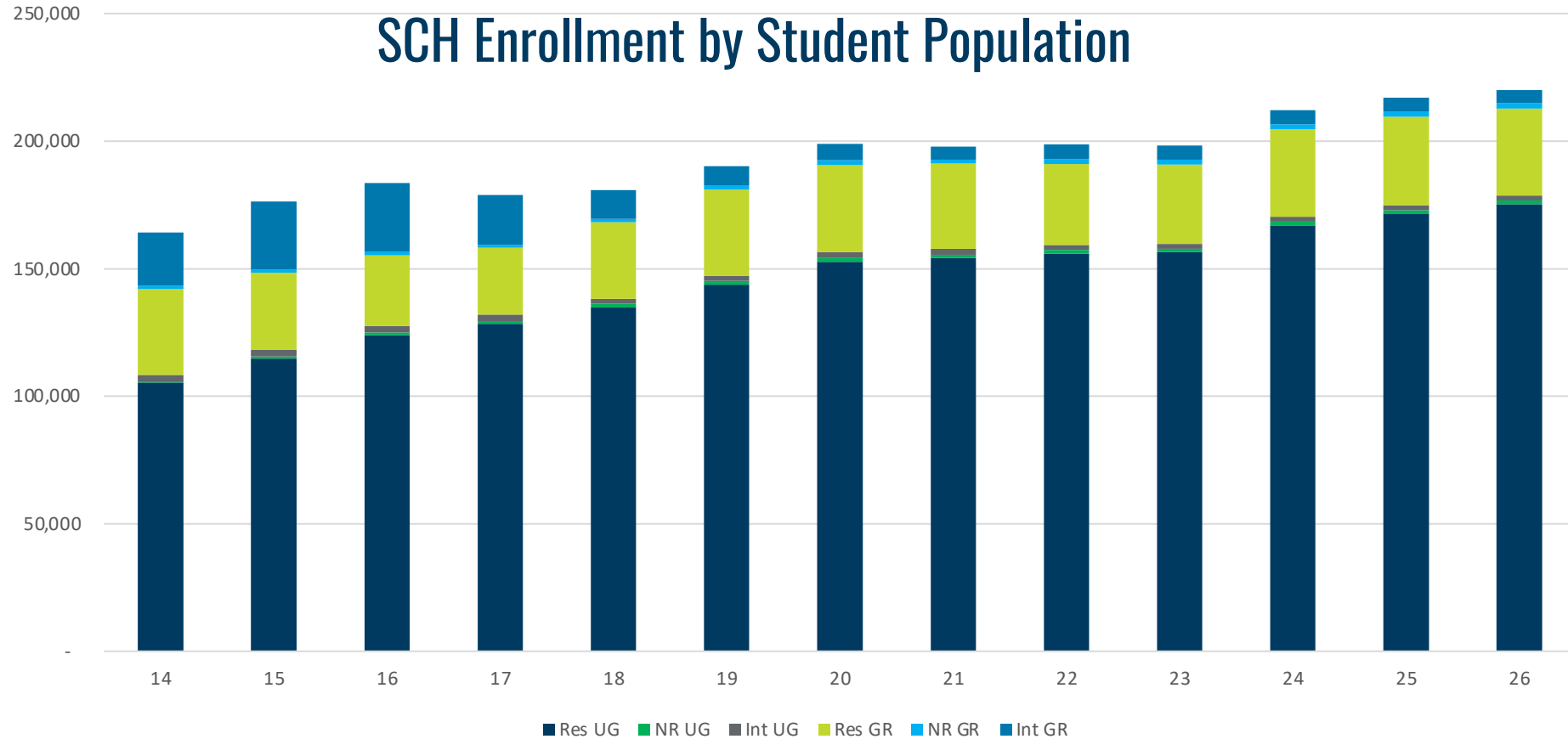
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# *Financial Outlook*

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# Enrollment History and Projection



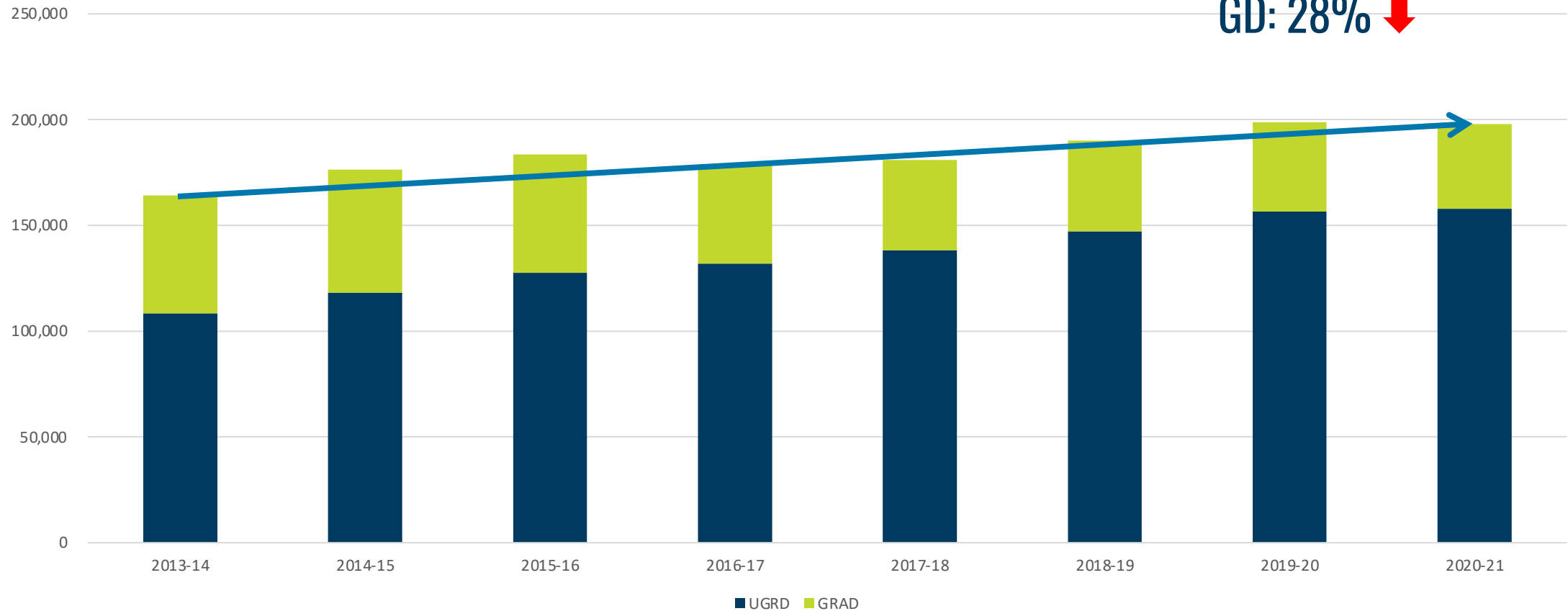
# Understanding the Growth

20.6% total growth  
over 8 years

UG: 45% 

GD: 28% 

## Total Semester Credit Hours Delivered





# Financial Outlook

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# If you don't have the detail.....how can you understand it?

	FY 2017-18		FY 2018-19		FY 2019-20		FY 2020-21	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Expenditures Labor								
Faculty								
Tenure Track Faculty				53,034	23,041,041	20,758,469	23,170,152	21,066,590
Non-Tenure Track					2,686,265	2,677,770	2,691,543	2,744,199
Summer Instr				59,467	1,707,883	3,206,739	1,707,883	3,024,871
Adjunct Faculty					1,125,586	2,160,295	1,120,308	2,391,886
Graduate Assistants					695,090	1,065,411	630,090	1,092,023
Total Faculty	-	-	-	112,501	29,255,865	29,868,684	29,319,976	30,319,569
Staff								
Exempt Staff				12,900	20,705,693	19,662,690	21,597,957	20,961,664
Non-Exempt				2,107	8,961,913	7,588,672	9,446,694	7,569,284
Salary & Wages	60,132,172	58,642,901	57,748,671	56,209,361	954,246	1,096,624	451,651	1,029,180
Total Staff	60,132,172	58,642,901	57,748,671	56,224,368	30,621,852	28,347,986	31,496,302	29,560,128
Student Employees				786	1,104,813	864,196	1,303,194	946,362
Benefits	17,859,194	18,011,644	17,021,852	15,899,806	18,156,522	17,405,895	16,440,951	17,630,350
Total Labor	77,991,366	76,654,545	74,770,523	72,237,461	79,139,052	76,486,761	78,560,423	78,456,409

Without detailed budgeting and tracking →

# Financial Outlook

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- Operational Trends
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  - **Forecasting forward**
- Results:
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# Financial Pro Forma

		FY 2017-18		FY 2018-19		FY 2019-20		FY 2020-21		FY 2021-22			FY 2022-23	FY 2023-24	FY 2024-25	
		Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Orig Forecast	Budget	Projection	Projection	Projection	Projection	
Revenue	State Support															
	Total State	40,230,512	42,015,849	39,928,291	41,415,902	43,027,915	44,701,734	41,261,134	43,353,163	46,593,474	45,390,285	46,963,641	45,390,285	45,390,285	45,390,285	
	Tuition															
	Total Tuition	56,811,414	51,796,176	55,807,605	55,091,808	56,983,467	59,236,014	59,129,009	58,224,665	60,106,874	61,035,932	60,425,573	64,649,531	69,741,610	71,999,360	
	Fees															
	Fees	4,460,101	4,429,073	4,602,039	4,742,361	4,695,000	4,954,149	4,739,441	5,186,131	4,975,790	4,926,032	4,966,060	4,966,060	5,311,380	5,433,922	
	Information Resource	4,100,350	4,286,941	4,276,858	4,512,591	4,453,822	4,696,624	4,453,822	5,057,684	5,238,542	5,186,157	5,228,299	5,228,299	5,591,853	5,720,866	
	Total Fees	8,560,451	8,716,014	8,878,897	9,254,952	9,148,822	9,650,773	9,193,263	10,243,815	9,544,119	10,214,332	10,112,189	10,194,359	10,903,232	11,154,788	
	Other Income															
	Total Other	3,248,469	3,174,287	3,280,935	5,000,520	4,310,751	5,437,132	4,841,620	4,782,169	3,087,027	3,421,850	3,524,627	3,064,829	3,064,829	3,064,829	
	<b>Total Revenue</b>	<b>108,850,846</b>	<b>105,702,326</b>	<b>107,895,728</b>	<b>110,763,182</b>	<b>113,470,955</b>	<b>119,025,653</b>	<b>114,425,026</b>	<b>116,603,812</b>	<b>119,331,494</b>	<b>120,062,399</b>	<b>121,026,029</b>	<b>123,299,004</b>	<b>129,099,956</b>	<b>131,609,263</b>	
Expenditures	Labor															
	Faculty															
	Tenure Track Faculty				53,034	23,041,041	20,758,469	23,170,152	21,066,590	23,865,257	24,077,025	22,985,687	25,280,876	26,039,303	26,820,482	
	Non-Tenure Track					2,686,265	2,677,770	2,691,543	2,744,199	2,772,289	3,254,682	3,318,355	3,417,416	3,519,939	3,625,537	
	Summer Instr				59,467	1,707,883	3,206,739	1,707,883	3,024,871	1,759,119	1,707,883	3,024,871	1,793,277	1,847,075	1,902,488	
	Adjunct Faculty					1,125,586	2,160,295	1,120,308	2,391,886	1,153,917	1,120,308	2,391,886	1,176,323	1,211,613	1,247,961	
	Graduate Assistants					695,090	1,065,411	630,090	1,092,023	645,842	946,474	1,640,355	993,798	1,023,612	1,054,320	
	Total Faculty	-	-	-	112,501	29,255,865	29,868,684	29,319,976	30,319,569	30,196,424	31,106,372	33,361,154	32,661,691	33,641,541	34,650,788	
	Staff															
	Exempt Staff				12,900	20,705,693	19,662,690	21,597,957	20,961,664	22,305,303	23,670,199	22,972,856	24,853,709	25,599,320	26,367,300	
	Non-Exempt				2,107	8,961,913	7,588,672	9,446,694	7,569,284	9,723,117	9,197,805	7,369,859	9,657,695	9,947,426	10,245,849	
	Salary & Wages	60,132,172	58,642,901	57,748,671	56,209,361	954,246	1,096,624	451,651	1,029,180	462,784	634,566	1,445,990	666,294	686,283	706,872	
	Total Staff	60,132,172	58,642,901	57,748,671	56,224,368	30,621,852	28,347,986	31,496,302	29,560,128	32,491,204	33,502,570	31,788,704	35,177,699	36,233,029	37,320,020	
	Student Employees				786	1,104,813	864,196	1,303,194	946,362	1,335,774	1,823,317	1,324,068	1,914,483	1,971,917	2,031,075	
	Benefits	17,859,194	18,011,644	17,021,852	15,899,806	18,156,522	17,405,895	16,440,951	17,630,350	17,854,171	16,411,419	16,421,712	17,231,990	17,748,950	18,281,418	
	Total Labor	77,991,366	76,654,545	74,770,523	72,237,461	79,139,052	76,486,761	78,560,423	78,456,409	81,877,573	82,843,678	82,895,639	86,985,862	89,595,438	92,283,301	
	M&O															
	Maint & Operations	23,398,950	21,143,115	24,822,983	22,485,302	26,325,771	21,882,191	26,424,383	29,186,112	31,833,861	29,066,839	32,104,743	33,709,980	34,721,279	35,762,918	
	Travel and Business Exp			-	17,430	2,224,401	1,631,762	446,006	31,750	34,436	510,479	510,479	525,793	1,631,762	1,631,762	
	Utilities	2,299,401	1,448,607	2,524,401	1,678,126	-	2,734	2,854,755	1,763,612	913,581	2,024,401	1,250,635	2,085,133	1,887,133	1,887,133	
Capital Outlay	3,199,303	2,781,636	3,079,759	2,466,603	3,102,499	2,488,531	2,837,912	2,674,991	3,067,769	2,942,889	2,773,941	3,031,176	3,031,176	3,031,176		
Debt Service	1,472,826	2,288,057	2,309,062	2,264,866	2,310,232	2,243,053	2,308,113	2,227,064	2,308,113	2,308,113	2,227,064	2,227,064	2,227,064	2,227,064		
Misc Other	489,000	199,599	389,000	307,890	369,000	283,763	369,000	207,647	369,000	369,000	207,647	380,070	380,070	380,070		
Total M&O	30,859,480	27,861,014	33,125,205	29,220,217	34,331,903	28,532,034	35,240,169	36,091,176	35,849,647	37,221,721	39,074,510	41,959,216	43,878,484	44,920,122		
	<b>Total Expenditures</b>	<b>108,850,846</b>	<b>104,515,559</b>	<b>107,895,728</b>	<b>101,457,678</b>	<b>113,470,955</b>	<b>105,018,795</b>	<b>113,800,592</b>	<b>114,547,585</b>	<b>117,727,220</b>	<b>120,065,399</b>	<b>121,970,148</b>	<b>128,945,078</b>	<b>133,473,922</b>	<b>137,203,423</b>	
	<b>Net of Operations</b>	<b>-</b>	<b>1,186,767</b>	<b>-</b>	<b>9,305,504</b>	<b>-</b>	<b>14,006,858</b>	<b>624,434</b>	<b>2,056,227</b>	<b>1,604,274</b>	<b>(3,000)</b>	<b>(944,119)</b>	<b>(5,646,074)</b>	<b>(4,373,965)</b>	<b>(5,594,161)</b>	

# Financial Outlook

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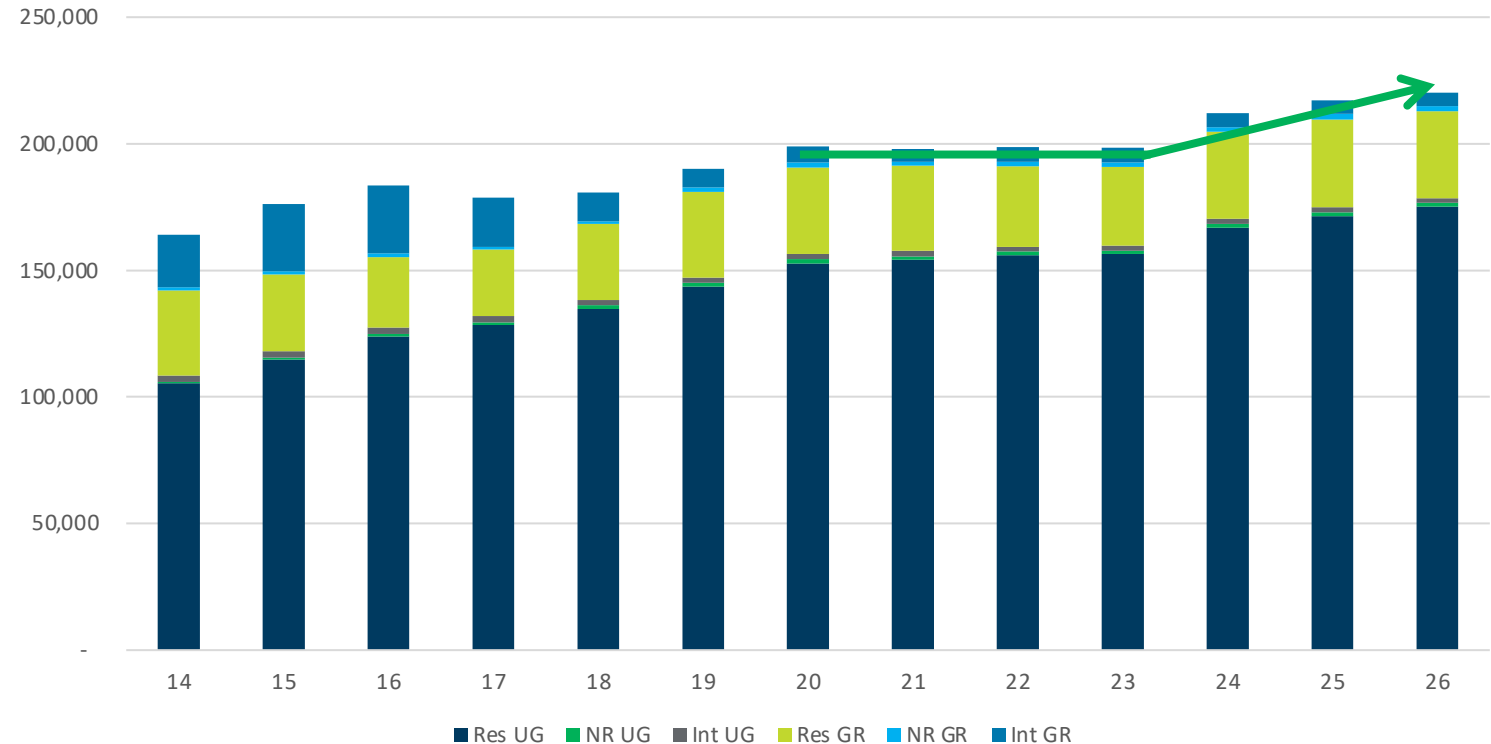
- Operational Trends
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    - Assumptions of the Pro Forma
- Results:
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# Assumptions of the Pro Forma

- Conservative Revenue
  - Enrollment driven
  - Too early to project growth in Fiscal Year 2023
  - But we do project to return to prior growth trends

## SCH Enrollment by Student Population



# Assumptions of the Pro Forma

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- Expenditures
  - Labor:
    - FY2023: 5% increase
    - FY2024 Forward: 3% increase
  - Maintenance & Operations:
    - Varies by Type
    - Based on logical assumptions
    - Impacted by Pandemic and other Operational changes



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# ***Fund Balances – reasons why they are critical***

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- **Four primary reasons:**
  - **Restricted – you cannot use outside of why you have the funds**
  - **Avoid interruptions when relative minor events occur**
  - **Give Institutions time to adapt when major changes occur**
  - **Capacity to invest when opportunities arise**

# *Some Examples of UHCL Reserves*

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- **Committed - Avoid interruptions when relative minor events occur**
  - Equipment/Vehicle Replacement pools
  - Extreme weather operations contingency
  - Asbestos/Mold abatement
- **Give Institutions time to adapt when major changes occur**
  - 10% Operational Reserves
- **Capacity to invest when opportunities arise**
  - CCAP Institutional Support
  - Energy Savings Performance Initiative
  - TMC Relocation



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# *Investment in key assets:*

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- Investment in our Campus
  - Commitment to our Shared Governance Processes
  - Classroom Upgrade program
  - Creating welcoming campus
  - Preventative maintenance vs. reactionary maintenance
  - Campus Construction Assistance Program - CCAP
- Investment in our Employees
  - Transparent Hiring Processes
  - Job Architecture and Improved CUPA data Initiatives
  - Annual pay increases
  - Market Based salary goals
- Driven by the Strategic Plan



# Connection to the Strategic Plan

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- Strategic Plan Drives Budget Initiatives



- Tier I Objective Owners will review Division and College Budget Initiatives

- Consistent with Shared Governance



- Objective Owners review will be provided to PBC

# ***Additional Information Available on the Web***

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- Copy of today's Presentation
  - [www.uhcl.edu/administration-and-finance-division/reports](http://www.uhcl.edu/administration-and-finance-division/reports)
- FY2021 Annual Financial Report (AFR)
  - [uh.edu/finance/StateReport/AFR/UHS\\_AFR\\_FY2021\\_Austin.pdf](http://uh.edu/finance/StateReport/AFR/UHS_AFR_FY2021_Austin.pdf)
  - Page 81
- FY2022 Approved UHCL Budget Documents
  - [www.uhcl.edu/about/administrative-offices/budget/documents/fy22-annual-plan-and-budget-final.pdf](http://www.uhcl.edu/about/administrative-offices/budget/documents/fy22-annual-plan-and-budget-final.pdf)
- Recast of UHCL Administrative Charge
  - [www.uhcl.edu/administration-and-finance-division/reports](http://www.uhcl.edu/administration-and-finance-division/reports)
- Detail of UHCL Education and General Financial Pro Forma
  - [www.uhcl.edu/administration-and-finance-division/reports](http://www.uhcl.edu/administration-and-finance-division/reports)



# ***In Conclusion***

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- Strong Financial Position
- Positive forecast is not wishful thinking
- Despite forecast – we must maintain focus on the strategic plan and performance metrics
- Look for continued investment – with expected returns

***Thank you for your participation!***

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Questions can be sent to: [Denney@uhcl.edu](mailto:Denney@uhcl.edu)

Subject: [FY2022 Financial State of the University](#)

A consolidated list of all submitted questions and the response will be distributed through Shared Governance and posted.

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