

University of Houston Budget Office

Biennial Appropriations Process
and
Annual Budget Process

Business Management Institute
January 14, 2005

Outline

State Appropriations
Formula Funding
Non-Formula Funding
HEAF Funding

Tuition and Fees

Fund Groups (Ledgers)

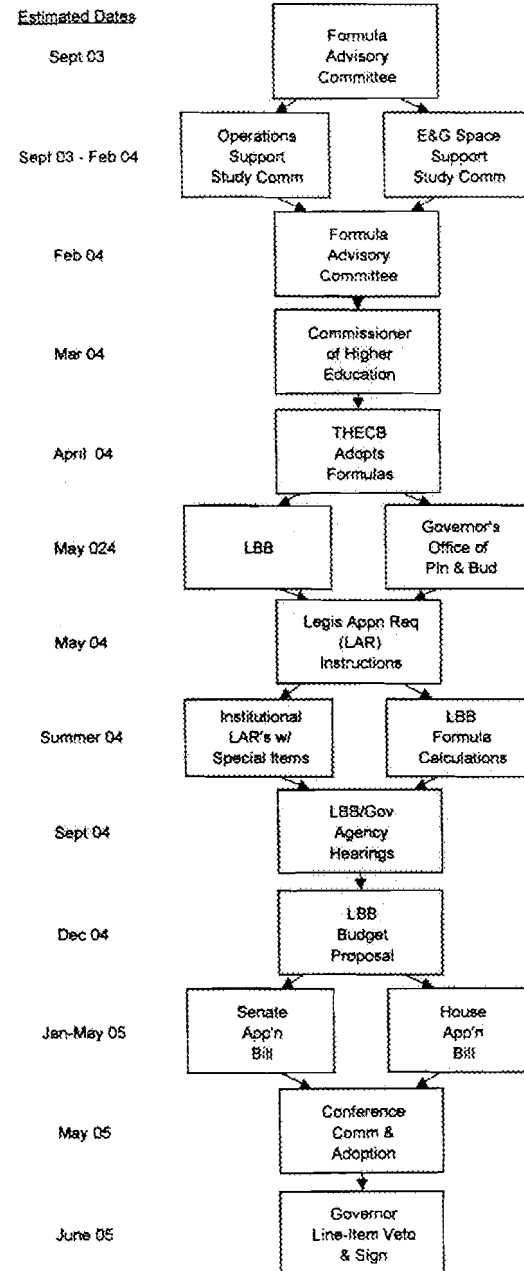
Annual Budget Process

FY2005 Budget Summary

Texas Formula Funding - History and Facts

- Texas is a pioneer in the development of college and university formula funding
- Texas Commission on Higher Education created in 1955 with a mandate to establish formulas
- In 1959 the legislature first used formulas in the funding of FY1960 and FY1961
- In 1965 the Texas Higher Education Coordinating Board (THECB) created with expanded authority
- Number of Formulas in use
 - 1960: 5
 - 1968: 7
 - 1979: 11
 - 1982: 13
 - 1995: 15
 - 1997: 14
 - 1998: 4
- Nearly 40 institutional representatives are involved in the formula development and review process
- 60% of funds appropriated to general academic institutions flow through the funding formulas
- In April 2002, THECB proposed formulas to the legislature for FY2004 and FY2005
- In April 2004, THECB proposed formulas to the legislature for FY2006 and FY2007
 - In making formula recommendations, THECB considers the following:
 - The formulas should indicate funding needed to provide a first-class higher education system
 - The formula should provide an equitable distribution of available funds among institutions
 - Per-student funding should increase to the national average then to the average of the ten most populous states
 - The formula system is not designed for use as an institution's internal operating budget

**Review, Modification, and Funding of Higher Education Formulas
Funding for FY2006 and FY2007**



**Elements of Formula Funding
FY2004-05 Biennium**

1. Instruction and Operations Formula (80% of total formula)

(Funding for Faculty Salaries, DOE, Instructional Administration, Library, Research Enhancement, Student Services, Institutional Support)

Funding equals semester credit hours times 51.25 times rate below:

	<u>Lower Division</u>	<u>Upper Division</u>	<u>Masters</u>	<u>Doctoral</u>	<u>Special Professional</u>
Liberal Arts	1.00	1.96	3.94	12.04	
Science	1.53	3.00	7.17	19.29	
Fine Arts	1.85	3.11	6.51	17.47	
Teacher Ed	1.28	1.96	3.23	9.95	
Agriculture	2.05	2.54	6.64	16.37	
Engineering	3.01	3.46	8.20	21.40	
Home Economics	1.58	2.12	4.34	10.79	
Law					3.22
Social Services	1.64	1.84	5.80	11.92	
Library Science	1.45	1.52	4.22	12.26	
Vocational Training	1.45	2.59			
Physical Training	1.36	1.36			
Health Services	2.87	3.46	6.47	15.98	
Pharmacy	4.00	4.64	9.00	19.11	9.00
Business Admin.	1.41	1.59	4.59	13.91	
Optometry			5.46	19.12	7.00
Teacher Ed Practice	2.43	2.57			
Technology	1.99	2.56	6.61		
Nursing	4.91	5.32	6.49	16.32	
Developmental Ed	1.00				

2. Teaching Experience Supplement (about 3 % of total formula)

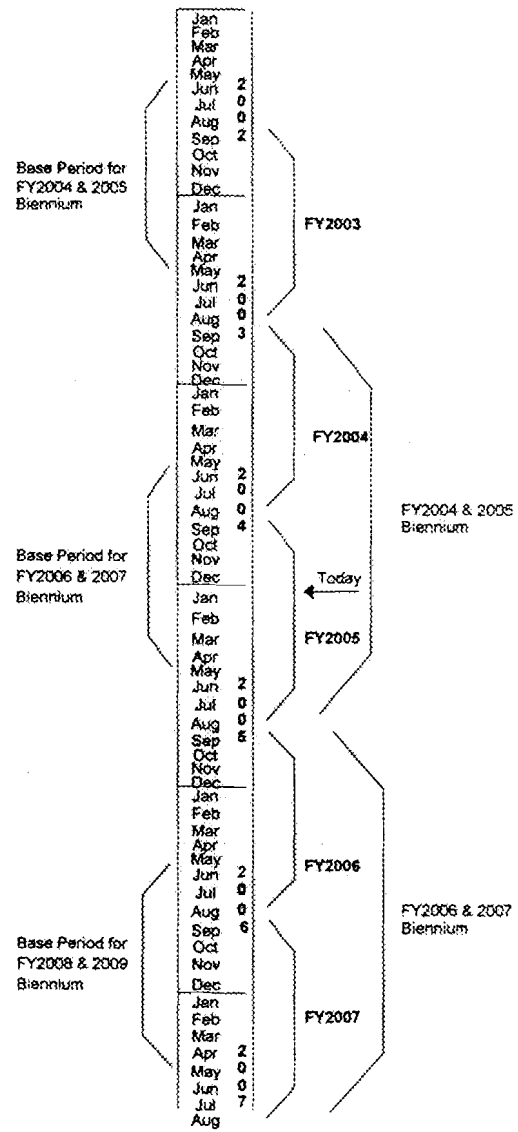
Funding equals five percent of funds generated above from undergraduate hours taught by tenured or tenure track faculty.

3. E&G Space Support (about 17% of total formula)

(Funding for Physical Plant and Utilities)

Funding equals the Coordinating Board's space standard in E&G square feet times \$5.95/square foot

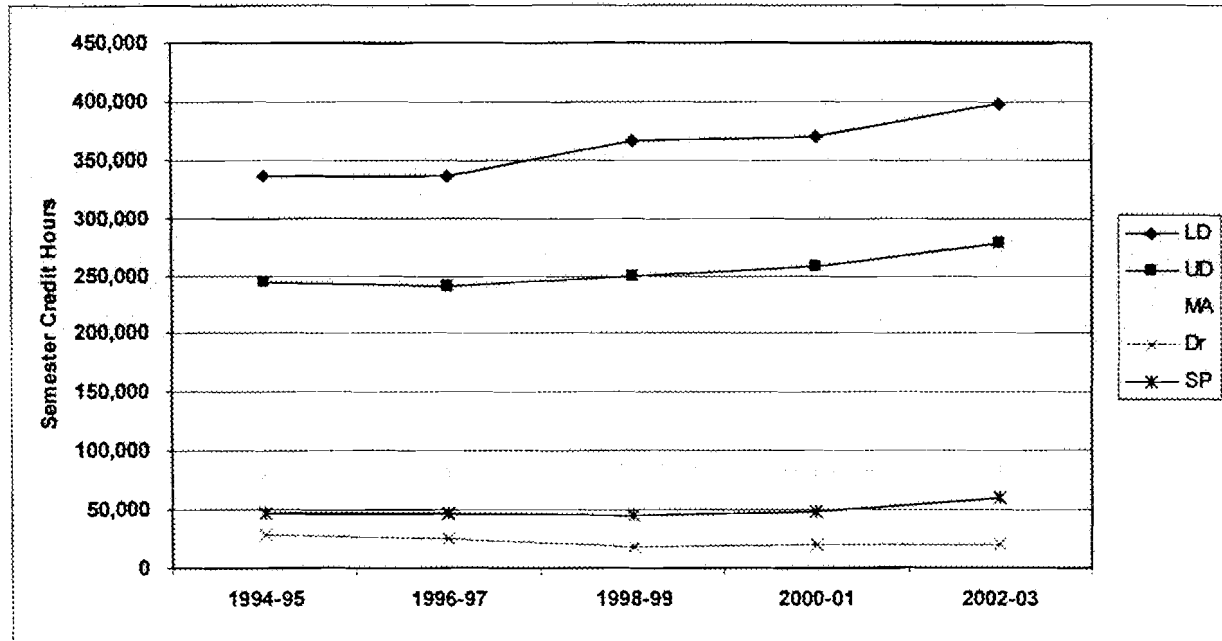
Base Periods for Formula Funding



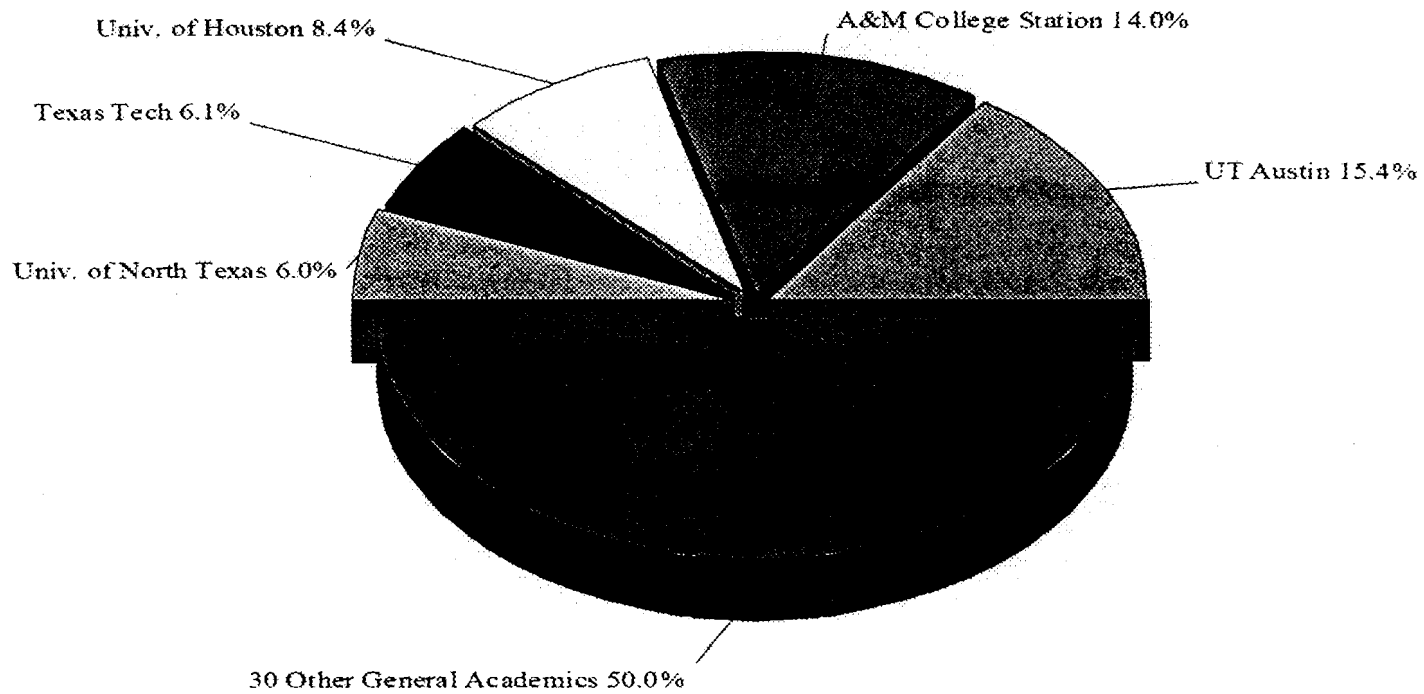
University of Houston Base Period Semester Credit Hour Trends

	-----Base Period-----					-----Biennial Percent Change-----				Eight-year
	<u>1994-95</u>	<u>1996-97</u>	<u>1998-99</u>	<u>2000-01</u>	<u>2002-03</u>	94-95 to 96-97	96-97 to 98-99	98-99 to 00-01	00-01 to 02-03	Change 94-95 to 02-03
University of Houston Total										
Lower Division	336,992	336,595	366,272	370,011	398,284	0%	9%	1%	8%	18%
Upper Division	244,586	240,679	248,737	257,830	276,911	-2%	3%	4%	7%	13%
Masters	82,773	81,484	88,212	81,576	84,571	-2%	8%	-8%	4%	2%
Doctoral	29,167	24,665	18,839	19,677	20,099	-15%	-24%	4%	2%	-31%
Special Profesn'l	47,401	46,345	45,983	47,967	60,507	-2%	-1%	4%	26%	28%
Total SCH	<u>740,919</u>	<u>729,768</u>	<u>768,043</u>	<u>777,061</u>	<u>840,372</u>	-2%	5%	1%	8%	13%

Trends from 1994-95 through 2002-03



Formula: Instruction and Operations
2002-03 Biennium: \$2,950.9 million
(includes \$96.8 million for Teaching Experience Supplement)



Conference Committee 5/28/03

University of Houston

(FY02-03 includes Article IX funding)

Formula	FY2002-2003 Biennium			FY2004-2005 Biennium			Biennial Change	
	Appropriated FY2002	Appropriated FY2003	Biennial Total	Appropriated FY2004	Appropriated FY2005	Biennial Total	Dollars	Percent
Operations Support	\$ 120,327,858	\$ 120,327,858	\$ 240,655,716	\$ 125,675,037	\$ 126,818,726	\$ 252,493,763	\$ 11,838,047	4.9%
Teaching Experience	3,823,094	3,823,093	7,646,189	2,974,559	3,001,629	5,976,188	(1,670,001)	-21.8%
E&G Space Support	24,317,729	24,317,729	48,635,458	22,404,972	22,608,866	45,013,838	(3,621,620)	-7.4%
Capital Equity & Excellence Funding	2,716,529	4,811,060	7,527,589	4,209,677	4,209,677	8,419,354	891,765	11.8%
SUBTOTAL	151,185,210	153,279,742	304,464,952	155,264,245	156,638,898	311,903,143	7,438,191	2.4%
Special Items								
Texas Center for Superconductivity	4,340,000	4,340,000	8,680,000	3,797,500	3,797,500	7,595,000	(1,085,000)	-12.5%
Small Business Development Center	2,769,500	2,769,500	5,539,000	2,707,033	2,707,033	5,414,066	(124,934)	-2.3%
Houston Partnership for Space Exploration	421,037	421,037	842,074	368,407	368,407	736,814	(105,260)	-12.5%
Health Law and Policy Institute	350,000	350,000	700,000	306,250	306,250	612,500	(87,500)	-12.5%
Center for Public Policy	300,000	300,000	600,000	262,500	262,500	525,000	(75,000)	-12.5%
Partnerships-Support Publ. Schools	1,647,215	1,647,215	3,294,430	1,441,313	1,441,313	2,882,626	(411,804)	-12.5%
Commercial Development of Space	482,288	482,288	964,576	422,002	422,002	844,004	(120,572)	-12.5%
Learning and Computation Center	2,328,789	2,328,789	4,657,578	2,037,690	2,037,690	4,075,380	(582,198)	-12.5%
Institutional Enhancement	2,452,382	2,452,382	4,904,764	3,807,536	3,807,536	7,615,072	2,710,308	55.3%
SUBTOTAL	15,091,211	15,091,211	30,182,422	15,150,231	15,150,231	30,300,462	118,040	0.4%
Other Items								
Tuition Revenue Bonds	2,697,914	928,571	3,626,485	3,246,798	3,246,798	6,493,596	2,867,111	79.1%
Organized Activities	1,245,000	1,245,000	2,490,000	1,297,618	1,297,618	2,595,236	105,236	4.2%
Skiles Act Revenue Bond Retirement	388,320	388,320	776,640	407,190	407,190	814,380	37,740	4.9%
Texas Public Education Grant	4,468,832	4,480,231	8,949,063	5,281,493	5,411,710	10,693,203	1,744,140	19.5%
Indirect Cost Recovery	3,336,678	3,336,678	6,673,356	6,673,356	6,673,356	13,346,712	6,673,356	100.0%
Worker Compensation Insurance				516,981	516,981	1,033,962	1,033,962	N/A
Staff Group Insurance Premiums	3,530,577	3,969,075	7,499,652	3,635,623	3,635,623	7,271,246	(228,406)	-3.0%
Article IX Appropriations	2,278,364	5,949,516	8,227,880				(8,227,880)	-100.0%
SUBTOTAL	17,945,685	20,297,391	38,243,076	21,059,059	21,189,276	42,248,335	4,005,259	10.5%
TOTAL	\$ 184,222,106	\$ 188,668,344	\$ 372,890,450	\$ 191,473,535	\$ 192,978,405	\$ 384,451,940	\$ 11,561,490	3.1%
Method of Finance								
Net General Revenue	\$ 130,736,757	\$ 135,067,138	\$ 265,803,895	\$ 129,705,973	\$ 129,877,770	\$ 259,583,743	\$ (6,220,152)	-2.3%
GENERAL REVENUE SUBTOTAL	130,736,757	135,067,138	265,803,895	129,705,973	129,877,770	259,583,743	(6,220,152)	-2.3%
Board Authorized Tuition Increases	8,883,694	8,883,694	17,767,388	12,524,974	12,524,974	25,049,948	7,282,560	41.0%
Statutory Tuition Increases				1,374,652	2,749,304	4,123,956	4,123,956	N/A
Estimated E&G Income	44,601,655	44,717,512	89,319,167	47,867,936	47,826,357	95,694,293	6,375,126	7.1%
GR DEDICATED SUBTOTAL	53,485,349	53,601,206	107,086,555	61,767,562	63,100,635	124,868,197	17,781,642	16.6%
TOTAL	\$ 184,222,106	\$ 188,668,344	\$ 372,890,450	\$ 191,473,535	\$ 192,978,405	\$ 384,451,940	\$ 11,561,490	3.1%
FTE Positions								
Authorized - Appropriated	3,433.1	3,433.1		3,389.8	3,389.8			
Actual - Appropriated	2,973.0							
General Revenue Change FY04 vs FY03				-5,361,165				

Higher Education Assistance Fund (HEAF)

The Higher Education Assistance Fund was created as a counterpart to the Permanent University Fund by an amendment to the Texas Constitution in 1984. The HEAF provides funds for most public universities that were outside The University of Texas and The Texas A&M University Systems in 1984 to acquire land; construct, equip, repair or rehabilitate buildings; and acquire capital equipment, library books, and library materials. Expenditures involving land acquisition, construction, and repair or rehabilitating buildings have certain legislative restrictions.

The first appropriation of the HEAF, for 1985 to 1995, allocated \$100 million annually to the eligible institutions. When the HEAF was reallocated for the fiscal years 1996 to 2005, the appropriation was increased to \$175 million. The model for distributing the current allocation was developed in 1995.

THE MODEL AND ITS THREE ELEMENTS

The HEAF model is based on three elements: *space deficit*, *condition of facilities*, and *institutional complexity*.

Space Deficit	+	Condition of Facilities	+	Institutional Complexity	=	Allocation
16.64%		33.36%		50%		100%

THECB Five Factor Space Prediction Model

Summary Fall 2002	Teaching		Library		Research		Office		Support		Total	CB	Total	Surplus/ (Deficit)
	Predicted	Actual	Predicted	Actual	Predicted	Actual	Predicted	Actual	Predicted	Actual	Predicted	Approved	Adjusted	(Deficit)
Midwestern St. University	234,665	256,367	77,829	68,734	13,892	17,055	124,466	103,754	40,577	49,778	491,429	0	495,688	4,259
Stephen F. Austin St. University	502,956	533,344	144,940	213,846	28,384	38,562	263,679	237,253	84,596	57,164	1,024,555	52,885	1,134,034	109,479
Prairie View A&M University	331,282	326,481	107,609	98,764	57,918	24,475	225,454	200,867	65,004	40,888	787,267	68,587	760,042	(27,225)
Tartleton St. University	336,806	461,719	116,216	63,980	37,288	8,240	175,045	148,051	59,882	63,984	725,238	2,486	748,460	23,222
Texas A&M Intl University	122,712	67,316	56,467	43,827	7,524	0	92,825	99,397	25,157	8,558	304,685	113,620	353,718	49,033
Texas A&M Univ at Galveston	1,874,298	1,582,459	638,558	493,890	636,601	685,310	1,668,850	1,383,677	433,648	532,415	5,251,955	208,871	4,886,622	(365,333)
Texas A&M Univ at Galveston	77,188	68,974	26,923	831	19,344	15,155	64,885	43,146	16,951	21,414	206,290	40,765	190,285	(15,005)
Texas A&M Univ-Commerce	267,028	380,826	133,204	127,011	17,787	15,146	169,072	190,070	54,638	63,738	661,729	14,466	791,256	129,529
Texas A&M Univ-Corpus Christi	294,255	250,210	95,954	76,741	26,942	1,249	174,312	133,899	53,232	34,645	644,694	59,736	556,480	(88,214)
Texas A&M Univ-Kingsville	262,581	403,740	102,184	113,417	49,217	45,772	196,461	159,126	54,940	104,306	665,383	38,082	665,443	200,060
Texas A&M Univ-Texarkana	33,377	25,869	28,378	18,685	2,291	0	34,790	22,768	8,895	538	107,732	0	67,860	(39,872)
West Texas A&M University	274,522	409,325	96,548	83,270	20,663	37,528	158,373	143,714	49,510	73,658	599,616	89,241	646,746	247,130
Texas Southern University	409,775	365,445	184,533	80,703	25,094	27,143	279,625	232,574	80,930	45,197	980,157	180,721	931,783	(48,374)
Angelo St. University	276,235	284,906	82,643	69,503	15,798	12,937	173,117	106,743	49,298	48,949	597,051	29,233	552,271	(44,780)
Lamar University	376,487	445,868	114,803	111,408	21,734	34,748	214,228	163,243	65,453	56,841	792,704	0	832,106	39,402
Sam Houston St. University	558,789	479,443	163,704	107,920	31,613	22,072	274,475	244,251	92,572	95,488	1,121,153	42,900	992,072	(129,081)
Southwest Texas St. University	1,025,047	723,830	263,530	188,830	68,464	51,656	504,014	431,103	167,504	95,986	2,028,660	239,747	1,731,152	(297,508)
Sul Ross St. University	100,830	231,811	50,302	29,988	6,026	5,644	93,036	70,322	22,517	21,405	272,711	0	359,170	86,459
Texas Tech University	1,248,482	1,008,323	475,216	372,074	274,158	328,418	892,811	709,063	260,160	205,248	3,150,829	156,539	2,780,663	(370,166)
Texas Woman's University	292,407	437,311	167,216	107,854	24,022	56,887	256,973	235,031	66,658	56,255	807,273	0	893,336	86,065
UT at Arlington	880,459	687,262	299,225	189,388	106,841	239,321	549,299	526,068	165,224	120,052	2,001,049	30,290	1,792,381	(208,668)
UT at Austin	2,139,955	1,845,326	1,013,849	1,088,748	1,852,489	1,416,298	3,035,069	2,473,320	723,723	769,203	8,765,084	251,507	7,834,402	(930,682)
UT at Brownsville	85,754	94,253	44,718	2,032	5,331	1,409	99,668	12,884	21,192	1,640	256,664	60,356	172,576	(84,088)
UT at Dallas	447,182	268,873	196,611	108,465	120,296	143,340	410,302	302,174	105,695	77,736	1,280,088	226,380	1,126,948	(153,140)
UT at El Paso	659,402	511,284	212,299	107,920	171,053	152,739	516,632	317,458	140,345	119,846	1,699,731	117,996	1,327,243	(372,488)
UT-Pan American	553,212	509,983	153,731	99,473	31,697	32,683	363,203	267,456	99,157	82,056	1,200,899	6,510	998,163	(202,736)
UT of the Permian Basin	91,905	92,039	45,390	40,428	5,601	7,956	56,518	45,661	17,947	26,284	217,360	0	212,366	(4,992)
UT at San Antonio	819,179	477,653	227,536	104,966	69,913	66,436	470,700	325,458	142,860	32,543	1,730,188	510,983	1,538,061	(192,127)
UT at Tyler	145,670	168,664	68,455	33,902	8,585	4,029	108,098	73,632	29,764	20,985	360,472	60,688	362,100	1,628
University of Houston	1,317,046	1,079,955	503,900	354,021	394,112	381,119	1,106,146	863,687	298,908	218,264	3,620,112	317,501	3,214,547	(405,565)
Univ of Houston-Clear Lake	205,601	128,519	83,681	88,207	83,580	12,981	182,708	131,903	48,201	34,053	583,770	97,078	492,741	(91,029)
Univ of Houston-Downtown	341,341	218,545	85,831	50,772	20,683	1,580	170,376	127,444	55,731	45,356	674,961	58,740	502,437	(172,524)
University of Houston-Victoria	48,526	29,745	33,794	16,846	3,516	561	52,944	36,709	12,490	9,550	151,270	0	93,411	(57,859)
University of North Texas	1,168,440	972,575	431,236	221,670	67,934	115,520	752,788	622,800	217,836	162,971	2,638,234	96,242	2,091,778	(546,456)
Texas St. Tech. Col.-Harlingen	203,700	303,641	37,842	18,654	8,970	0	102,058	72,944	31,731	41,766	384,301	27,500	462,405	78,104
Texas St. Tech. Col. West Texas	111,555	199,072	19,174	5,070	4,545	0	59,772	43,727	17,554	23,983	212,600	64,354	336,206	123,806
Texas St. Tech. Col.-Waco	272,910	595,150	42,234	18,894	10,011	0	129,073	130,972	40,881	62,639	495,109	0	807,655	312,546
Texas St. Tech Col. - Marshall	40,305	65,941	6,645	1,033	1,575	0	20,182	19,726	6,184	1,263	74,890	31,550	119,913	44,623
Lamar State College-Orange	69,525	60,642	14,820	15,850	3,513	0	35,736	26,708	11,124	11,998	134,718	0	115,198	(19,520)
Lamar State College-Port Arthur	106,200	73,485	20,946	8,891	4,965	0	51,574	22,373	16,532	9,743	200,216	51,301	165,793	(34,423)
Lamar Institute of Technology	148,955	71,967	23,224	907	5,605	0	41,305	22,813	19,929	1,616	236,518	0	97,303	(139,215)
Total 2002	18,774,441	17,219,341	6,693,003	5,055,331	4,345,336	4,026,971	14,350,839	11,443,989	3,974,726	3,541,011	48,138,344	3,345,797	44,632,420	(3,505,924)

Higher Education Assistance Fund Allocation, FY 1996 - FY 2005

(Allocation starting Fall 2000 was recalculated)

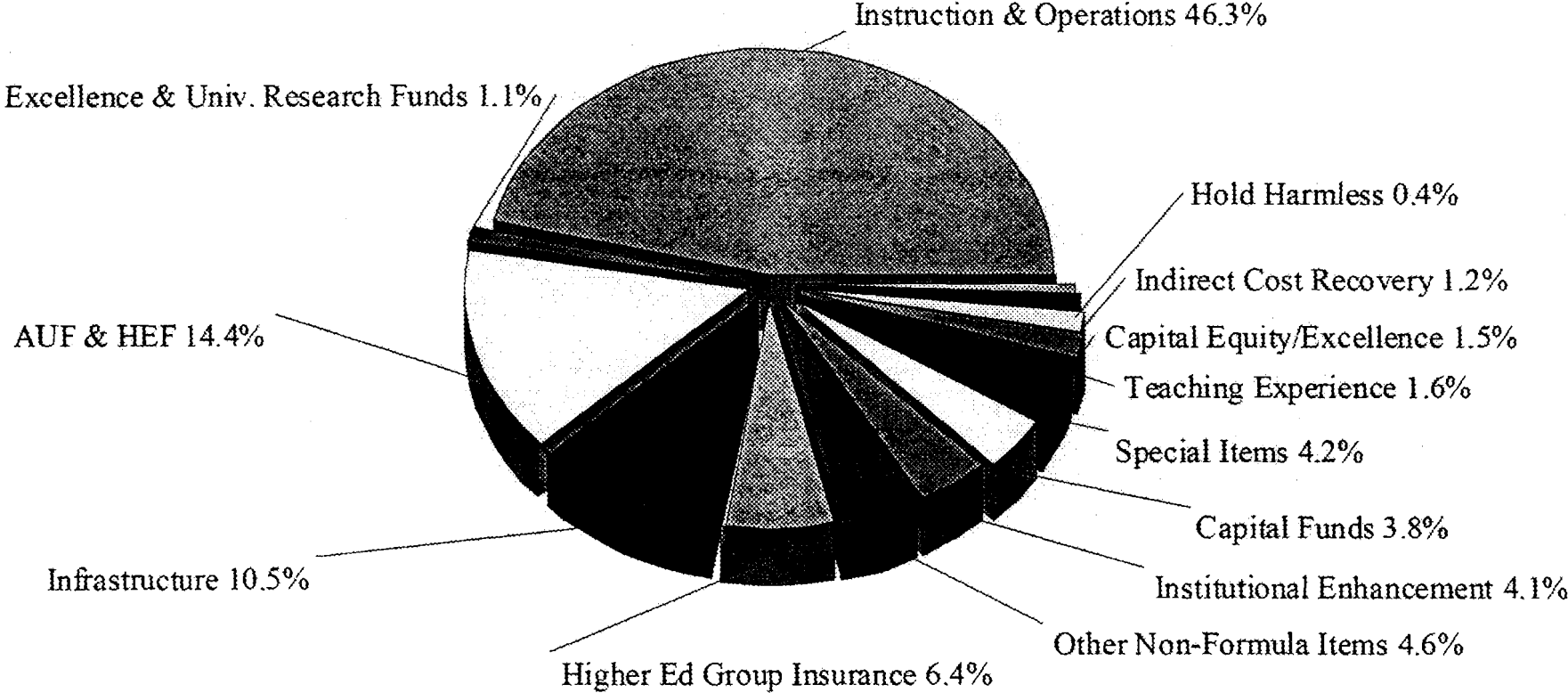
Institution	Deficit Element	Condition Element	Complexity Element	Total of Elements	Set Aside	Annual Allocation	Percent of Allocation	FY 1986 - FY 1995 Allocation
Lamar University	\$0	\$2,734,023	\$3,529,250	\$6,263,273		\$6,263,273	3.6%	\$5,504,806
Lamar University - Orange	475,838	125,026	381,478	982,343		982,343	0.6%	714,910
Lamar University - Port Arthur	1,403,299	308,881	510,753	2,222,932		2,222,932	1.3%	929,383
Total	1,879,137	3,167,930	4,421,481	9,468,548		9,468,548	5.4%	7,149,099
Texas A&M University - Corpus Christi	0	1,235,934	1,541,640	2,777,574		2,777,574	1.6%	985,002
Texas A&M International University	945,525	736,883	499,253	2,181,661		2,181,661	1.2%	231,765
Texas A&M University - Kingsville	0	1,405,699	2,100,311	3,506,010		3,506,010	2.0%	2,317,651
West Texas A & M University	0	1,649,697	2,052,177	3,701,874		3,701,874	2.1%	2,259,709
Total	945,525	5,028,214	6,193,381	12,167,120		12,167,120	7.0%	5,794,127
Sul Ross State University	0	776,454	813,730	1,590,184		1,590,184	0.9%	783,720
Sul Ross State University Rio Grande College	0	0	238,504	238,504		238,504	0.1%	0
Angelo State University	757,255	977,369	1,745,915	3,480,539		3,480,539	2.0%	2,743,020
Sam Houston State University	0	2,215,244	3,566,102	5,781,346		5,781,346	3.3%	3,722,670
Southwest Texas State University	1,790,167	4,376,252	5,924,564	12,090,983		12,090,983	6.9%	12,147,658
Total	2,547,422	8,345,319	12,288,814	23,181,556		23,181,556	13.2%	19,592,998
University of Houston	3,587,446	8,956,431	13,455,132	25,999,009		25,999,009	14.9%	11,819,094
University of Houston - Clear Lake	1,949,669	1,142,371	2,218,265	5,310,304		5,310,304	3.0%	1,260,703
University of Houston - Downtown	2,724,739	1,336,014	1,479,150	5,539,903		5,539,903	3.2%	2,521,407
University of Houston - Victoria	495,111	4,309	378,332	877,752		877,752	0.5%	157,588
Total	8,756,966	11,439,125	17,530,879	37,726,969		37,726,969	21.6%	15,758,792
East Texas State University	0	1,856,347	2,675,082	4,531,429		4,531,429	2.6%	2,832,271
East Texas State University at Texarkana	514,847	81,620	444,662	1,041,129		1,041,129	0.6%	280,115
Total	514,847	1,937,968	3,119,744	5,572,558		5,572,558	3.2%	3,112,386
The University of Texas - Pan American	3,196,879	2,101,396	3,314,765	8,613,041		8,613,041	4.9%	2,930,762
The University of Texas at Brownsville	859,382	249,058	453,019	1,561,459		1,561,459	0.9%	220,595
Total	4,056,261	2,350,454	3,767,785	10,174,500		10,174,500	5.8%	3,151,357
TSTC System Total					3,850,000	3,850,000	2.2%	0
Midwestern State University	0	1,225,440	1,636,763	2,862,203		2,862,203	1.6%	1,669,650
Stephen F. Austin State University	0	2,598,724	3,869,549	6,468,273		6,468,273	3.7%	5,149,264
Texas Southern University	771,746	3,064,164	3,363,379	7,199,288	1,000,000	8,199,288	4.7%	6,723,082
Texas Tech University	449,098	6,736,391	9,701,596	16,887,085		16,887,085	9.6%	10,617,294
Texas Woman's University	0	2,348,165	4,500,995	6,849,160		6,849,160	3.9%	3,585,010
University of North Texas	6,491,476	4,733,131	8,993,134	20,217,740		20,217,740	11.6%	11,196,944
Texas Tech Health Sciences Center	0	0	0	0	7,735,000	7,735,000	4.4%	4,333,333
UNT Health Science Center at Ft. Worth	0	0	0	0	3,640,000	3,640,000	2.1%	2,166,667
Grand Total	\$26,412,477	\$52,975,023	\$79,387,500	\$158,775,000	\$16,225,000	\$175,000,000	100.0%	\$99,999,999
	16.64%	33.36%	50.00%					

Table 2 - Coordinating Board Recommendation for HEAF Allocation
FY 2008 through FY 2015

Institution	Complexity	Deficit	Condition	Total Annual - 97%	"First Draw" of Reallocated 3%	"Second Draw" of Reallocated 3%	Adjusted Annual 100%	Proposed Percent of Allocation	FY 2008 Percent of Allocation	Gain/Loss	Percent Gain/Loss	
A	B	C	D	E	F	G	H	I	J	K	L	
Lamar University	\$3,170,290	\$1,870,240	\$1,712,844	\$6,753,174			\$6,753,174	3.86%	3.28%	\$1,015,723	17.70%	
Lamar - Orange	\$370,620	\$14,135	\$200,564	\$585,318	\$37,757	\$29,670	\$652,745	0.37%	0.43%	(\$91,222)	-12.26%	
Lamar - Port Arthur	\$605,609	\$363,168	\$236,646	\$1,205,423	\$565,010	\$211,552	\$1,982,985	1.13%	1.34%	(\$353,620)	-15.13%	
Lamar Institute of Technology *	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%		\$0		
Sul Ross State University	\$616,779	\$0	\$497,120	\$1,113,899	\$205,049	\$97,507	\$1,416,454	0.81%	0.93%	(\$218,817)	-13.38%	
Sul Ross State University - Rio Grande	\$243,193	\$48,450	\$0	\$292,643			\$292,643	0.17%	0.15%	\$26,321	9.88%	
Angelo State University	\$1,575,858	\$86,981	\$878,702	\$2,541,342	\$562,719	\$251,703	\$3,355,764	1.92%	2.22%	(\$531,447)	-13.67%	
Sam Houston St. University	\$3,361,819	\$1,804,885	\$1,653,040	\$6,819,641			\$6,819,641	3.90%	3.35%	\$955,033	16.28%	
Texas State University - San Marcos	\$6,287,285	\$3,153,540	\$3,608,421	\$13,057,246			\$265,916	\$13,323,162	7.61%	8.27%	(\$1,155,950)	-7.96%
Total	\$16,241,351	\$7,342,199	\$8,785,136	\$32,368,688	\$1,371,535	\$856,348	\$34,895,568	19.77%	19.97%	(\$353,979)	-1.01%	
Texas A&M University - Corpus Christi	\$2,057,877	\$639,710	\$1,143,696	\$3,841,282			\$3,841,282	2.20%	2.11%	\$153,580	4.16%	
Texas A&M International University	\$942,247	\$0	\$625,155	\$1,567,402		\$39,415	\$1,606,817	0.92%	1.02%	(\$171,338)	-9.64%	
Texas A&M University - Kingsville	\$1,927,439	\$0	\$1,372,737	\$3,300,176		\$47,779	\$3,347,955	1.91%	2.03%	(\$207,696)	-5.84%	
Texas A&M University - Commerce	\$2,446,860	\$0	\$1,205,321	\$3,652,181		\$108,016	\$3,760,197	2.15%	2.42%	(\$469,550)	-11.10%	
Texas A&M University - Texarkana	\$398,082	\$443,667	\$132,428	\$974,377		\$9,855	\$984,232	0.56%	0.59%	(\$47,838)	-4.17%	
West Texas A & M University	\$1,738,417	\$0	\$1,401,523	\$3,139,940		\$99,383	\$3,239,323	1.85%	2.10%	(\$432,022)	-11.77%	
Total	\$9,510,921	\$1,083,577	\$5,880,860	\$16,475,358		\$304,448	\$18,779,806	9.59%	10.26%	(\$1,169,884)	-6.52%	
University of Houston	\$10,864,855	\$7,135,705	\$6,166,985	\$24,167,545		\$340,107	\$24,507,652	14.00%	14.85%	(\$1,478,464)	-5.99%	
University of Houston - Clear Lake	\$2,175,335	\$432,701	\$1,015,297	\$3,623,234		\$43,035	\$3,666,269	2.10%	2.20%	(\$187,078)	-4.85%	
University of Houston - Downtown	\$1,882,001	\$2,319,925	\$936,849	\$5,139,775		\$58,949	\$5,197,724	2.97%	3.12%	(\$256,253)	-4.70%	
University of Houston - Victoria	\$652,717	\$703,456	\$133,796	\$1,489,968		\$31,696	\$1,521,664	0.87%	0.95%	(\$137,785)	-8.30%	
Total	\$15,574,908	\$10,591,787	\$8,252,927	\$34,410,622		\$473,787	\$34,884,409	19.94%	21.12%	(\$2,059,580)	-5.57%	
The University of Texas - Pan American	\$3,660,690	\$1,882,522	\$1,896,901	\$7,440,113			\$7,440,113	4.25%	3.47%	\$1,369,001	22.35%	
The University of Texas at Brownsville	\$783,676	\$973,704	\$475,567	\$2,232,948			\$2,232,948	1.28%	0.60%	\$1,182,368	112.54%	
Total	\$4,444,366	\$2,856,227	\$2,372,468	\$9,673,061			\$9,673,061	5.53%	4.08%	\$2,551,369	85.83%	
TSTC - Harlingen				\$0			\$0	0		\$0		
TSTC - West Texas				\$0			\$0	0		\$0		
TSTC - Waco				\$0			\$0	0		\$0		
TSTC - Marshall				\$0			\$0	0		\$0		
Total	\$0	\$0	\$0	\$3,734,500			\$21,699	3,756,099	2.15%	2.20%	(\$93,901)	-2.44%
Midwestern State University	\$1,446,498	\$353,573	\$859,175	\$2,659,245		\$65,162	\$2,724,407	1.56%	1.72%	(\$283,262)	-9.42%	
Stephen F. Austin State University	\$2,898,058	\$0	\$1,921,338	\$4,919,396	\$548,170	\$320,497	\$5,788,063	3.31%	3.79%	(\$645,046)	-12.74%	
Texas Southern University	\$2,817,959	\$2,365,395	\$2,050,238	\$7,234,591			\$7,234,591	4.13%	4.11%	\$43,098	0.60%	
Texas Woman's University	\$3,301,082	\$0	\$1,863,076	\$5,164,159	\$582,582	\$338,642	\$6,085,383	3.48%	3.99%	(\$889,514)	-12.75%	
Total	\$10,563,596	\$2,719,968	\$6,693,827	\$19,977,391	\$1,130,752	\$724,301	\$21,832,444	12.48%	13.60%	(\$1,974,724)	-8.29%	
Texas Tech University	\$8,938,344	\$3,988,350	\$6,071,590	\$18,998,284		\$367,230	\$19,365,514	11.07%	11.98%	(\$1,596,367)	-7.62%	
Texas Tech University Health Sciences Center	\$5,985,123	\$1,337,913	\$2,273,635	\$9,596,070			\$9,596,070	5.48%	4.42%	\$1,861,070	24.06%	
Total	\$14,923,466	\$5,325,663	\$8,345,225	\$28,594,354		\$367,230	\$28,961,584	16.55%	16.40%	\$264,703	0.92%	
University of North Texas	\$8,657,849	\$7,322,382	\$4,183,127	\$20,163,358			\$20,163,358	11.52%	10.30%	\$2,142,325	11.89%	
University of North Texas Health Science Center at Fort Worth	\$3,091,293	\$283,516	\$968,862	\$4,343,671			\$4,343,671	2.48%	2.08%	\$703,671	19.33%	
Total	\$11,749,142	\$7,605,899	\$5,151,999	\$24,507,029			\$24,507,029	14.00%	12.38%	\$2,845,996	13.14%	
Grand Total	\$83,007,750	\$37,525,318	\$45,482,432	\$169,750,000	\$2,502,287	\$2,747,713	\$175,000,000	100.00%	100.0%			

* included with Lamar University
rows may not add due to rounding
THECB 11/2/04

The \$6.2 Billion in appropriations is distributed as follows:



University of Houston System - Tuition and Major Fees

As of November 2004

Tuition	Units	Fall 1980	--FY2001--		--FY2002--		--FY2003--		--FY2004--		--FY2005--	
			Fall 2000	Spring 2001	Fall 2001	Spring 2002	Fall 2002	Spring 2003	Fall 2003	Spring 2004	Fall 2004	Spring 2005
Regular Tuition												
Resident	\$/SCH	\$4	\$40	\$40	\$42	\$42	\$44	\$44	\$46	\$46	\$48	\$48
Minimum	Min \$	50	120	120								
Non-Resident	\$/SCH	40	255 (1)	255 (1)	253 (1)	253 (1)	252 (1)	262 (1)	282 (1)	282 (1)	306 (1)	306 (1)
UH Graduate Students												
Resident	\$/SCH	4	80	80	84	84	88	88	92	92	96	96
Non-Resident	\$/SCH	40	295	295	295	295	306	306	328	328	354	354
UH-CL Graduate Students												
Resident	\$/SCH	4	80	80	84	84	88	88	92	92	96	96
Non-Resident	\$/SCH	40	255	255	253	253	262	262	305	305	330	330
UH-D Graduate Students												
Resident	\$/SCH		55	55	57	57	59	59	61	61	83	83
Non-Resident	\$/SCH		255	255	253	253	262	262	282	282	306	306
UH-V Graduate Students												
Resident	\$/SCH	4	70	70	76	76	82	82	92	92	96	96
Non-Resident	\$/SCH	40	255	255	253	253	262	262	282	282	306	306
UH-Pharmacy												
Resident Tuition	\$/SCH	4	80	80	105	105	132	132	138	138	144	144
Non-Resident	\$/SCH	40	333	333	333	333	333	333	374	374	402	402
UH-Optometry												
Resident	\$/SCH	4	160 (N) 120 (R)	160 (N) 120 (R)	168 (N) 126 (R)	168 (N) 126 (R)	176 (N) 132 (R)	176 (N) 132 (R)	184	184	192	192
Non-Resident	\$/SCH	40	375 (N) 365 (R)	375 (N) 365 (R)	381 (N) 370 (R)	381 (N) 370 (R)	384 (N) 375 (R)	384 (N) 375 (R)	420	420	450	450
UH-Law												
Resident	\$/SCH	4	160	160	160	240	240	240	240	240	240	240
Non-Resident	\$/SCH	40	340	340	340	340	340	340	435	442	465	466
Designated Tuition												
Univ of Houston	\$/SCH	90 Max	40	40	42	42	44	44	46	65	75	75
Clear Lake	\$/SCH	90 Max	35	35	38	38	44	44	46	57	63	63
Downtown	\$/SCH	90 Max	25	25	25	30	30	30	41	46	58	58
Victoria	\$/SCH	36 Max	36	36	40	40	43	43	46	56	56	56
Extended Access & Support												
Univ of Houston	\$/SCH								3		3.50	3.50
Clear Lake	\$/SCH								4	4	4	4
Downtown	\$/SCH											
Victoria	\$/SCH								20	20	24	24
Student Service Fee												
Univ of Houston	Max \$	60	112	112	142 (2)	142	142	142	142	142	150	150
Clear Lake	Max \$	50	125	125	131	131	137	137	147	147	162	162
Downtown	Max \$	60	117	117	117	117	117	117	120	120	120	120
Victoria	Max \$	30	150	150	150	150	150	150	150	150	150	150
Technology Fee												
Univ of Houston	Max \$		7/SCH	7/SCH	8/SCH	8/SCH	10/SCH	10/SCH	12/SCH	12/SCH	12/SCH	12/SCH
Clear Lake	Max \$		78	78	78	78	84	84	90	90	168	168
Downtown	Max \$		80	80	80	80	80	80	8/SCH	8/SCH	10/SCH	10/SCH
Victoria	Max \$		0	0	0	0	0	0	0	0		
University Center Fee												
Univ of Houston	Flat Rate		25	25	25	25	25	25	25	25	25	25
Clear Lake	Flat Rate						30	30	30	30	30	30
Downtown	1-5 SCH		15	15	15	15	15	15	15	15	15	15
	6+ SCH		25	25	25	25	25	25	25	25	25	25
Cougar1 Card Fee												
Univ of Houston	Flat Rate		6	6	6	6	6	6	6	6	6	6
Health Center Fee												
Univ of Houston	Flat Rate		20	20	(2)							
Library Fee												
Univ of Houston	Flat Rate		30	30	30	30	30	30	6/SCH	6/SCH	7.50/SCH	7.50/SCH
Clear Lake	Max Rate		18	18	27	27	27	27	36	36	50	50
Downtown	Max Rate						12	12			40	40

Notes:

1. Non-resident rate determined by the Coordinating Board.
2. UH Health Center Rolled into SSF

Texas Education Code

§ 54.0513. DESIGNATED TUITION.

(a) In addition to amounts that a governing board of an institution of higher education is authorized to charge as tuition under the other provisions of this chapter, the governing board, under the terms the governing board considers appropriate, may charge any student an amount designated as tuition that the governing board considers necessary for the effective operation of the institution.

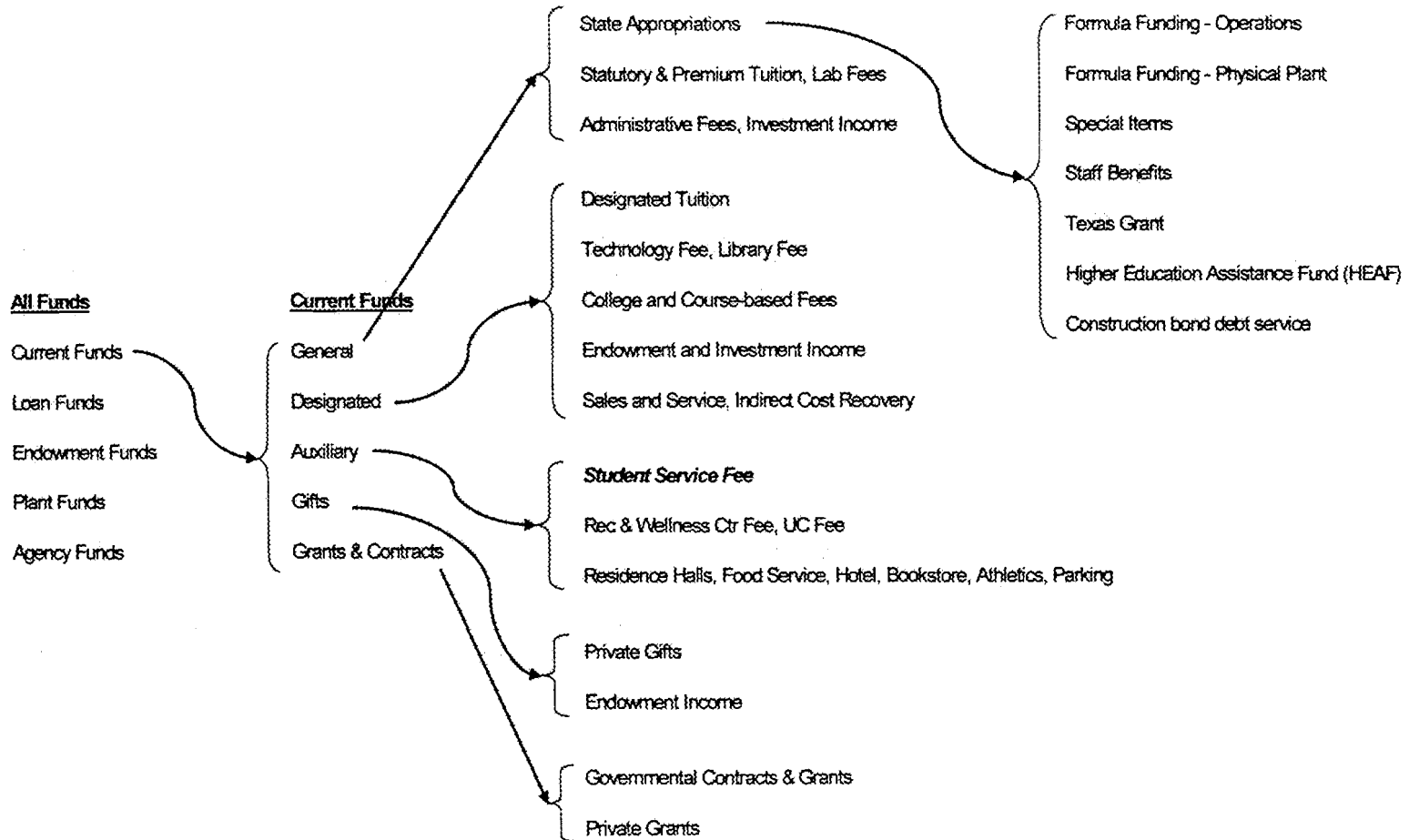
(b) A governing board may set a different tuition rate for each program and course level offered by each institution of higher education. A governing board may set a different tuition rate as the governing board considers appropriate to increase graduation rates, encourage efficient use of facilities, or enhance employee performance.

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University of Houston Fund Groups

- **Current Funds** Available for General Operations
- **Loan Funds** Lent to Students, Faculty, or Staff
- **Endowment Funds** Established by Donors with Income Available for Current operations
- **Plant Funds** Set Aside for renovation and Replacement of UH Properties
- **Agency Funds** Held by UH on behalf of Students, Faculty, Staff, or Organizations

University of Houston Funds Managed by the University



University of Houston

Current Fund Groups

- **General** (Fund 1)
- **Designated** (Fund 2)
- **Auxiliary** (Fund 3)
- **Gifts** (Fund 4)
- **Grants and Contracts** (Fund 5)

University of Houston
General Funds
Fund 1

Money Funded and Regulated by the State:

- **From: State Appropriations**
- **From: Student Tuition and Fees**
- **For: Faculty and Staff Salaries**
- **For: Departmental Operations**
- **For: General Administrative Expenses**
- **For: Utilities and Building Maintenance**
- **For: Staff Benefits**

University of Houston
Designated Funds
Fund 2

Money earned locally, allocated by the University with Approval by the Board of regents:

- **From: Tuition-Designated and other Student Fees**
- **From: Endowment Income**
- **From: Investment Income**
- **From: Departmental Operations**

- **For: Salaries and Benefits**
- **For: Other Departmental Operations**
- **For: University Priorities**

University of Houston
Auxiliary Funds
Fund 3

**Money earned by providing goods and services to Student,
Staff and the Public:**

- **From: Student Services and other Student Fees**
- **From: Food Services and Bookstore Sales**
- **From: Residence Halls, University Center, and Hotel**

- **For: Salaries and Benefits**
- **For: Operating Expenses**
- **For: Cost of Goods and Services**

University of Houston
Gifts, Grants and Contracts
Fund 4 & 5

Money made available by grants, contracts and agreements from federal, State, Local and Private Sources:

- **From: Government Entities**
- **From: Private Granting Agencies**
- **From: Private Gifts**
- **From: Endowment Income**

- **For: Salaries, Benefits and Operations**
- **For: Specific Purpose of Grant, Contract, or Donor**
- **For: Overhead**

University of Houston System Budgets

(\$ in Millions)

FY2003

	Source of Funds									Use of Funds		
	Revenue			Fund Balance			Total			Operations	Capital	Total
	Operations	Capital	Total	Operations	Capital	Total	Operations	Capital	Total			
Univ of Houston	\$ 519.6	\$ 86.2	\$ 605.8	\$ 12.8	\$ (11.3)	\$ 1.5	\$ 532.4	\$ 74.9	\$ 607.3	\$ 532.4	\$ 74.9	\$ 607.3
UH-Clear Lake	66.0	36.4	102.4	2.5	(23.7)	(21.2)	68.5	12.7	81.2	68.5	12.7	81.2
UH-Downtown	72.4	18.7	91.1	2.0	(8.6)	(6.6)	74.4	10.1	84.5	74.4	10.1	84.5
UH-Victoria	21.2	2.8	24.0	1.3	(0.3)	1.0	22.5	2.5	25.0	22.5	2.5	25.0
UH System Admin	27.5	6.6	34.1	0.8	0.8	1.6	28.3	7.4	35.7	28.3	7.4	35.7
Total	\$ 706.7	\$ 150.7	\$ 857.4	\$ 19.4	\$ (43.1)	\$ (23.7)	\$ 726.1	\$ 107.6	\$ 833.7	\$ 726.1	\$ 107.6	\$ 833.7

FY2004

	Source of Funds									Use of Funds		
	Revenue			Fund Balance			Total			Operations	Capital	Total
	Operations	Capital	Total	Operations	Capital	Total	Operations	Capital	Total			
Univ of Houston	\$ 555.3	\$ 40.7	\$ 596.0	\$ 7.4	\$ 52.0	\$ 59.4	\$ 562.7	\$ 92.7	\$ 655.4	\$ 562.7	\$ 92.7	\$ 655.4
UH-Clear Lake	69.4	-	69.4	3.5	18.7	22.2	72.9	18.7	91.6	72.9	18.7	91.6
UH-Downtown	76.7	1.2	77.9	1.8	13.2	15.0	78.5	14.4	92.9	78.5	14.4	92.9
UH-Victoria	24.1	-	24.1	-	1.2	1.2	24.1	1.2	25.3	24.1	1.2	25.3
UH System Admin	30.6	28.7	59.3	-	(14.7)	(14.7)	30.6	14.0	44.6	30.6	14.0	44.6
Total	\$ 756.1	\$ 70.6	\$ 826.7	\$ 12.7	\$ 70.4	\$ 83.1	\$ 768.8	\$ 141.0	\$ 909.8	\$ 768.8	\$ 141.0	\$ 909.8

FY2005

	Source of Funds									Use of Funds		
	Revenue			Fund Balance			Total			Operations	Capital	Total
	Operations	Capital	Total	Operations	Capital	Total	Operations	Capital	Total			
Univ of Houston *	\$ 606.9	\$ 36.5	\$ 643.4	\$ 7.7	\$ 66.1	\$ 73.8	\$ 614.6	\$ 102.6	\$ 717.2	\$ 614.6	\$ 102.6	\$ 717.2
UH-Clear Lake	73.8	1.1	74.9	2.3	3.1	5.4	76.1	4.2	80.3	76.1	4.2	80.3
UH-Downtown	87.7	0.9	88.6	0.8	-	0.8	88.5	0.9	89.4	88.5	0.9	89.4
UH-Victoria	26.2	-	26.2	0.2	-	0.2	26.4	-	26.4	26.4	-	26.4
UH System Admin *	13.0	6.5	19.5	0.2	-	0.2	13.2	6.5	19.7	13.2	6.5	19.7
Total	\$ 807.6	\$ 45.0	\$ 852.6	\$ 11.2	\$ 69.2	\$ 80.4	\$ 818.8	\$ 114.2	\$ 933.0	\$ 818.8	\$ 114.2	\$ 933.0

* Change from FY04 to FY05 includes the move of KUHT from System Administration to UH (\$8.7 million)

University of Houston System Operating Budgets

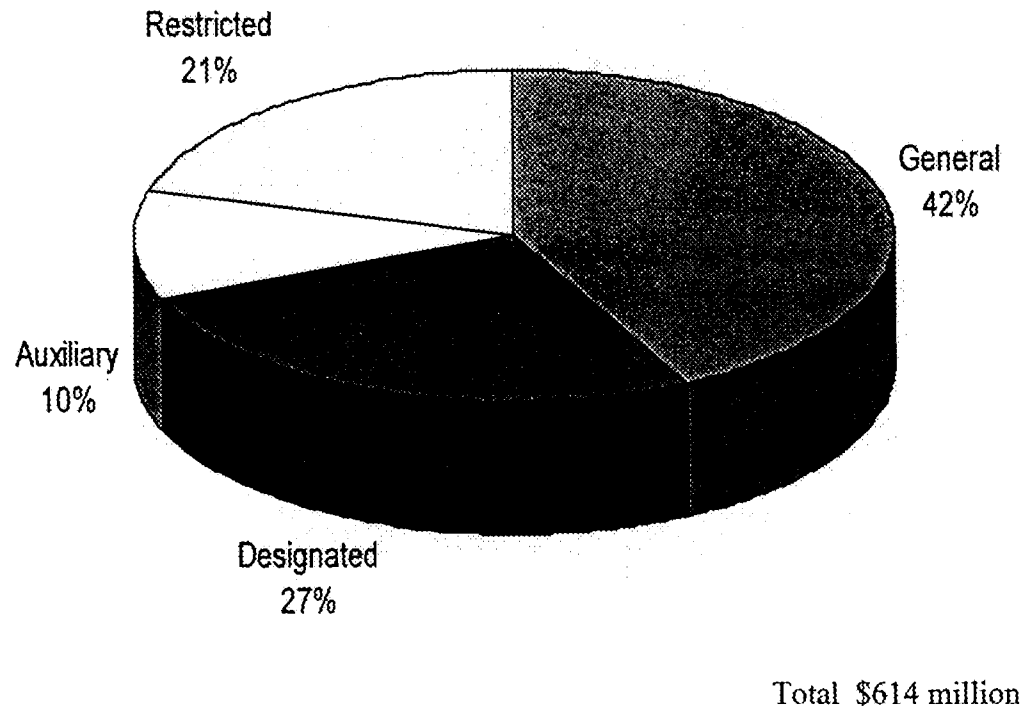
(\$ in Millions)

	-----Current Fund Revenue & Transfers-----							
	<u>FY1998</u>	<u>FY1999</u>	<u>FY2000</u>	<u>FY2001</u>	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>
University of Houston *	\$ 357.6	\$ 411.5	\$ 428.9	\$ 448.4	\$ 488.6	\$ 519.6	\$ 555.3	\$ 606.9
UH-Clear Lake	49.0	49.6	58.9	64.3	71.5	66.0	69.4	73.8
UH-Downtown	45.5	46.0	53.4	56.5	65.6	72.4	76.7	87.7
UH-Victoria	11.5	12.3	15.1	15.3	18.2	21.2	24.1	26.2
UH System Administration *	14.7	17.7	20.7	20.4	28.2	27.5	30.6	13.0
Total	\$ 478.3	\$ 537.1	\$ 577.0	\$ 604.9	\$ 672.1	\$ 706.7	\$ 756.1	\$ 807.6
Change vs Prior Year		12%	7%	5%	11%	5%	7%	7%

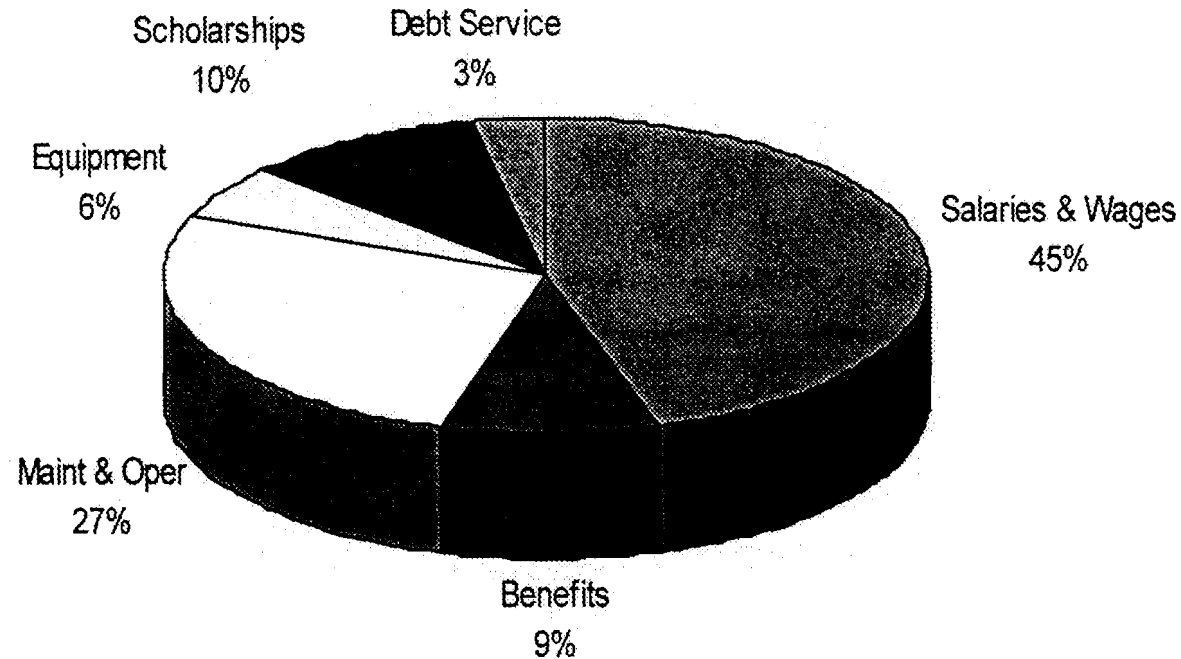
* Change from FY04 to FY05 includes the move of KUHT Public Television from System Administration to UH (\$8.7 million)

University of Houston

Budgeted Sources of Current Fund Groups-FY05

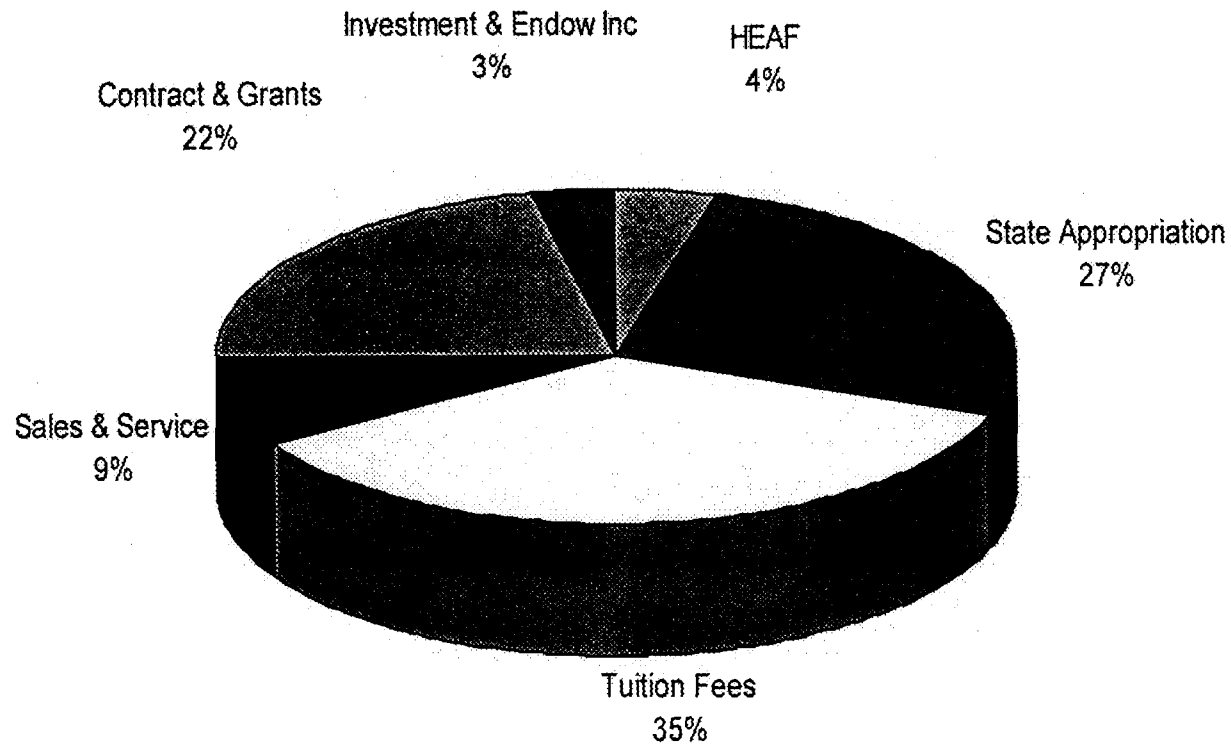


University of Houston
**Budgeted Uses of Current Funds By
Object-FY05**



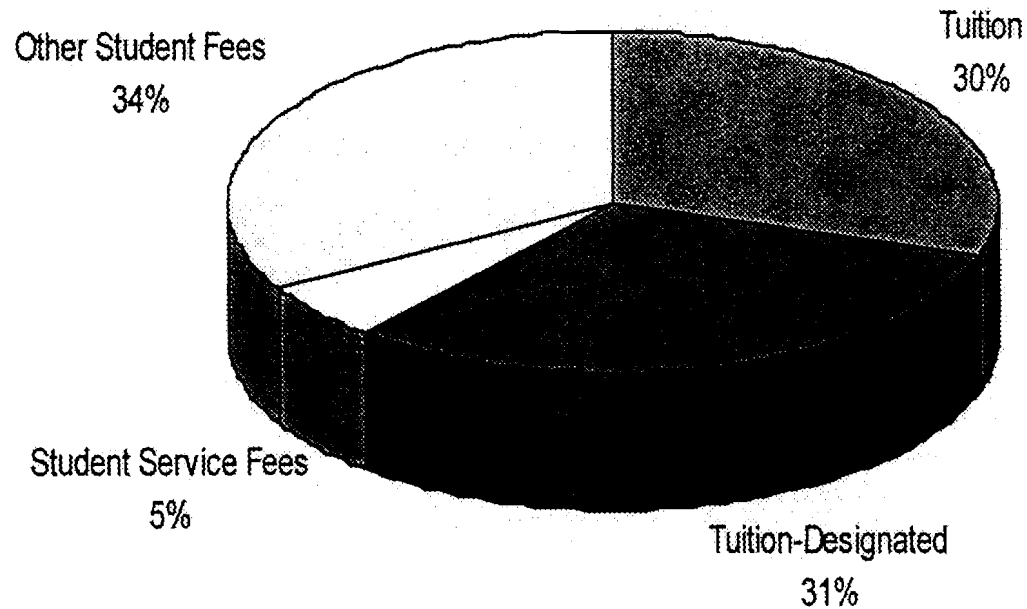
Total \$614 million

University of Houston
**Budgeted Sources of
Current Funds-FY05**

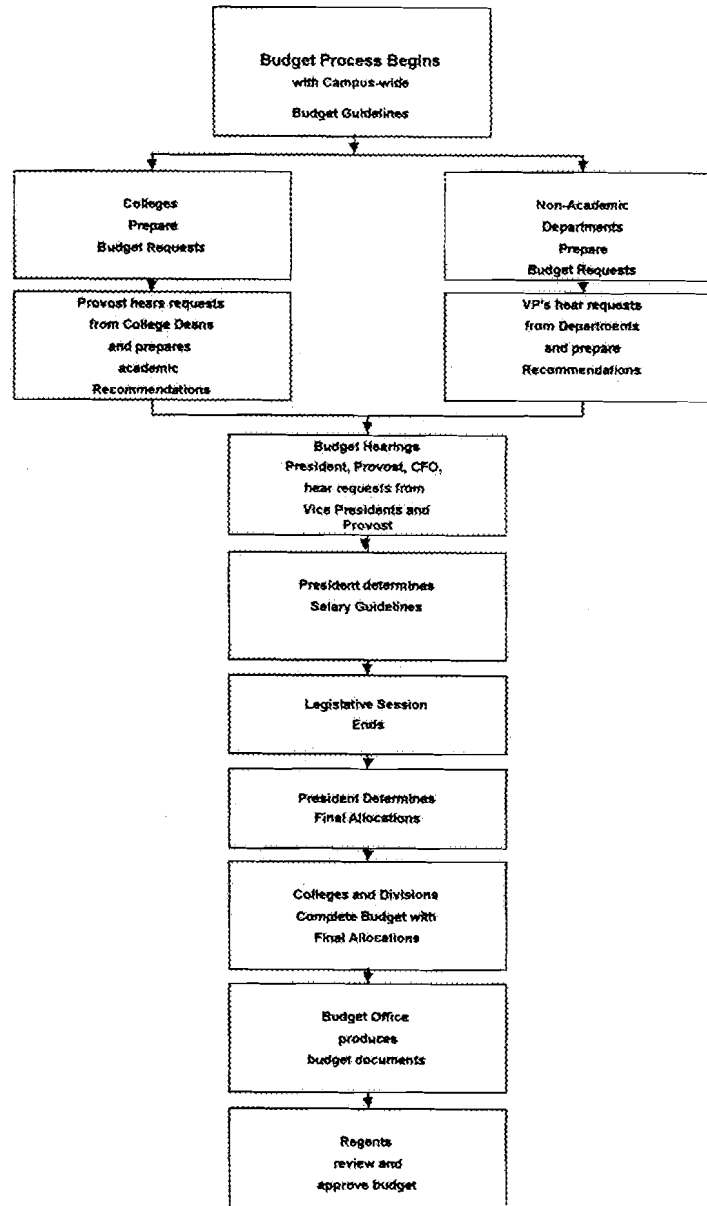


University of Houston

Budgeted Sources of Student Tuition and Fees-FY05



University of Houston
FY2005 Operating Budget Process Flowchart



University of Houston
Table 2 - Operations

Source of Funds	FY 2004	-----Change-----		FY 2005
	Budget	Dollars	Percent	Budget
General Funds				
State General Revenue Appropriations				
Formula Funding	\$ 115,116,480	\$ 171,797	0.1%	\$ 115,288,277
Special Items	11,284,907			11,284,907
Tuition Revenue Bonds	3,246,798			3,246,798
State Benefits Appropriation	23,078,000	2,611,595	11.3%	25,689,595
Dedicated Appropriations-TX Grant/College Work Study	8,076,590	197,243	2.4%	8,273,833
Subtotal State General Revenue Appropriations	160,802,775	2,980,635	1.9%	163,783,410
Tuition and Fees				
Statutory & Graduate Premium	53,617,075	3,850,990	7.2%	57,468,065
Premium (Law, Pharmacy, Optometry)	8,318,817	394,748	4.7%	8,713,565
Lab/other Student Fees	353,000	1,391	0.4%	354,391
Subtotal Tuition and Fees	62,288,892	4,247,129	6.8%	66,536,021
HEAF	25,519,929	(786,400)	-3.1%	24,733,529
Indirect Cost	1,120,505			1,120,505
Aux Admin Chg/Opt Clinic/Institutes/Cont. Ed/Other	4,240,586	465,278	11.0%	4,705,864
Income on State Treasury Deposits	645,000	(279,000)	-43.3%	366,000
Fund Balance	3,229,000	(81,000)	-2.5%	3,148,000
Subtotal General Funds	257,846,687	6,546,642	2.5%	264,393,329
Designated				
Tuition and Fees				
Designated Tuition - General	46,755,208	15,904,312	34.0%	62,659,520
Designated Tuition - Differential		5,666,131		5,666,131
Library Fee	5,099,000	1,299,688	25.5%	6,398,688
Technology Fee	10,010,559	140,478	1.4%	10,151,037
Major/Department/Class Fees	42,596,162	5,334,516	12.5%	47,930,678
Subtotal Tuition and Fees	104,460,929	28,345,125	27.1%	132,806,054
Indirect Cost	6,294,193	5,487,043	87.2%	11,781,236
Investment Income on Non-Endowed Funds	7,000,000	(4,000,000)	-57.1%	3,000,000
Endowment Income	3,393,904	(388,776)	-11.5%	3,005,128
Contracts / Grants / Gifts	2,486,558	709,282	28.5%	3,195,840
Arte Publico Press/Opt Clinic/Other Self Supporting Org	10,870,825	437,754	4.0%	11,308,579
Fund Balance	5,731,597	(1,954,374)	-34.1%	3,777,223
Subtotal Designated Funds	140,238,006	28,636,054	20.4%	168,874,060

University of Houston
Table 2 - Operations - Continued

	FY2004 Budget	Change		FY2005 Budget
		Dollars	Percent	
Auxiliary Enterprises				
Student Fees				
Student Service Fee	10,853,286	973,879	9.0%	11,827,165
Recreation and Wellness Center	5,207,800	967,831	18.6%	6,175,631
Other Student Fees	2,268,671	60,529	2.7%	2,329,200
Subtotal Student Fees	18,329,757	2,002,239	10.9%	20,331,996
Sales & Service - Student Housing/Meal Plan	12,832,291	359,512	2.8%	13,191,803
Sales & Service - Parking	4,864,986	235,014	4.8%	5,100,000
Sales & Service - Athletics/Hotel/UC/Other	23,665,928	1,682,194	7.1%	25,348,122
Fund Balance	796,000	12,000	1.5%	808,000
Subtotal Auxiliary Funds	60,488,962	4,290,959	7.1%	64,779,921
Total Current Operating Funds	458,573,655	39,473,655	8.6%	498,047,310
Interfund transfer	(11,264,390)	1,234,044	-11.0%	(10,030,346)
Total Sources	\$ 447,309,265	\$ 40,707,699	9.1%	\$ 488,016,964
Use of Funds by Object				
Salaries and Wages	\$ 222,148,016	\$ 13,630,735	6.1%	\$ 235,778,751
Benefits	48,004,199	5,157,258	10.7%	53,161,457
M&O	84,642,649	17,095,842	20.2%	101,738,491
Capital	21,016,962	(3,394,334)	-16.2%	17,622,628
Scholarships	26,902,664	3,544,461	13.2%	30,447,125
Debt Service	17,455,798	1,629,503	9.3%	19,085,301
Utilities	14,125,642	2,089,938	14.8%	16,215,580
Transfers	13,013,335	954,296	7.3%	13,967,631
Total Uses	\$ 447,309,265	\$ 40,707,699	9.1%	\$ 488,016,964

University of Houston

Table 3 - Restricted

	FY2004 Budget	Change		FY2005 Budget
		Dollars	Percent	
Source of Funds				
Restricted				
Contracts and Grants				
Research	\$ 48,696,154	\$ 11,385,846	23.4%	\$ 60,082,000
Financial Aid	19,968,764	9,656,915	48.4%	29,625,679
Gifts	12,327,099	1,467,261	11.9%	13,794,360
Endowment Income	11,720,035	(292,444)	-2.5%	11,427,591
Other Restricted	398,478	88,612	22.2%	487,090
KUHT/KUHF	13,239,072	148,872	1.1%	13,387,944
Total Current Operating Funds	106,349,602	22,455,062	21.1%	128,804,664
Interfund Transfer	(1,258,133)	(972,856)	77.3%	(2,230,989)
Total Sources	\$ 105,091,469	\$ 21,482,206	20.4%	\$ 126,573,675
Use of Funds by Object				
Salaries and Wages	\$ 39,187,256	\$ 2,842,184	7.3%	\$ 42,029,440
Benefits	2,691,357	232,505	8.6%	2,923,862
M&O	33,982,217	(2,001,620)	-5.9%	31,980,597
Capital	5,129,101	12,261,254	239.1%	17,390,355
Scholarships	24,101,538	8,147,883	33.8%	32,249,421
Total Uses	\$ 105,091,469	\$ 21,482,206	20.4%	\$ 126,573,675