



MEMORANDUM

TO: UHD Unit Managers
FROM: Loren J. Blanchard, Ph.D., President
DATE: November 9, 2022

RE: Plan/Budget Development – FY2024

The Fall semester is moving along, and it is now time to begin to plan our budget for the next fiscal year, FY2024. I am pleased to report that we continue to see a rebound in the operations of the University toward what was pre-pandemic levels and that we are making significant progress toward achieving many of our strategic objectives.

This year marks the start of the State's 2024-25 biennium budget cycle. Our FY2024 budget will be developed with uncertainties regarding the level of our state formula funding and the approval of our exceptional items request. As last year's budget development process demonstrated, our dependence on tuition and fees rate increases to generate additional revenue is not guaranteed. Nevertheless, we understand that enrollment growth is essential because it is the surest path to additional resources.

Of course, every year comes with its challenges. UHD's student headcount for Fall 2022 declined from last year, and our total student credit hours (SCHs) are down 5% with the most substantial dip evidenced among our transfer and graduate students. Fewer students are enrolling, and they are taking fewer classes. To address our declining student enrollment, we have implemented new and enhanced recruitment and retention strategies. Students who are supported and are engaged on campus and in class perform better academically and have the best likelihood of graduating on time with a college degree of value in hand. Student success is vital to our campus' sustainability and growth.

UHD's robust five-year Strategic Plan entitled the "***New Paradigm***" will guide the budget development process by allocating the resources needed to achieve the following seven strategic goals.

- Enhancing Student Success
- Cultivate more Strategic Partnerships
- Create a Dynamic Academic Environment
- Engage Faculty and Staff
- Build Sustainable Operations
- Elevate Visibility and Recognition
- Promote Impactful Knowledge Creation

In the coming days, guidelines for the FY2024 plan and budget development will be distributed to all unit managers. While developing budgets for FY2024, all unit managers should ensure that initiatives continue to aim towards strengthening UHD's strategic goals. Units are encouraged to review existing base budgets and identify those that can be reallocated to areas of greater need. This ensures efficient and effective use of the University's resources. Also, consideration should be given to whether existing fund balances in respective units can be used to fund initiatives.

Once you receive the guidance to develop your preliminary FY2024 budget and determine that you have questions, please feel free to contact Preston Heng, Director of Budget, at hengp@uhd.edu to assist you.

Thank you for your service and for your commitment to the students and the mission of the University of Houston-Downtown.