

## MEMORANDUM

TO: PBDC: UNIT MANAGERS

FROM: MICHAEL A. OLIVAS, INTERIM PRESIDENT

DATE: OCT. 25, 2016

RE: BUDGET FY2018

It has now been about nine months (and three computer password changes) since UH System (UHS) Chancellor Renu Khator asked me to serve as the University of Houston-Downtown's interim president. I accepted the assignment out of a sense of duty – being a good citizen is important to immigration law teachers – but as I've shared with so many of you and with the UH System, this assignment is perhaps the most rewarding professional experience I've ever had. And I've had a career filled with rewarding experiences.

I cannot stress enough the importance of the work being done here. If this city, state, and yes, nation, are to progress and prosper in the decades to come, it is essential that universities like UHD succeed in carrying out their missions. Our students are reflective of the changing face of higher education, and it is imperative to provide them with quality academic programs and the support infrastructure essential for their success.

It is now time to work on UHD's plan and budget for the next fiscal year, FY2018. I would like to take this opportunity to lay out our institutional priorities. As plans and budget requests are being developed, all unit managers should ensure that those requests support these priorities.

The two fundamental guideposts as we develop our FY2018 plan are (1) the UHS Progress Card for UHD and (2) the UHD Strategic Plan. Both are aligned. As I reviewed those documents, four priorities became clear:

- Student Success – as measured by retention and graduation rates
- Student Access – as measured by enrollment growth, both broadly and in targeted areas
- Community Engagement – increasingly woven into curriculum and essential to our QEP
- Administration and Infrastructure – to recruit, retain, and reward high-performing faculty and staff

Improving retention and graduation rates are essential for UHD, not only for reputational reasons but because future state funding is likely to be tied to these measures.

Enrollment growth is essential because it is the surest path to additional resources, and there is a resource component to all of the goals that we've established.

Engaging our community has become a hallmark for UHD, and is at the center of our Quality Enhancement Plan and other curricular directions set out by faculty.

Lastly, and perhaps most importantly, success in these first three areas is dependent on the hard work and commitment of UHD faculty and staff.

While we have all agreed upon the need for this redirection, the repositioning of the University over these past three years has come at a price. Higher admission standards for First-Time-In-College and

Transfer students have affected enrollment, resulting in resource challenges, most notably the institution's inability to provide base salary increases for this current year. The decision to maintain higher admissions standards, however, will improve our ability to grow as an institution. Already, we are seeing improvements for our students. That said, we all need to improve retention of those students we have recruited and to make their experiences so meaningful that they achieve in the ways we all know are possible and desirable.

**My bottom line: I have asked UHD's leadership team to make the establishment of a base salary increase pool the highest institutional priority for FY2018.**

As we look to achieve our goals, I am guardedly optimistic about the UHD's resource outlook moving into FY2018. The Texas Legislature will reconvene next spring. Economic conditions in the state are not as positive as they were two years ago, but neither are we mired in a recession or facing a looming budget shortfall. I am hopeful that overall funding for higher education, adjusted for growth and inflation, will hold steady or improve, as resources allow. And while our base year-to-base year enrollment growth has been below expectations, the new mix of UHD semester credit hours (SCH), skewed more heavily towards graduate hours, will provide greater formula funding on a per-average-SCH basis. There will also be a modest tuition/fee increase next year, approved by the UHS Board of Regents last spring as part of a two-year plan, which will provide some new resources—even as we freeze tuition for five years for FTICs, and even as we continue to charge what is among the state's lowest tuition and best bargains. However, we all hold the eventual fate of our institution in our hands, all of us pulling in the same direction to meet our own self-imposed standards, and then continuing to raise the bar.

In other areas, we are also preparing for an upward trajectory, with new buildings, a bigger campus footprint, new majors and partnerships, increased research productivity, and a renewed sense of purpose. As UHD goes, so will go our thriving city, in which we are deeply imbedded and with which we are deeply engaged.

In closing, let me express my sincere appreciation for the important work done by all of the faculty and staff at UHD, and to say again what a privilege it has been to be a part of those efforts. No one could be more aware or grateful for the opportunities all of you have given me, in service to our students.

Your friend and colleague,

A handwritten signature in black ink, appearing to read "Michael", with a long horizontal flourish extending to the right.

Michael