MEMORANDUM

TO: ALL UNIT MANAGERS
FROM: BILL FLORES, PRESIDENT
DATE: SEPTEMBER 25, 2014

This year marks UHD’s 40th Anniversary. It is our opportunity to not only honor the past, but to prepare for the future through careful planning and the identification of strategic initiatives. As the FY2016 planning and budgeting process gets underway, I would like to thank all UHD faculty and staff for your efforts in getting UHD to this point, and for the effort I know you will bring to meeting the challenges that lie ahead.

In the coming days, you will be receiving the guidelines for FY2016 plan and budget development. As you begin this work, I have some thoughts I’d like to share.

The past several years have demonstrated the importance of setting clear goals and staying focused on them. UHD’s current strategic plan, entitled Strategic Plan 2020, was developed with broad university input in 2011/12. It has been reviewed and modified as leadership changes have occurred, but the major goals outlined in that plan have remained largely unchanged. Included among the goals to achieve by 2020 are:

- Increase enrollment to 18,000
- Increase the six-year graduation rate for full-time FTICs to 28 percent
- Increase graduate SCHs to 5 percent of total SCHs
- Increase external research funding to $10 million per year
- Achieve a total of $30 million in gifts to the University

Preliminary data indicates that this fall we have grown enrollments by 4.9% to an all-time high of 14,438. Particularly noteworthy is the growth in graduate enrollment. Led by the MBA, graduate enrollments have increased from 271 students in Fall 2013 to 610 students in Fall 2014, and graduate SCHs now represent over 2% of our total SCHs. The growth of the MBA was spurred largely by strengthening relationships with industry, which had emerged as a strategic priority during our more recent planning cycles. I am particularly gratified with the improvements in our retention and graduation rates, which are rooted in strategic decisions to implement freshman admission standards and to strengthen core student/academic support services. This year we achieved the highest six-year graduation rate in the history of the institution. Progress is also being made in the areas of research funding and philanthropic support.

As we begin a new planning and budgeting cycle, we will again work to develop an annual plan that aligns with our mission, vision, strategic plan, the priorities of the UH System, and the higher education priorities of the state of Texas. There will be many things to consider as that plan is developed.
In the spring, the state legislature will convene and produce a budget for the next two fiscal years. The state economy is strong and there will be funds available to address state priorities, but there will be many needs competing for too few new dollars. Our hope is that some of those new dollars will go to support the higher education funding formulas, and that our enrollment growth in this base period will bring more formula support to UHD. This legislative session will also include a review of HEAF, and we are hopeful for an increase there as well. And UHD will once again request capital construction funds in support of a much-needed Science & Technology Building.

However, even with an improving economy, it is expected that going forward state support will be an ever-shrinking component of a Texas public university’s overall funding. UHD will need to continue to grow strategically, adding enrollments at the upper division and graduate levels. Though modest tuition increases have been approved for FY2016, we cannot and should not look to tuition/fee increases as the path to increased revenue. Maintaining our affordability is another element of our strategic plan, and we should all be proud of the fact that UHD continues to keep a high-quality university experience within the financial reach of the average citizen. As has been the case for the past several years, funding for new initiatives will increasingly have to come through the reallocation of existing resources.

In the final reports I have received in recent years from the chair(s) of the UHD Planning and Budget Development Committee (PBDC) there have been several recurring themes. One is that UHD staffing levels are unacceptably low, which puts stress on staff and also leads faculty members to have to function as their own support staff. Another is that to get through some lean years we have increasingly used one-time money to fund initiatives that really need to be part of our base budget. I am directing this year’s PBDC to make some progress in addressing these challenges. I will also be asking the PBDC to set aside some funds to further address faculty/staff compensation. I am pleased with the progress that has been made in this area over the past two years and would like to see it continue.

I am also directing the PBDC to look closely at the action plans that were the focus of the Leadership Retreat that was held in August. Those plans offered concrete suggestions regarding actions that could be taken in support of the goals articulated in Strategic Plan 2020. I also expect the final FY2016 plan/budget to be informed by the college-specific strategic plans that are now being developed.

This year we are also preparing for our upcoming SACS reaffirmation of accreditation. Our Compliance Certification report is due to SACS just as FY2016 will be getting underway (September 2015), and the on-site review committee will visit our campus in April 2016. We will select our QEP topic this fall and I have charged the provost with making sure that sufficient resources are provided in the FY2016 budget to support the QEP and all the work that will precede the visit.

As I close, I want to emphasize that we remain committed to our institutional vision: UHD seeks to become a premier city university engaging every student in high-impact educational experiences and ensuring that students graduate with 21st Century skills. While the days are long and our progress is often slow and hard-fought, the key metrics all point to UHD being solidly on the right track. There are great days ahead for UHD and I am excited to be a part of it, and I hope you are as well.

Thank you for your service, and for your commitment to the students and the mission of UHD.

Bill Flores, President