

# UNIVERSITY OF HAWAII AT HILO

Administration  
Administrative Affairs

September 29, 2008

## MEMORANDUM

TO: Chancellor Tseng  
Vice Chancellor Castille  
Vice Chancellor Hong  
Interim Vice Chancellor Crosby  
Director DeMello  
Director Chen  
Director Miser  
Executive Assistant Rogers

FROM: Debra Fitzsimons, Vice Chancellor for Administrative Affairs 

SUBJECT: FY 2008-2009 Budget Allocation

Attached for your distribution is the final allocation for Fiscal Year 2008-2009. This allocation is based on last year's base budget plus collective bargaining augmentation, legislative add-ons (general fund & tuition increase), legislative reductions, governor's restriction and adjustments as requested and discussed with the Long Range Budget Planning Committee and Chancellor's Cabinet. Reallocations for increased projected expenses beyond the appropriated budget for electricity, legal expenses, and off campus lease were made and are indicated on the allocation worksheet under Fixed Expenses.

You are required to set aside a contingency for potential additional reductions as identified in the column entitled "Reserve for Potential Additional Reduction" of the allocation worksheet. We are uncertain when and how much of additional reduction will occur, so this is in preparation for additional state reduction. If it does not occur this fiscal year, you will be able to spend your contingency. If the reduction is a different amount, adjustments will be made accordingly and future discussions will become necessary before those adjustments are made.

As in previous years, all salary savings are in the allocation distributed to each major unit, i.e. vice chancellors, deans and directors. The administration does not have a "general salary reserve", therefore, as has been past practice, all units are responsible for salary adjustments. However, a new reserve was deemed a high priority for the campus. The "reserve for potential faculty equity adjustments" was established and could be used for faculty equity or market adjustments.

Any units that use salary savings to purchase equipment must prepare to absorb the cost of future maintenance. It is strongly recommended that your salary savings be used for one-time, nonrecurring cost items.

Two additional reserves that were created this year are the enrollment growth incentive fund and emergency contingency reserve. The purpose of the two funds are to be able to assist various departments throughout the year if there are costs associated with enrollment growth for that area that cannot be handled within the appropriated budget or if there are extenuating circumstances in which an area needs some special one-time budget assistance due to the budget reductions and reallocations. Funds for establishing new accounts for accreditation, research office, and assessment/general education were also created.

In the next few days, this memo and the allocation will be placed on the Vice Chancellor for Administrative Affairs' website. I encourage you to share this with your units. Please remember that this fiscal year's budget needs to be spent cautiously. We appreciate everyone's cooperation during this time period of budget uncertainty and are committed to keeping the campus updated on a regular basis.

#### Attachment

cc: Lois Fujiyoshi  
Jo-Ann Nishioka