




UNIVERSITY
of HAWAII®
HILO

Administrative Affairs
Business Management Office

September 22, 2017

To: Interim Chancellor Sakai
Interim Vice Chancellor Hon
Vice Chancellor Gomes
Interim Vice Chancellor Rapoza
Director Chang

From: Lois Fujiyoshi, Executive Director of Budget & Business Management 

Subject: FY 2017-18 Initial Budget Allocation, September 18, 2017

This allocation is based on the FY 2017-18 UH Hilo budget allotment from the Governor of the State of Hawaii and projected tuition revenue. It includes UH System adjustments, the Governor's restriction and adjustments at the campus level.

The Initial Budget Allocation to divisions will be used by all budget managers to plan for program activity and associated expenses until the final and revised budget allocation is distributed in early Spring of 2018. Distribution of division allocation to reporting units is determined within each division.

Major adjustments in the Initial Budget Allocation for FY 2017-18 include:

- Implementation of high level campus operating budget, as approved by the BoR in August 2017, revised to reflect updated tuition revenue projection as of September 2017
- Implementation of Year 1 of the BoR approved tuition plan with no tuition rate increase as approved by the BOR in July 2016
- Implementation of BoR policy that 12% of total prior year tuition income be allocated to student need-based financial aid and that a minimum of the FY 2013-14 amounts for student non need-based financial aid be satisfied, as revised by Executive Policy in January 2015
- Inclusion of the collective bargaining agreement terms for BU 03, BU 04, BU 08 and BU 09 employees as provided by their respective unit contracts
- Vice Chancellors have the delegated authority to make unit allocation decisions based on the UH System Strategic Directions, the UH Hilo Strategic Plan 2011-15 and their internal division and unit priorities
- Continuation of sustainability efforts with energy savings used for re-investment in energy saving projects

September 20, 2017

- Continuation of tuition funded capital renewal and deferred maintenance projects
- Continuation of debt service relating to issuance of 2009 revenue bonds

All salary savings are included in the allocation distributed to each university division. The administration does not have a central salary reserve fund, and therefore all divisions are responsible for salary adjustments due to promotion, equity, merit or market adjustments. Any division or unit that uses salary savings to purchase equipment must prepare to absorb the cost of future maintenance. It is recommended that salary savings be used for one-time, nonrecurring cost items.

As always, this Initial Budget Allocation is subject to change based on changing environmental conditions, both internal to the University and at the state level. With this possibility, we ask that spending decisions be strategic, with a focus on enrollment and student success, and conservative.

This memo and the allocation will be placed on the Vice Chancellor for Administrative Affairs website.

Attachment

9/18/2017

**UNIVERSITY OF HAWAII HILO
FY 2018 DRAFT BUDGET ALLOCATION**

Note: Chancellor's Units include Athletics & IRO	4 % decline (Non-CoP)						
	FY 2018	FY 2018	FY 2018	FY 2018	FY 2018	FY 2018	FY 2018
	Initial Allocation	Base Adjustment	One-Time Adjustment	CB Adjustment	Adjusted Allocation	Restriction/Reduction	Initial Allocation after Reduction
Resources							
RESOURCES							
General Fund	34,230,961			258,174	34,489,135	(776,394)	33,712,741
Tuition and Fees Special Fund	35,676,164	(1,223,915)	2,135,480		36,587,729		36,587,729
Research and Training Revolving Fund	320,000				320,000		320,000
Other Transfers-In	340,000				340,000		340,000
Total Resources	70,567,125	(1,223,915)	2,135,480	258,174	71,736,864	(776,394)	70,960,470
EXPENSES							
Transfers-out (Assessments & ELI)	1,327,148	(122,500)			1,204,648		1,204,648
Fixed Expenses							
Student Employment	606,905		200,000		806,905		806,905
Services (legal, disability, bank)	454,237				454,237		454,237
Off Campus Lease	139,973		(30,000)		109,973		109,973
CRDM	488,604				488,604		488,604
Utilities	6,212,283		(700,000)		5,512,283		5,512,283
CoP Building Contingency	0				0		0
CoP Floor, furniture, AV			1,330,000		1,330,000		1,330,000
Payroll Related (workers comp/vacation/cb)	686,765			0	686,765		686,765
Student Scholarship/Exchange/Early College	7,003,952				7,003,952		7,003,952
Sub-Total Fixed Expenses	15,592,719	0	800,000	0	16,392,719	0	16,392,719
Balance after Transfers and Fixed Expenses	53,647,258	(1,101,415)	1,335,480	258,174	54,139,497	(776,394)	53,363,103
Academic Affairs	25,421,293	(156,649)	54,000	89,718	25,408,362	(985,845)	24,422,517
DKICP	9,391,455	585,426		4,157	9,981,038	(387,264)	9,593,774
Student Affairs	4,370,563	(87,675)		69,772	4,352,660	(168,883)	4,183,777
Chancellor's Office (direct reports)	6,155,235	472,999	107,422	52,453	6,788,109	(263,378)	6,524,731
Administrative Affairs	8,087,318	(89,300)	405,480	87,166	8,490,664	(329,438)	8,161,226
Opportunity Funds for the Future	242,875	44,000			286,875	(11,131)	275,744
Debt Service	0		200,000		200,000		200,000
Subtotal - Program Expenses	53,668,739	768,801	766,902	303,266	55,507,708	(2,145,939)	53,361,769
Total Expenses	70,588,606	646,301	1,566,902	303,266	73,105,075	(2,145,939)	70,959,136
Net						3.90%	1,334