



UNIVERSITY
of HAWAII
HILO

Administrative Affairs
Business Management Office

September 24, 2018

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 2018-19 Initial Budget Allocation, September 21, 2018

This allocation is based on the FY 2018-19 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 2019. Distribution of division allocation to reporting units is determined within each division.

Major adjustments in the Initial Budget Allocation for FY 2018-19 include:

- Implementation of high level campus operating budget, as approved by the BoR in August 2018, revised to reflect updated tuition revenue projection as of September 2018
- Implementation of Year 2 of the BoR approved tuition plan with a 1% resident 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 all bargaining units as provided by their respective unit contracts and executive salary increases
- 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

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- Continuation of tuition funded capital renewal, improvement and modernization projects 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

Updated 9/21/18
 UNIVERSITY OF HAWAII HILO
 FY 2019 DRAFT BUDGET ALLOCATION

| | FY 2019 | FY 2019 | FY 2019 | FY 2019 | FY 2019 | FY 2019 | FY 2019 |
|---|--------------------|-------------------|---------------------|------------------|---------------------|-----------------|------------------------------------|
| Note: Chancellor's Units include Athletics & IRO 6 % decline (Non-DKICP) | Initial Allocation | Base Adjustment | One-Time Adjustment | CB Adjustment | Adjusted Allocation | Reduction | Initial Allocation after Reduction |
| RESOURCES | | | | | | | |
| General Fund | 35,109,961 | -224,398 | | 1,883,055 | 36,768,618 | -459,460 | 36,309,158 |
| Tuition and Fees Special Fund | 34,452,249 | -2,023,161 | 1,966,584 | | 34,395,672 | | 34,395,672 |
| Research and Training Revolving Fund | 320,000 | | -120,000 | | 200,000 | | 200,000 |
| Other Transfers-In | 340,000 | -30,000 | | | 310,000 | | 310,000 |
| Total Resources | 70,222,210 | -2,277,559 | 1,846,584 | 1,883,055 | 71,674,290 | -459,460 | 71,214,830 |
| EXPENSES | | | | | | | |
| Transfers-out (Assessments & ELI) | 1,121,825 | -36,707 | | | 1,085,118 | | 1,085,118 |
| 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 | -90,000 | | | 49,973 | | 49,973 |
| CRDM | 488,604 | 387,861 | 352,127 | | 1,228,592 | | 1,228,592 |
| Utilities | 6,212,283 | | -700,000 | | 5,512,283 | | 5,512,283 |
| DKICP Building Contingency | 0 | | | | 0 | | 0 |
| DKICP Floor, furniture, AV | 0 | | | | 0 | | 0 |
| Payroll Related (workers comp/vacation pool) | 686,765 | 55,000 | | 0 | 741,765 | | 741,765 |
| Student Scholarship/Exchange/Early College | 7,003,952 | | | | 7,003,952 | | 7,003,952 |
| Sub-Total Fixed Expenses | 15,592,719 | 352,861 | -147,873 | 0 | 15,797,707 | | 15,797,707 |
| Balance after Transfers and Fixed Expenses | 53,507,666 | -2,593,713 | 1,994,457 | 1,883,055 | 54,791,465 | -459,460 | 54,332,005 |
| Academic Affairs | 24,368,517 | | 5,520 | 1,043,519 | 25,417,556 | -63,062 | 25,354,494 |
| DKICP | 9,593,774 | -1,024,662 | | 214,580 | 8,783,692 | -21,792 | 8,761,900 |
| Student Affairs | 4,183,777 | 54,602 | | 124,757 | 4,363,136 | -10,825 | 4,352,311 |
| Chancellor's Office (direct reports) | 6,417,309 | 55,000 | 407,422 | 106,913 | 6,986,644 | -17,334 | 6,969,310 |
| Administrative Affairs | 7,755,746 | | 529,330 | 255,164 | 8,540,240 | -21,188 | 8,519,052 |
| Opportunity Funds for the Future | 275,744 | -35,000 | 135,127 | | 375,871 | -933 | 374,938 |
| Debt Service | 0 | | | | 0 | | 0 |
| Subtotal-Program Expenses | 52,594,867 | -950,060 | 1,077,399 | 1,744,933 | 54,467,139 | -135,134 | 54,332,005 |
| Total Expenses | 69,309,411 | -633,906 | 929,526 | 1,744,933 | 71,349,964 | -135,134 | 71,214,830 |
| Net | | | | | | | 0 |