




UNIVERSITY
of HAWAII°
HILO

January 28, 2021

To: Chancellor Irwin
Vice Chancellor Gomes
Vice Chancellor Roney
Interim Director Kakugawa-Leong

From: Kalei Rapoza 
Interim Vice Chancellor for Administrative Affairs

Subject: FY 2020-21 Budget Allocation, January 21, 2021

This allocation is based on the FY 2020-21 general fund appropriation and FY 2021 collective bargaining allocation as well as projected tuition revenue. It assumes that we will receive the same level of restrictions in Qtr4 that the Governor imposed on the first three quarters. A review will be done after the Governor releases our Qtr4 allotment.

The Budget Allocation to divisions will be used by all budget managers to plan for program activity and associated expenses. Distribution of division allocation to reporting units is determined within each division.

Major adjustments in the Budget Allocation for FY 2020-21 include:

- Implementation of high level campus operating budget, as approved by the BoR on November 19, 2020
- Year 1 of the 3 year tuition plan reflecting flat tuition rates, as approved by the BOR in May 2019
- Inclusion of the FY 2021 collective bargaining agreement terms for all bargaining units as provided by their respective unit contracts, excluding FY 2020 retroactive salary payout
- 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 allocating campus financial assistance in accordance with BoR policy that 12% of total prior year tuition income be allocated to student need-based financial aid and that a

ADMINISTRATION *Administrative Affairs*

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minimum of the FY 2013-14 amounts for student non need-based financial aid be satisfied, as revised by Executive Policy in January 2015

- Reduction of funding for energy saving projects
- Reduction of tuition funded capital renewal, improvement and modernization projects

Spending restrictions carried forward from FY 2020 and additional ones outlined in my July 8, 2020, "Restrictions on Expending University Funds for FY 2021" memorandum continues to be in effect. The Governor has not released our Qtr4 allotment and the level of reductions in the biennium budget for FY 2021-2023 is not known, therefore, we still need to preserve our cash balance to help us get through the next two biennia.

Collective bargaining allocation for the FY 2020 retroactive payments have been received by the university but not yet included in your allocation. The university still needs to determine the best way to record this allocation in the campus budgets in the financial system.

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 Budget Office website.

Attachment

c: Lois Fujiyoshi

