



UNIVERSITY of HAWAII*

HILO

Ke Kulanui o Hawai'i ma Hilo

September 23, 2025

To: Chancellor Irwin
Interim Vice Chancellor Kapono
Interim Vice Chancellor Kawai'ae'a
Interim Director Kalili

From: Kalei Rapoza, Vice Chancellor for Administrative Affairs
Kalei Rapoza, Vice Chancellor for Administrative Affairs
Date: 2025.09.23 08:30:34 -10'00'

Subject: FY 2025-26 Budget Allocation

This allocation is based on the FY 2025-26 general fund appropriation as well as projected tuition revenue.

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. Vice Chancellors have the delegated authority to make unit allocation decisions based on the UH System Strategic Imperatives, the UH Hilo Strategic Plan and their internal division and unit priorities

The Budget Allocation for FY 2025-26 include:

- Implementation of high level campus operating budget, as approved by the BoR on September 18, 2025
- Year 3 of the 4 year tuition plan reflecting flat tuition rates, as approved by the BOR in January 2023
- Continuation of allocating campus financial assistance in accordance with executive policy EP6.204 that a minimum of 12% of the average of the actual tuition revenues from the previous three completed academic years be awarded in need-based aid and the amount of non-need based aid as determined by campus leaders
- 5% hard restriction and 5% contingency restriction of discretionary general fund appropriation
- Collective bargaining augmentation for FY 2026 negotiated increases distributed to divisions
- Use of reserves for one-time strategic investments and to partially cover decline in tuition revenue, general fund restrictions and increased operating expenses

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 and federal levels. Spending decisions must be strategic with a focus on the four UH strategic imperatives:

- 1) Fulfill Kuleana to Native Hawaiians and Hawai'i
- 2) Develop Successful Students for a Better Future
- 3) Meet Hawai'i's Workforce Needs of Today and Tomorrow
- 4) Diversify Hawai'i's Economy through UH Innovations and Research.

We must also align our activities with the UH Hilo Strategic Plan Goals:

- 1) Demonstrate that UH Hilo is a Native Hawaiian place of learning, deeply connected to the history of Hawai'i Island's diverse communities
- 2) Address Equity Gaps for Vulnerable Communities to Overcome Barriers to Higher Education
- 3) Empower Learners with Up-to-Date and Relevant Knowledge to Contribute to Healthy, Vibrant, Sustainable, Flourishing Communities on Hawai'i Island and Around the World
- 4) Advance and Disseminate Research, Scholarly, and Creative Activities that Address Local Priorities and Have Global Relevance
- 5) Develop a More Resilient, Adaptive, Student- and Community-Centered, Future-Focused Organization

It is imperative that budget decisions and development within each of our major units include two-way communication and discussion throughout all levels. As you engage in your budget allocation process, have long-term planning in mind, including how your units will be flexible and adaptable to decreased allocations for FY 2026-27 and FY 2027-28 when we reduce our use of tuition reserves for base operations.

This memo and the allocation will be placed on the Budget Office website.

Attachment

c: Lois Fujiyoshi

FY 2026 BUDGET ALLOCATION						
9/17/2025	FY 2026	FY 2026	FY 2026	FY 2026	FY 2026	FY 2026
	Initial Allocation	CB FY2026	Biennium Budget Adjustment	Base Adjustment	One-Time Adjustment	Adjusted Allocation
<u>Resources</u>						
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General Fund	48,427,248	1,336,261	1,000,000	0	0	50,763,509
Tuition and Fees Special Fund	21,325,921			41,000	8,000,000	29,366,921
Research and Training Revolving Fund	200,000			0	0	200,000
Other Transfers-In	180,000			0	0	180,000
Total Resources	70,133,169	1,336,261	1,000,000	41,000	8,000,000	80,510,430
<u>EXPENSES</u>						
Transfers-out (Assessments & ELI)	873,580			-51,940	29,415	851,055
<u>Fixed Expenses</u>						
Student Employment	737,394			180,771	0	918,165
Services (legal, disability, bank, recruitment)	524,237			0	0	524,237
Off Campus Lease	49,973			0	0	49,973
CRDM	1,136,595			0	1,727,550	2,864,145
Utilities	6,212,283			0	-232,000	5,980,283
Payroll Related (workers comp/vacation pool)	741,765				-6,342	735,423
Student Scholarship/Exchange/Early College	7,003,952				400,000	7,403,952
Sub-Total Fixed Expenses	16,406,199			180,771	1,889,208	18,476,178
Academic Affairs	28,757,072	727,736	500,000	-171,872	452,200	30,265,136
DKICP	3,835,041	130,920	0	204,022	0	4,169,983
Student Affairs	4,780,044	128,292	0	-24,848	1,489,850	6,373,338
Chancellor's Office (direct reports)	9,609,243	207,858	500,000	-52,229	80,400	10,345,272
Administrative Affairs	9,013,852	234,120	0	250,000	325,000	9,822,972
Opportunity Funds for the Future	207,548		0	-1,051	0	206,497
Subtotal - Program Expenses	56,202,799	1,428,926	1,000,000	204,022	2,347,450	61,183,197
Total Expenses	73,482,578	1,428,926	1,000,000	332,853	4,266,073	80,510,430
Net						0