

University of Hawai'i at Hilo

UH Hilo is a comprehensive, regional university serving roughly 3,000 students on a 120-acre main campus. The primary focus of the campus is to provide high quality baccalaureate and select postgraduate education. In carrying out this mission, UH Hilo offers 35 undergraduate degrees, 5 graduate degrees, 2 doctoral degrees, and 2 professional degrees that take advantage of the unique physical and social characteristics of the island, attracting students who are qualified for baccalaureate entry and seek opportunities for highly engaging and experiential learning. This includes first-generation and non-traditional students, some of whom attend part-time.

While a primary target for UH Hilo is residents of Hawai'i Island, its quality programs are attractive to prospective students from other islands, the Pacific, the mainland U.S. and other countries. University-bound students from O'ahu in particular may select UH Hilo not only for its distinctive undergraduate programs but also for its rural setting, affordability, intimate character, or to leave home without leaving the state.

UH Hilo is anticipating an increase in the number of students attending in-person classes as well as students residing on campus. As a result, revenue in Other Special and Other Revolving funds will increase but so will personnel and operating expenditures.

General Fund and tuition revenue is projected to decline. In response to this decline, UH Hilo will continue cost saving measures that began in the spring of 2020.

ALL FUNDS

Revenues

Type of Fund	FY22 Projected	FY 21 Actual	FY22 Projected vs. FY21 Actual	%age
General Funds	\$37,532,515	\$38,849,428	(\$1,316,913)	-3.4%
Tuition & Fees	\$29,618,584	\$31,027,533	(\$1,408,949)	-4.5%
RTRF	\$2,982,997	\$2,962,497	\$20,500	0.0%
Other Special Funds	\$7,417,006	\$4,265,790	\$3,151,216	73.9%
Other Revolving Funds	\$1,405,812	\$1,262,589	\$143,223	11.3%
Appropriated Federal Funds	\$291,557	\$261,512	\$30,045	11.5%
Total Revenues	\$79,248,471	\$78,629,349	\$619,122	0.8%

Type of Fund	FY 21 Actual	FY21 Projected	FY21 Actual vs. FY21 Projected	%age
General Funds	\$38,849,428	\$37,343,067	\$1,506,361	4.0%
Tuition & Fees	\$31,027,533	\$30,888,533	\$139,000	0.5%
RTRF	\$2,962,497	\$2,388,217	\$574,280	24.0%
Other Special Funds	\$4,265,790	\$4,915,977	(\$650,187)	-13.2%
Other Revolving Funds	\$1,262,589	\$1,500,047	(\$237,458)	-15.8%
Appropriated Federal Funds	\$261,512	\$291,557	(\$30,045)	-10.3%
Total Revenues	\$78,629,349	\$77,327,398	\$1,301,951	1.7%

Overall, revenues are projected to increase by .8% when compared to actual FY21 collections. Although General Fund revenue is projected to be 3.4% less than FY21 actuals, HEERF funds will be used to help offset this loss of revenue. Tuition and Fees revenue is planned to be \$1.4 million less than FY21 actuals due to enrollment decline in the Daniel K. Inouye College of Pharmacy (DKICP). Other Special Fund revenue is projected to increase by \$3.2 million when compared with actual FY21 revenue.

The increase in Other Special Fund revenue is primarily due to a projected increase in residence hall occupancy and the number of students attending in-person classes. Revenue from theater ticket sales, athletic events, food concession rebates and facility use is also projected to increase when compared with FY 21 actual revenue. There is a slight increase in Other Revolving Fund revenue as a result of more students taking in-person classes.

Expenditures

Expenditure Category	FY22 Budget	FY21 Actual	FY22 Projected vs. FY21 Actual	%age
Regular Employee Payroll	\$47,477,972	\$42,837,347	\$4,640,625	10.8%
Lecturer Payroll	\$1,248,030	\$1,069,856	\$178,174	16.7%
Student Help Payroll	\$1,779,917	\$1,323,444	\$456,473	34.5%
Other Personnel	\$1,188,931	\$1,229,001	(\$40,070)	-3.3%
<i>Subtotal Personnel</i>	<i>\$51,694,850</i>	<i>\$46,459,648</i>	<i>\$5,235,202</i>	<i>11.3%</i>
Utilities	\$5,512,593	\$3,464,233	\$2,048,360	59.1%
Scholarships, Tuition	\$6,962,614	\$6,544,292	\$418,322	6.4%
Other Operating Expenses	\$17,959,332	\$10,399,882	\$7,559,450	72.7%
<i>Subtotal Other</i>	<i>\$30,434,539</i>	<i>\$20,408,407</i>	<i>\$10,026,132</i>	<i>49.1%</i>
Total Expenditures	\$82,129,389	\$66,868,055	\$15,261,334	22.8%

Expenditure Category	FY21 Actual	FY21 Projected	FY21 Actual vs. FY21 Projected	%age
Regular Employee Payroll	\$42,837,347	\$44,467,544	(\$1,630,197)	-3.7%
Lecturer Payroll	\$1,069,856	\$1,377,521	(\$307,665)	-22.3%
Student Help Payroll	\$1,323,444	\$1,715,981	(\$392,537)	-22.9%
Other Personnel	\$1,229,001	\$1,034,777	\$194,224	18.8%
<i>Subtotal Personnel</i>	<i>\$46,459,648</i>	<i>\$48,595,823</i>	<i>(\$2,136,175)</i>	<i>-4.4%</i>
Utilities	\$3,464,233	\$5,317,087	(\$1,852,854)	-34.8%
Scholarships, Tuition	\$6,544,292	\$6,985,100	(\$440,808)	-6.3%
Other Operating Expenses	\$10,399,882	\$17,231,748	(\$6,831,866)	-39.6%
<i>Subtotal Other</i>	<i>\$20,408,407</i>	<i>\$29,533,935</i>	<i>(\$9,125,528)</i>	<i>-30.9%</i>
Total Expenditures	\$66,868,055	\$78,129,758	(\$11,261,703)	-14.4%

Overall, expenditures are projected to be 22.8% more compared to actual FY21 expenditures. Regular employee payroll is projected to increase by 10.8% due to the strategic filling of positions that were deferred since the spring of 2020. The projected FY22 utilities budget is about \$2.0 million more than actual in FY21 because the budgeted amount includes potential rate increases and increase in usage as a result of more students, faculty and staff being physically on campus. Other Operating Expenses projected for FY22 include one-time expenditures such as R&R projects for student housing and the Student Life Center. Some R&R projects planned for FY 2021 were not finalized and will be completed this year. Operating cost will increase as we welcome our students, faculty, staff and community back to campus.

In response to the projected decrease in General Fund and TFSF revenue, UH Hilo is continuing the following cost saving measures:

- Freeze on filling vacant positions and new hires are made on an exception basis only and requires the approval of the UH President;
- Postpone faculty special salary adjustments and staff special compensation adjustments for retention, equity and performance;
- Reduce 89-day hires by not extending or early termination of current appointments;

- A freeze on out-of-state travel was implemented in FY 2020 and continues into FY 2022. A travel freeze was also placed on inter-island travel;
- A freeze on equipment purchases and new contracts exceeding \$25,000 continues into FY 2022. All contract renewals are being carefully scrutinized and approved only if it is determined that they are absolutely necessary at this time;
- Pcard use has been reduced by limiting the number of employees authorized to make purchases. The Chancellor and Vice Chancellors provided approvals for up to two cardholders from each major department. The remaining cardholders have been instructed not to utilize their Pcards; and,
- Reduce other operational costs such as supplies, subscriptions, memberships, repairs and maintenance and printing.

Net Operating Gain (Loss)

Net Operating Income (including one-time expenditures)	FY22
(All Funds Summary)	Projected
Net Operating Income	(\$2,155,255)
Beginning Balance	\$43,099,172
Ending Balance	\$40,943,917
Other Reserve Requirements (R&R, Bond, RTRF Commitments)	\$6,700,000
Revised Ending Balance	\$34,243,917
Reserve Requirement (5% Minimum)	\$4,055,608
Balance Above Minimum Reserve After Adjustments	\$30,188,309

Pursuant to EP2.212, a cash balance is maintained by the Revenue Undertaking Special Fund for a R&R reserve. An amount equal to 50% of its depreciation expense for the preceding fiscal year is transferred into this fund for Student Housing, Food Service, and DKICP projects. Balances are also held for repairing, maintaining, and replacing facility and equipment for revenue generating units, i.e., Student Life Center. In total, this reserve requirement is \$6.7 million.

Although UH Hilo proposes to spend \$2.2 million more than its revenues for FY22 to cover planned expenditures and to fund one-time expenses, the remaining balance of \$34.2 million is still above the minimum threshold.

TUITION AND FEES SPECIAL FUND

Revenues

FY22 Projected	FY21 Actual	FY22 Proj. vs. FY21 Actual	%age
\$29,618,584	\$31,027,533	(\$1,408,949)	-4.5%

FY21 Actual	FY21 Projected	FY21 Actual vs. FY21 Proj.	%age
\$31,027,533	\$30,888,533	\$139,000	0.5%

Tuition and Fee revenues are planned to be 4.5% less than the FY21 actual amount due to a projected enrollment decline in the DKICP.

Expenditures

Expenditure Category	FY22 Budget	FY21 Actual	FY22 Projected vs. FY21 Actual	%age
Regular Employee Payroll	\$8,649,768	\$4,429,934	\$4,219,834	95.3%
Lecturer Payroll	\$1,248,030	\$821,964	\$426,066	51.8%
Student Help Payroll	\$629,000	\$523,398	\$105,602	20.2%
Other Personnel	\$1,010,000	\$70,272	\$939,728	1337.3%
<i>Subtotal Personnel</i>	<i>\$11,536,798</i>	<i>\$5,845,568</i>	<i>\$5,691,230</i>	<i>97.4%</i>
Utilities	\$4,660,850	\$2,719,844	\$1,941,006	71.4%
Scholarships, Tuition	\$200,000	\$67,456	\$132,544	196.5%
Other Operating Expenses	\$7,701,978	\$5,311,575	\$2,390,403	45.0%
<i>Subtotal Other</i>	<i>\$12,562,828</i>	<i>\$8,098,875</i>	<i>\$4,463,953</i>	<i>55.1%</i>
Total Expenditures	\$24,099,626	\$13,944,443	\$10,155,183	72.8%

Expenditure Category	FY21 Actual	FY21 Projected	FY21 Actual vs. FY21 Projected	%age
Regular Employee Payroll	\$4,429,934	\$6,046,579	(\$1,616,645)	-26.7%
Lecturer Payroll	\$821,964	\$1,362,521	(\$540,557)	-39.7%
Student Help Payroll	\$523,398	\$704,030	(\$180,632)	-25.7%
Other Personnel	\$70,272	\$860,000	(\$789,728)	-91.8%
<i>Subtotal Personnel</i>	<i>\$5,845,568</i>	<i>\$8,973,130</i>	<i>(\$3,127,562)</i>	<i>-34.9%</i>
Utilities	\$2,719,844	\$4,685,850	(\$1,966,006)	-42.0%
Scholarships, Tuition	\$67,456	\$200,000	(\$132,544)	-66.3%
Other Operating Expenses	\$5,311,575	\$9,065,544	(\$3,753,969)	-41.4%
<i>Subtotal Other</i>	<i>\$8,098,875</i>	<i>\$13,951,394</i>	<i>(\$5,852,519)</i>	<i>-41.9%</i>
Total Expenditures	\$13,944,443	\$22,924,524	(\$8,980,081)	-39.2%

Overall, personnel costs are planned to be higher in FY22 as compared to actual expenditures in FY21 due to the transfer of expenditures from General Funds to TFSF. This increase is partially funded by the transfer of HEERF funds to cover the General Fund revenue loss. The projected FY22 Utilities budget is \$1.9 million more than actual in FY21 because the budgeted amount includes potential rate increases and increase in usage as a result of more students, faculty and staff being physically on

campus. Other operating expenses are projected to increase when compared to FY21 actual expenditures however it is less than what was previously budgeted. FY21 expenditures were significantly reduced due to the uncertainty of the General Fund allocation which was released on a quarterly rather than annual basis. Strict restrictions implemented in FY21 to curtail expenditures were at a level that cannot be sustained for FY22.

Net Operating Gain (Loss)

Net Operating Income (including one-time expenditures)	FY22 Projected
(TFSF)	
Net Operating Income	(\$270,000)
Beginning Balance	\$31,873,770
Ending Balance	\$31,603,770
Other Reserve Requirements (R&R, Bond, RTRF Commitments)	\$0
Revised Ending Balance	\$31,603,770
Reserve Requirement (5% Minimum)	\$3,371,055
Balance Above Minimum Reserve After Adjustments	\$28,232,715

UH Hilo’s TFSF ending balance of \$31.6 million is above the 5% minimum reserve requirement set in EP8.210 Systemwide Financial Reserves.

One-time Commitment:

\$270,000 - PISCES

The Pacific International Space Center for Exploration Systems (PISCES) program was transferred back to UH Hilo from the DBEDT by Act 1, Special Session 2021. Funds for the PISCES program did not transfer due to a legislative error. UH Hilo will fund the program at a minimal level through FY22 only pending legislative action to correct the error for FY23.