



UNIVERSITY
of HAWAII®
HILO

Vice Chancellor for Academic Affairs

October 23, 2015

To: Deans and Directors:
From: Matt Platz

The **initial** allocation from the VCAA to Deans and Directors is attached. I apologize for the lateness of this notification and with Kim's help, aspire to be more timely in FY17. The delay this year was due to ensuring that the divisional payroll was as accurate as possible. A quick glance at the numbers explains why. The division's projected salary and fringe costs are almost \$24M. A 3% error in payroll would be comparable to the entire non-salary allocation! Thus, we took the time needed to get the salary projection right and assumed that everyone on the books now, would continue for the entire year.

In FY15, the summer allocation (\$143,459) was embedded in the larger allocation. As you know, in FY16, (\$157,210) these funds were allocated directly to the units as shown at: <http://hilo.hawaii.edu/uhh/vcaa/documents/Summer2015RevenueSharingDetailsforAcademicAffairs.pdf>

Unfortunately, the **initial** discretionary allocation, after accounting for the change in summer fund distribution from VCAA to units, is roughly half of the discretionary spending in FY15. The initial discretionary FY16 allocation should be viewed as the worst case scenario for FY16 and you must make your plans accordingly. Deans can chose to spend less on lecturers in spring 2016 than in fall 2015, and use the difference for non-personnel expenses. Kim and I will meet with you in November to learn of your plans.

The shortfall in the **initial** allocation is due to the Governor's Restriction (\$554K for Academic Affairs) and of less then-projected tuition revenue. There are, however, reasons for cautious optimism that there will be a second allocation to units in January. If we have erred in the payroll projections, it is on the high side. Thus, in January, we shall understand the spending of the first half of the year, and it may well be less than projected.

Thank you for your patience.

Sincerely,

Matthew S. Platz
Vice Chancellor for Academic Affairs