Growth Or No Growth?

Moving from State-Supported to State-Assisted, the University of Hawai‘i at Hilo is at a Crossroads

Christopher D. Lu
Vice Chancellor of Academic Affairs
By several measures--funding patterns within the system, peer institution comparisons, enrollment growth, and empirical observations from academic units--UH Hilo is underfunded by about $5 million.
Currently UH Hilo receives $8,000 per student FTE.

3040 headcount is equivalent to 2500 FTE.

The five-year enrollment growth is 25% at UH Hilo.

To keep pace with this growth, $5 million is needed\((2500 \times 0.25 \times \$8000)\).
Expenditure per FTE

UH Hilo Per FTE Expenditure

Peer Group Average Per FTE Expenditure
Peer Institution Comparison

- Office of Mauna Kea Management ($1 million)
- Hawaii Community College ($1 million)
Peer Institution Comparison

- UH Hilo spent $1,350 less per FTE than the average expenditure at its peer institutions.
- The actual UH Hilo figure should be $2,150 less.
If comparable expenditures at peer institutions is an acceptable indicator for adequate funding, $5.4 million ($2,150 \times 2500) additional funding is required.
Empirical Approach

- College of Arts and Sciences
- College of Hawaiian Language
- College of Agriculture, Forestry and Natural Resource Management
- Mookini Library
- College of Continuing Education and Community Service
- Operational needs have dramatically increased.
- Laboratories are in poor condition and out-dated.
- Safety features are not in compliance with established standards.
The number of support staff has not increased since 1998 despite a 20% increase in the number of students.

The College cannot institute even the most minimal language requirement.

New BOR-approved programs have been postponed.
The budget shortfall for the College of Arts and Sciences is estimated to be $1.39 million:

- $507,000 for operations;
- $159,000 for support staff;
- $146,000 for clerical; and
- $578,000 for faculty positions.
College of Hawaiian Language

- 80 undergraduate, 5 graduate and 14 teacher certification students with five and a half permanent faculty
- UH Mānoa’s Hawaiian Language department: 40 undergraduate students with 11 faculty
- UH Mānoa’s School of Hawaiian, Asian, and Pacific Studies: 62 undergraduate students with 14 courses taught by four faculty
It is estimated that additional $250,000 annually will be required:

$125,000 for the OHA agreement;

$125,000 to cover the program operations including the laboratory school.
FY 2002: $128,000.
Equipment items are in need of maintenance or replacement.
The University Farm has been cited repeatedly for non-compliance with the standards enforced by the Institutional Animal Care and Use Committee.
The College will require an additional $250,000 each year:
$70,000 for technicians;
$80,000 for equipments;
$100,000 for operations.
Mookini Library

- Serves about 5,000 students
- In the 1998 Federal Depository Library Program Evaluation Report, the Mookini Library was cited for non-compliance with national staffing standards and national bibliographic control standards.
Mookini Library

- American Library Association’s Association of College and Research Libraries Division standards
- Below national staffing standards by 2 librarians and 8.5 paraprofessional staff
- Under budgeted for library materials by $110,840 per year
The Library will require additional $450,000 annually to be in compliance:

$118,000 for two librarians;
$120,000 for operations;
$212,000 for paraprofessionals.
A total of $150,000 is needed to establish an office of research and graduate education within the office of the VCAA.
- $2.4 million is needed for academic needs.
- 45% of the total budget is utilized for academic support.
- Additional $5.4 million per year is required.
Grants and Contracts

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
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<tbody>
<tr>
<td>1998</td>
<td>$3,000,000</td>
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<tr>
<td>1999</td>
<td>$5,013,181</td>
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<tr>
<td>2000</td>
<td>$6,719,713</td>
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<tr>
<td>2001</td>
<td>$6,890,236</td>
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<td>2002</td>
<td>$14,634,622</td>
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Projects

- 1998: 17 Projects
- 1999: 43 Projects
- 2000: 58 Projects
- 2001: 59 New Projects
Within the last five years, new extramural awards increased about 387%.
The ratio between general fund allocations and other incomes has decreased from 3:1 to 1:1, assuming minimum grant & contract activity prior to 1997.
Grants and Contracts Activities

- $689,000 return of overhead
- For UH Hilo to continue to increase its extramural support, an office responsible for research and graduate education is desperately needed.
Increase in State Appropriation per FTE

**FY95-96 & FY00-01**

- UH Manoa: 14.3%
- UH Hilo: 5.9%
- Community Colleges: 16.6%
- UH at West Oahu: 8.7%

**FY95-96 & FY01-02**

- UH Manoa: 16.9%
- UH Hilo: 7.5%
- Community Colleges: 22.7%
- UH at West Oahu: 16.6%

Sources: State appropriation figures taken from MAPS Current Fund Revenues & Expenditures Reports; Fall Enrollment Figures (Headcount and FTE) taken from Fall Enrollment Report, University of Hawai‘i, Fall 2003.
### Increase in State Appropriation per Headcount

<table>
<thead>
<tr>
<th></th>
<th>FY95-96 &amp; FY00-01</th>
<th>FY95-96 &amp; FY01-02</th>
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</thead>
<tbody>
<tr>
<td>UH Manoa</td>
<td>13.6%</td>
<td>17.9%</td>
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<tr>
<td>UH Hilo</td>
<td>7.2%</td>
<td>11.5%</td>
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<tr>
<td>Community Colleges</td>
<td>19.8%</td>
<td>22.7%</td>
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<tr>
<td>UH at West Oahu</td>
<td>21.7%</td>
<td>16.8%</td>
</tr>
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State Allocation

For the past five years UH Hilo has received only an averaged 6.7% increase in state allocation per FTE while the remaining units of the System have received an averaged of 15.9% increase.
Strategies for Growth

Within a period of two to four years, UH Hilo can generate $3 million.
Strategies for Growth

- Fiscal self-sufficiency at College of Continuing Education and Community Service ($130,000) and the Office of International Affairs ($170,000)
- Integration of the Small Business Development Center with the School of Business to create synergy and engage entrepreneurial activities ($100,000)
Strategies for Growth

- Refocus the Conference Center ($100,000)
- A change of the tuition system ($1 million by 2004)
- Fundraising efforts with greater vigor and effectiveness ($1 million)
- Increase extramural funding ($500,000)
Strategies for Growth

- The UH System can help UH Hilo by increasing our allocations by $2 million annually.
- As a result of System reorganization, positions should be reallocated to UH Hilo.
Strategies for Growth

- Allocations of resources must be based on program priorities and a set of agreeable performance indicators.
- Incentives must be provided to academic and administrative units to encourage innovations, efficiency, productivities and entrepreneurial activities.
- A cultural change from historical spending to performance-based budgeting should be encouraged, both at UH Hilo and UH System levels.