



UNIVERSITY
of HAWAII°
HILO

September 21, 2016

To: Chancellor Straney
Vice Chancellor Platz
Vice Chancellor Makuakane-Lundin
Director Chang

From: Marcia Sakai, Vice Chancellor for Administrative Affairs

Subject: FY 2016-17 Initial Budget Allocation, September 13, 2016

This allocation is based on the FY 2016-17 UH Hilo budget allotment from the Governor of the State of Hawaii and projected tuition revenue. It includes UH System adjustments, the Governor's restriction and adjustments at the campus level.

The Initial Budget Allocation to divisions will be used by all budget managers to plan for program activity and associated expenses until the final and revised budget allocation is distributed in early Spring of 2017. Distribution of division allocation to reporting units is determined within each division.

Major adjustments in the Initial Budget Allocation for FY 2016-17 include:

- Implementation of high level campus operating budget, as approved by the BoR in August 2016, revised to reflect updated tuition revenue projection as of September 2016
- Implementation of Year 5 of the BoR approved tuition plan, including a revised undergraduate resident tuition rate increase of 4%, as approved by the BoR in May 2015
- Implementation of BoR policy that 12% of total prior year tuition income be allocated to student need-based financial aid and that a minimum of the FY 2013-14 amounts for student non need-based financial aid be satisfied, as revised by Executive Policy in January 2015
- Inclusion of the collective bargaining agreement terms for BU 01, BU 02, BU 03, BU 04, BU 07, BU 08 and BU 09 employees as provided by their respective unit contracts
- Inclusion of salary adjustments for Executive/Managerial employees as approved by the BOR (these will be distributed to divisions upon approval at 9/22 meeting of BoR)
- 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 sustainability efforts with energy savings used for re-investment in energy saving projects
- Continuation of tuition funded capital renewal and deferred maintenance projects
- Continuation of debt service relating to issuance of 2009 and 2015 revenue bonds

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 Vice Chancellor for Administrative Affairs website.

Attachment

c: Lois Fujiyoshi
Mason Kuo

Updated 9/13/16

**UNIVERSITY OF HAWAII HILO
FY 2017 DRAFT BUDGET ALLOCATION**

	<i>Starting Allocation</i>	<i>Governor's Restriction</i>	<i>Base Adjustments</i>	<i>One-Time Adjustments</i>	<i>Collective Bargaining</i>	<i>Reduction</i>	<i>Adjusted Allocation</i>
Resources							
RESOURCES							
General Fund	31,133,744	(430,395)			3,042,605		33,745,954
Tuition and Fees Special Fund	38,808,802						38,808,802
Research and Training Revolving Fund	320,000						320,000
Other Transfers-In	586,973						586,973
Total Resources	70,849,519	(430,395)	0	0	3,042,605	0	73,461,729
EXPENSES							
Transfers-out (Assessments & ELI)	1,304,846	0	22,302	0	0	0	1,327,148
Fixed Expenses							
Student Employment	606,905						606,905
Services (legal, disability, bank)	432,237		22,000				454,237
Off Campus Lease	139,973			(32,000)			107,973
CRDM	488,604			962,972			1,451,576
Utilities	6,212,283			(700,000)			5,512,283
CoP Bldg Contingency				1,100,000			1,100,000
Payroll Related (workers comp/vacation/cb)	340,000		346,765		261,065		947,830
Student Scholarship/Exchange/Early College	6,943,952		60,000				7,003,952
Sub-Total Fixed Expenses	15,163,954	0	428,765	1,330,972	261,065	0	17,184,756
Academic Affairs	33,976,206		(190,618)	104,000	1,027,160	0	34,916,748
Student Affairs	6,571,718				302,270	(208,372)	6,665,616
Chancellor's Office (direct reports)	3,849,815			107,422	126,749	(116,382)	3,967,603
Administrative Affairs	7,876,480			658,666	310,751	(99,913)	8,745,984
Opportunity Funds for the Future	242,875				0		242,875
Debt Service				411,000	0		411,000
Subtotal - Program Expenses	52,517,093	0	(190,618)	1,281,088	1,766,929	(424,667)	54,949,825
Total Expenses	68,985,893	0	260,449	2,612,060	2,027,994	(424,667)	73,461,729