



UNIVERSITY
OF HAWAII
HILO

October 25, 2010

MEMORANDUM

TO: Chancellor Straney
Vice Chancellor Castille
Vice Chancellor Hong
Vice Chancellor Brown
Director DeMello
Executive Assistant Rogers *df*

FROM: Debra Fitzsimons, Vice Chancellor for Administrative Affairs

SUBJECT: FY 2010-2011 Initial Budget Allocation

Attached for your distribution is the Initial Budget Allocation for Fiscal Year 2010-2011. This allocation is based on last year's base budget less the additional legislative reduction of \$750,000. It also includes carry forward adjustments for previous legislative reductions, governor's restriction, and adjustments as requested and actively discussed with the Long Range Budget Planning Committee and the Council of Vice Chancellors.

This Initial Budget Allocation 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 2011. The net budget reduction for UH Hilo is a 6.31% reduction, with the distribution of the reduction to the major units occurring proportionally.

The major adjustments in the Initial Budget Allocation for FY 2010-2011 include:

- Additional enrollment related income for the fourth year (and final) student cohort for the new College of Pharmacy
- Implementation of BOR policy that 15% of total (prior year) tuition income be allocated to student scholarships and financial aid with 60% of that total be provided for need based student aid
- Implementation of Year 5 of the BOR approved 6 year student tuition plan
- Final year of the ARRA (federal stimulus) funding
- Holding harmless the areas that are associated with student related scholarships, financial aid, work-study, and student help from budget reductions

ADMINISTRATION *Administrative Affairs*

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- Holding harmless the areas of health and safety, which consist of student medical clinic, counseling services, campus security, and environmental health and safety from further budget reductions, as directed by the system
- Implementation of the new Campus Security contract to improve security and safety
- Decrease in the amount of the transfer-in to the fund for the utility reimbursement from Hawaii Community College
- Continuation of sustainability efforts with any energy savings benefiting the overall campus budget
- Continuation of the decentralized budget philosophy, whereby, the Deans and/or Vice Chancellors have the delegated authority to allocate spending based on their internal division and unit priorities so that the lowest level of budget decision-making can take place to ensure mission critical academic and other program needs can be met

In addition to the above adjustments, we had to further reduce the base budget this year as compared to last year's budget, to accommodate for the one- time UHPA payroll lag budget savings from last year.

As in previous years, all salary savings are in the allocation distributed to each major unit, i.e. vice chancellors, deans and directors. The administration does not have a salary reserve fund, therefore all units are responsible for salary adjustments due to promotion, equity, merit or market adjustments. There is no central pot of money for this purpose. Any units that use salary savings to purchase equipment must prepare to absorb the cost of future maintenance. It is recommended that your 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 internally and at the state level. We anticipate that further budget adjustments will be made later in the fiscal year. Therefore, we ask that spending continue to be done strategically and conservatively. The Governor has only provided UH with spending authority through December 2010, so we ask for your continued cooperation and frugality.

In the next few days, this memo and the allocation will be placed on the Vice Chancellor for Administrative Affairs' website. I encourage you to share this with your units, as appropriate.

Attachment

cc: Lois Fujiyoshi
Marie Honda
Long Range Budget Planning Committee

<i>October 22, 2010</i>	
UNIVERSITY OF HAWAII HILO	
FY 2011 Draft Allocation	
<i>based on FY 2010</i>	
RESOURCES	
General Fund Base	33,544,636
Legislative Add-On	100,000
Legislative Reduction	(5,295,632)
Education Stabilization fund (ARRA)	300,000
Tuition and Fees	30,271,850
Application Fees	105,000
Professional Fees - Nursing	75,500
Tuition & Fees Reserve Funds (Balance Forward)	300,000
Transfer-In HawCC - Library Shared Service	340,000
Transfer-In HawCC - Utilities Reimbursement	200,000
Transfer-In Conference Services & CCECS	60,000
Transfer-In Federal Grant Overhead (RTRF)	219,705
Transfer-In Utility Reimb. from Housing/Food Service Special Fund	275,000
Total Resources	60,496,059

<i>October 22, 2010</i>		
UNIVERSITY OF HAWAII HILO		
FY 2011 Draft Allocation		FY 2011
based on FY 2010		Budget
EXPENSES		
Transfers:		
Banner Assessment (est)		394,443
Foundation Assessment (est)		198,736
Risk Mgt Assessment (est)		211,495
CCECS ESL Tuition Rebate (est)		400,000
Sub-Total Transfers-Out		1,204,674
Fixed Expenses		
Student Worker Fund		500,000
Student Federal Work Study Match		106,905
Legal Services		150,000
ADA Accomodations		117,237
Off Campus Lease		439,973
Utilities		4,487,168
Workmen's Compensation Recharge (est)		340,000
Bank Service Charge		150,000
Faculty Dependent Waiver		43,117
Student Scholarship (Campus-Wide)		3,825,000
Student Scholarship (Athletics)		365,614
Sub-Total Fixed Expenses		10,525,014
Academic Affairs:		
College of Arts and Sciences		
Salary		11,304,676
Non-Salary		1,517,743
CAS - Nursing Prof Fees		70,739
COBE		
Salary		2,078,510
Non-Salary		97,317
CAFNRM		
Salary		1,757,686
Non-Salary		212,378
College of Hawaiian Language		
Salary		1,390,161
Non-Salary		144,128
CCECS (excludes special fund income)		
Salary		460,827
Non-Salary		145,654
College of Pharmacy		
Salary		6,672,084
Non-Salary		2,602,179
Library		
Salary		1,004,781
Non-Salary		663,716
VC Academic Affairs		
Salary		715,796
Non-Salary		168,219

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UNIVERSITY OF HAWAII HILO		
FY 2011 Draft Allocation		FY 2011
based on FY 2010		Budget
Faculty Congress		
	Non-Salary	88,740
Accreditation		
	Salary	0
	Non-Salary	16,899
Assessment/General Education		
	Salary	0
	Non-Salary	25,349
PISCES (one time funding ends 6/30/11)		
	Salary	184,659
	Non-Salary	93,695
Sub-total Vice Chancellor Academic Affairs		31,415,935
<u>Athletics:</u>		
Athletics Operating		
	Salary	1,130,804
	Non-Salary	649,845
Sub-Total Athletics		1,780,649
<u>Student Affairs:</u>		
Application Fees Allocation		98,379
VC Student Affairs		0
	Salary	3,267,722
	Non-Salary	607,370
Sub-Total Student Affairs		3,973,472
<u>Chancellor's Programs:</u>		
Chancellor's Office		
	Salary	600,934
	Non-Salary	107,632
Research Office		
	Salary	180,356
	Non-Salary	16,899
Center for Global Education and Exchange		
	Salary	186,808
	Non-Salary	32,796
UH Hilo's Imiloa - Astronomy Center		
	Salary	269,684
	Non-Salary	595,908
Mauna Kea Management		
	Salary	252,530
	Non-Salary	686,453
Performing Arts Center - Commercial Operation		
	Salary	182,679
	Non-Salary	(0)
University Relations and Marketing		
	Salary	384,549
	Non-Salary	218,022
Campus Technology Office (formerly OTDL)		
	Salary	987,902
	Non-Salary	377,409
Sub-Total Chancellor		5,080,560

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FY 2011 Draft Allocation	FY 2011
based on FY 2010	Budget
Admin Affairs Campus Support Services	
Vice Chancellor Administrative Affairs	
Salary	3,531,660
Non-Salary	1,352,403
Security	1,042,108
Repair & Maintenance	518,937
Sub-Total Admin/Support Service	6,445,108
Opportunity Funds for the Future	70,646
Sub-Total Other	70,646
CAMPUS TOTAL A, B & C	60,496,058
% Reduction	-6.31%
Notes:	
Cost of promotion is the responsibility of the department	
Salary savings should be used for one time cost items (non-recurring costs)	
Recruitment and relocation costs for new faculty/staff is the responsibility of the hiring department	
When purchasing equipment, set aside R&M funds to keep equipment in operation for future years	