



UNIVERSITY  
OF HAWAII  
**HILO**

September 27, 2013

To: Chancellor Straney  
Vice Chancellor Platz  
Vice Chancellor Hong  
Director Chang  
Executive Assistant Makuakane-Lundin

From: Marcia Sakai, Vice Chancellor for Administrative Affairs

Subject: FY 2013-14 Initial Budget Allocation, September 27, 2013

This allocation is based on the UH Hilo budget base articulated by the 2013 State of Hawaii Legislature, with UH System adjustments, the Governor's restriction, and executive adjustments at the campus level. Further adjustments were made to accommodate lower than expected tuition revenue.

The 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 2014. Distribution of the budget to the major divisions is determined at the level of Chancellor. Distribution of the division budget to division units is determined within each division.

Major adjustments in the Initial Budget Allocation for FY 2013-14 include:

- Implementation of Year 2 of the BOR approved 5-year student tuition plan
- Implementation of BOR policy that 17% of total prior year tuition income be allocated to student scholarship financial aid and that a minimum 60% of that amount be provided for need-based student aid
- Holding harmless from budget reductions the areas that are associated with financial aid, work-study, student help, and program specific student scholarships
- Inclusion of the collective bargaining agreement term for current BU 07 faculty employees that provides for payment of 25% of the amount of reduced wages for the period from January 1, 2010 through June 30, 2011
- Inclusion of the collective bargaining agreement term for BU 07 faculty employees that provides for a salary adjustment of 3%
- Inclusion of the collective bargaining agreement term for BU 02, BU 03, BU 04, and BU 08 employees that provides for a 5% salary snapback and a 4% salary adjustment
- Inclusion of collective bargaining agreement for BU 01 that provides for a 2% salary adjustment, effective 10/1/2013, and a second 2% adjustment, effective 4/1/2014
- Inclusion of executive/managerial 5% salary snapback
- Vice Chancellors have the delegated authority to make unit allocation decisions based on the UH Hilo Strategic Plan 2011-15 and their internal division and unit priorities
- Continuation of sustainability efforts with energy savings benefiting the overall campus budget
- Continuation of debt service relating to issuance of 2009 revenue bonds

**ADMINISTRATION** *Administrative Affairs*

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All salary savings are 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 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 internal to the University and at the state level. With this possibility, we ask that spending decisions be strategic and conservative.

This memo and the allocation will be placed on the Vice Chancellor for Administrative Affairs' website.

Attachment

c: Lois Fujiyoshi  
Mason Kuo