FINANCIAL MANAGEMENT: BUDGET 101

February 17, 2012
Faculty Congress

Long Range Budget Planning Committee
UH Hilo’s funding sources: state, federal, private

**STATE**
- Buildings/Infrastructure (CIP) appropriated by Legislature
  - Long term borrowing e.g. General Obligation (GO) bonds and Revenue bonds
- Operations - appropriated by Legislature
  - General fund - tax revenues
  - Tuition and fees special fund (TFSF)
  - Special funds e.g. Community Service, Intercollegiate Athletics
  - Revolving funds e.g. RTRF, Student Activities

**FEDERAL**

**PRIVATE**

More restricted
A budget is a projected spending plan, based on projected revenues.
Building the University Budget, State funding
Biennium 2011-13

Campus and Unit Requests

Biennium Budget Advisory Committee

Operating Budget Request

CIP Budget Request

BOR Budget

Executive Budget

Senate Draft

House Draft

Legislative Conference Draft

Governor

UH

2010

Summer

2011

August

November

January

March

April/May

June

July

Spring 2012
G funds are less than half UHH general budget revenue

*Projected
Spending items: ‘Categories’ of the budget

- Salaries
  - Full Time
  - Temporary
  - Fringe Benefits
  - Vacation Payout

- Supplies
  - Operating
  - Office
  - Food
  - R&M Upkeep
  - Other

- Travel
  - Airfare
  - Ground Transport
  - Lodging
  - Parking
  - Car Mileage
  - Subsistence
  - Relocation – moving expense

- Advertising
- Dues & Subscriptions
- Postage
- Freight & Delivery
- Telephone
- Utilities
- Printing and Binding
- Rental
  - Equipment
  - Land and Building
  - Other
- Insurance
- Repairs and Maintenance
  - R&M – Equipment
  - R&M – Buildings
  - R&M – Vehicles
  - R&M – Other

- Services – Non State Employees
  - Legal service
  - Medical service
  - Engineers/Architects
  - Other

- Grant-in-Aid
  - Scholarships
  - Stipends
  - Fellowships

- Other
  - Photocopy
  - Registration fee
  - Computer software & license
  - Bank service charge

- Equipment
  - Office
  - Educational
  - Scientific
  - Library Books
  - Motor Vehicle
Functional spending: ‘Components’ of budget

**Budget 101**

- **Instruction** e.g. Colleges’ instructional costs, Summer Session
- **Academic Support** e.g. Library, technology service, Dean’s offices, CCECS administration
- **Student Services** e.g. Division of Student Affairs, Athletics, CoP Student Affairs, Student Activities, Student Life Center
- **Institutional Support** e.g. Chancellor’s office, VC Academic Affairs, VC Administrative Affairs, Human Resource, R&M, University Relations
- **Operations & Maintenance** e.g. Security, OMKM, Utilities, O&M
- **Scholarships & Fellowships** e.g. Tuition Scholarship, Athletics Scholarship, Federal Work Study
- **Auxiliary Enterprises** e.g. Theater, Student Housing, Food Service, Motorpool, Graphics, Parking
- **Public Service** e.g. `Imiloa, NHERC, CCECS non-credit

UNIVERSITY of HAWAI`I

HILO
## Other non general funding sources support university functions

### General Fund Expenditure

<table>
<thead>
<tr>
<th>Revenue Function</th>
<th>Instruction</th>
<th>Academic Support</th>
<th>Student Services</th>
<th>Scholarship/ Federal Work Study</th>
<th>Institutional Support</th>
<th>O&amp;M Plant</th>
<th>Research</th>
<th>Public Service</th>
<th>Auxiliary Enterprise</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>16,740,552</td>
<td>2,626,997</td>
<td>3,249,864</td>
<td>89,026</td>
<td>3,045,961</td>
<td>1,974,709</td>
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<td>488,840</td>
<td>146,968</td>
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<td>Tuition and Fees</td>
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<td>3,315,423</td>
<td>3,541,004</td>
<td>2,675,714</td>
<td>7,107,949</td>
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<td>1,093,345</td>
<td>9,268</td>
<td>30,367,051</td>
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<td>Student Fees</td>
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<td>1,053,089</td>
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<td>1,053,089</td>
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<tr>
<td>Sales/Services</td>
<td>55,992</td>
<td>225,945</td>
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<td>4,050,379</td>
<td>4,332,316</td>
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<tr>
<td>Federal</td>
<td>300,000</td>
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<td>513,722</td>
<td>1,074</td>
<td>1,400,063</td>
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<td>2,214,858</td>
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<td>Private</td>
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<td>149,997</td>
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<td>149,997</td>
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<td>Other</td>
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<td>24,709</td>
<td>34,519</td>
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<tr>
<td><strong>Total</strong></td>
<td>24,207,848</td>
<td>8,149,699</td>
<td>7,844,321</td>
<td>4,293,749</td>
<td>5,722,902</td>
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<td>1,400,063</td>
<td>1,582,186</td>
<td>4,231,323</td>
<td>66,514,748</td>
</tr>
</tbody>
</table>

### Expenditure %

- General Funds: 36.39%
- Special Funds: 12.25%
- Revolving Funds: 11.79%
- ARRA Funds: 6.46%
- Institutional Support: 8.60%
- O&M Plant: 13.66%
- Research: 2.10%
- Public Service: 2.38%
- Auxiliary Enterprise: 6.36%
- **Total**: 100.00%

Source: 6/30/2011 G, S, R download from GALC for BLS

- Used account attribute for revenue and expenditure functional code
- DOES NOT include F & P contracts and grants
- DOES NOT include UH Foundation

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**UNIVERSITY of HAWAI‘I**

**HILO**
Proportion of expenditures on university functions
FY 10-11, as of 6/30/11

Source: 6/30/2011 G, S, R download from GALC for BLS
Used account attribute for revenue and expenditure functional code
DOES NOT include F & P contracts and grants
DOES NOT include UH Foundation
Summary

- G-fund support from State decreasing
- Financial support for core functions shifting to tuition
  - Hiring competes with operating needs & expansion
  - Ability to add positions is constrained by tuition growth
- Hiring slower than we are used to
- Going forward, hiring connected to Strategic Plan
What is an ‘A’ budget and a ‘B’ budget?

• ‘A’ budget: salaries and fringe for all employees
• ‘B’ budget: current expense, equipment and motor vehicle

How are position counts funded?

• A position count can be authorized with full funding, partial funding or no funding
• If funds appropriated for a position fall short of actual salary, the program must fund the shortfall within their existing budget by internally re-allocating funds
• Re-allocating funds from salary savings of vacant positions will result in these position counts having no funds

• UHH also use the terms ‘salary’ budget and ‘non-salary’ budget

Budget cost elements
A-Salaries
B-Current Expense
C-Equipment
M-Motor Vehicle
FAQs

What are UH Hilo’s non-general funds?

UH Community Service Special Fund
UH Library Special Fund
Revenue Undertaking Special Fund
UH Auxiliary Enterprises Special Fund
Student Scholarship and Assistance Special Fund

**UH Tuition and Fees Special Fund (TFSF)**

Mauna Kea Lands Management Special Fund
Theater Special Fund
Intercollegiate Athletics Special Fund
College Work Study Program Federal Fund
Career and Technical Training Projects Revolving Fund

Hawaiian Language College Revolving Fund
UH Commercial Enterprises Revolving Fund
Conference Center Revolving Fund
Transcript and Diploma Revolving Fund
Student Activities Revolving Fund
Parking Revolving Fund
Research and Training Revolving Fund
UH Real Property and Facilities Revolving Fund

What is return of overhead (RTRF)?

- Percentage of grant funding designated as overhead to pay the University for cost of administering grants
- Overhead on UH Hilo grants returned to UH system; a portion allocated to UH Hilo
- Of portion returned to UH Hilo, Research Council recommends formula for allocation to:
  - Admin Affairs – maintenance/utility costs of research space
  - Principal investigators
  - Colleges that generated the overhead
  - Departments that generated the overhead
  - Library
  - Office of Research