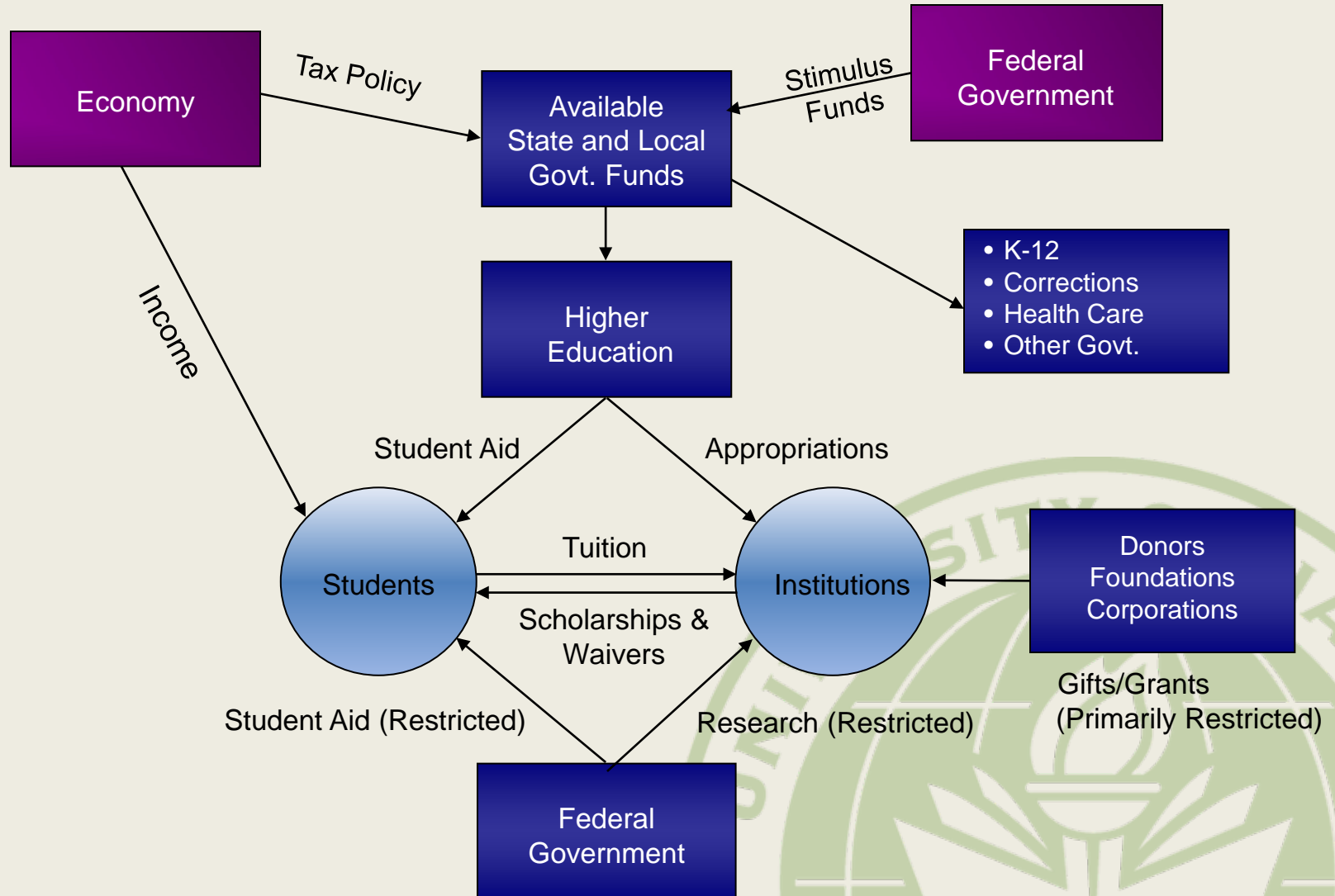


# UNIVERSITY OF HAWAII FUNDING

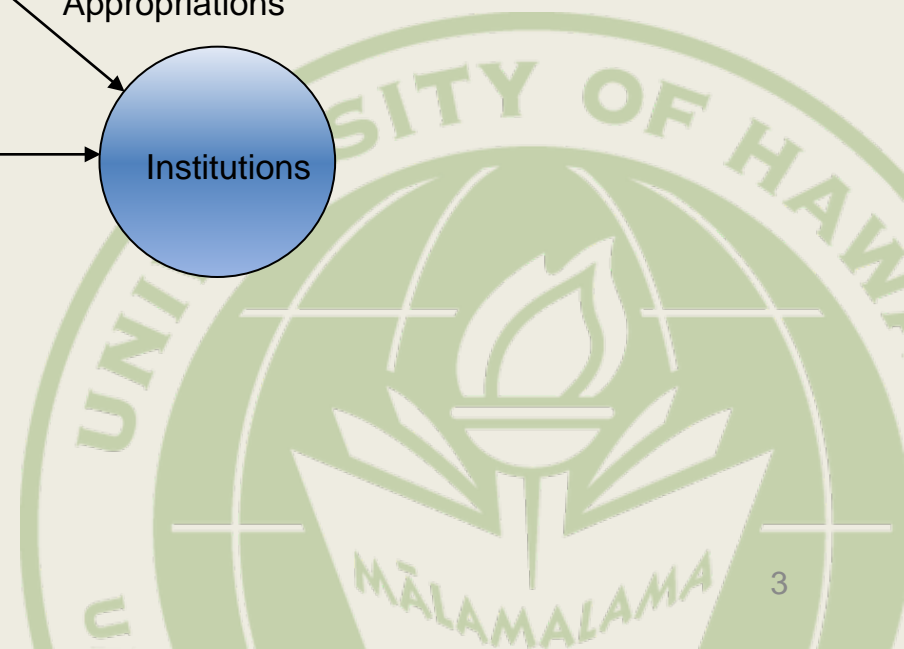
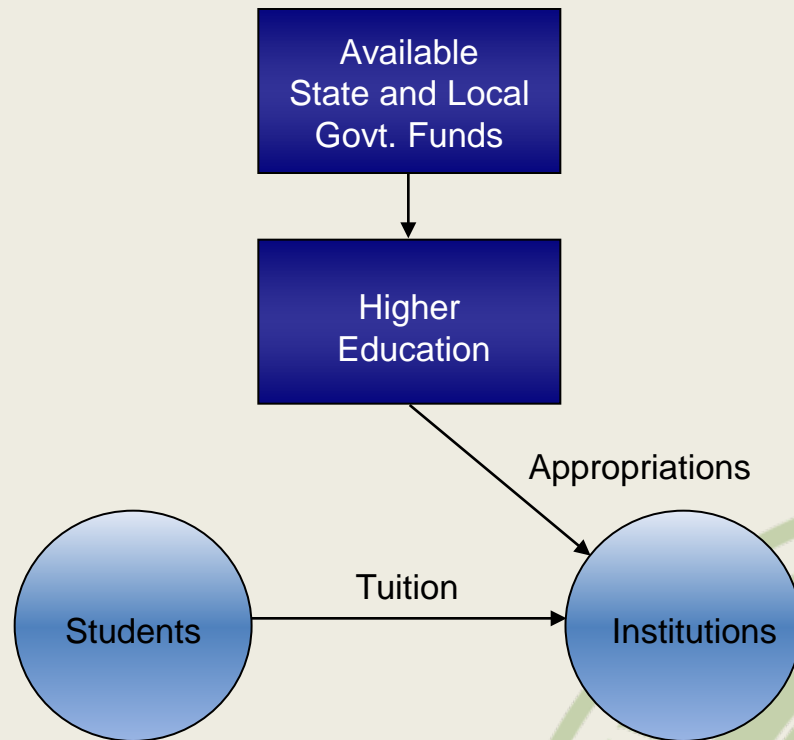


# The Flow of Funds



# The Flow of Funds to Institutions

(For General Purposes)



# Operating Budget – General Funds

General Funds  
FY'S 2005-06 to 2010-11

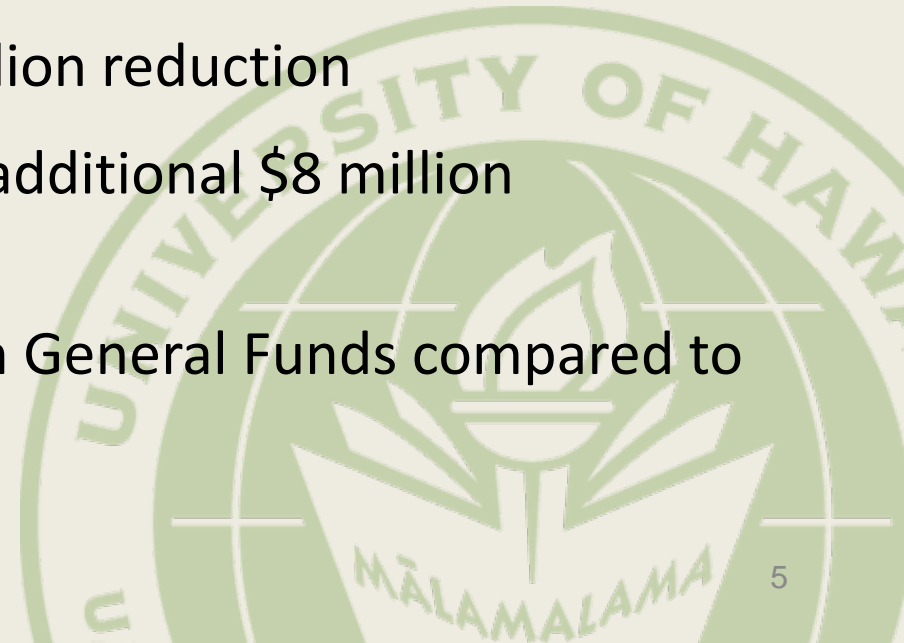
DESCRIPTION	BIENNIUM		SUPPLEMENTAL FY 2006-07	BIENNIUM		SUPPLEMENTAL FY 2008-09	BIENNIUM	
	FY 2005-06	FY 2006-07		FY 2007-08	FY 2008-09		FY 2009-10	FY 2010-11
Prior Year General Fund Appropriations	\$475,172,131	\$475,172,131	\$588,577,553	\$614,889,773	\$614,889,773	\$714,532,333	\$728,299,688	\$728,299,688
Less: Non-recurring Funds	(750,639)	(750,639)	0	(1,680,000)	(1,680,000)	0	(2,623,742)	(2,623,742)
Collective Bargaining	20,090,565	28,591,153	0	21,942,033	39,801,446	0	10,703,171	10,703,171
Pass Through Funds Adjustments	(159,301,417)	(159,301,417)	0	(228,951,753)	(228,951,753)	0	4,360,124	11,434,420
Continuing Funding, Current Year	335,210,640	343,711,228	588,577,553	406,200,053	424,059,466	714,532,333	740,739,241	747,813,537
Legislative Appropriations								
<b>Operating Funds *</b>	<b>11,142,318</b>	<b>13,207,262</b>	<b>29,019,530</b>	<b>26,440,083</b>	<b>37,279,763</b>	<b>2,602,184</b>	<b>(45,971,080)</b>	<b>(107,875,009)</b>
Pass Through Funds Adjustments	214,095,875	231,659,063	(2,707,310)	237,844,939	253,193,104	11,165,171	(272,176,956)	(279,251,252)
Other: Flood Damages	31,000,000	0	0	0	0	0	0	0
<b>Governor's Restrictions</b>							<b>(52,086,738)</b>	
Adjustment for Comparability**	(214,095,875)	(231,659,063)	(228,951,753)	(237,844,939)	(253,193,104)	(264,358,275)	0	0
<b>Total</b>	<b>\$377,352,958</b>	<b>\$356,918,490</b>	<b>\$385,938,020</b>	<b>\$432,640,136</b>	<b>\$461,339,229</b>	<b>\$463,941,413</b>	<b>\$370,504,467</b>	<b>\$360,687,276</b>

\* BI 2007-08 & 2008-09 operating funds includes an increase of \$590,000 for Property Insurance Premium which are part of Risk Management Costs, and should be a Pass Through Fund adjustment; however, since the Legislature appropriated it in operating funds, it is shown that way here.

\*\* For FB 2009-2011 the Legislature transferred the budget for the pass through funds (health premiums, retirement benefits and debt service costs) to the State Department of Budget & Finance. Accordingly, adjustments have been reflected on this schedule in the years prior to FY 2009-10 for comparability purposes.

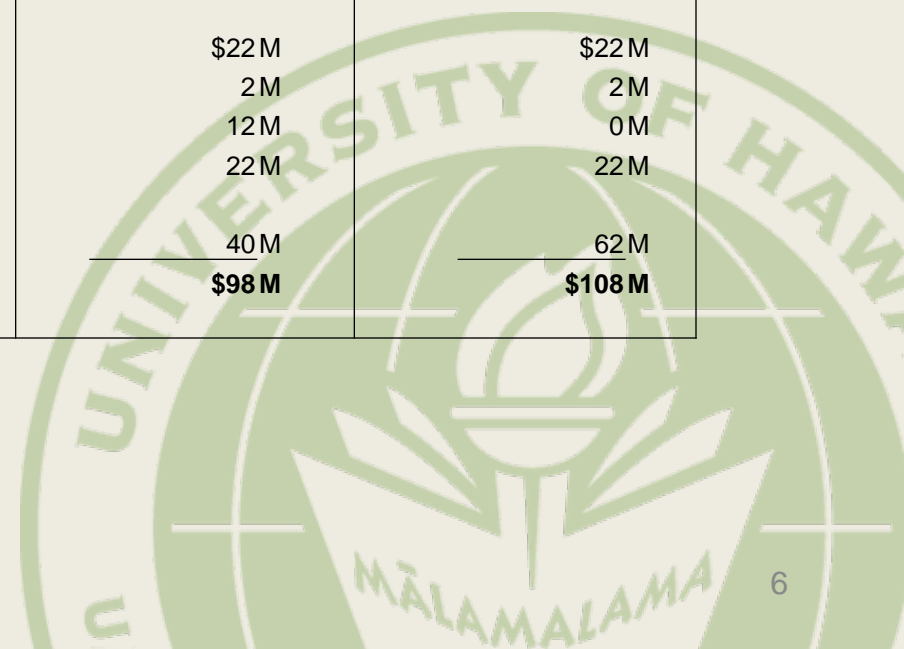
# State General Fund Appropriations

- FY 2010
  - State appropriation reduced by \$46 million
  - Governor restricted additional \$52 million
  - 21% decrease to our general funds
- FY 2011
  - Executive Budget -- \$100 million reduction
  - Legislature appropriated an additional \$8 million reduction
  - More than a 23% decrease in General Funds compared to FY 2009



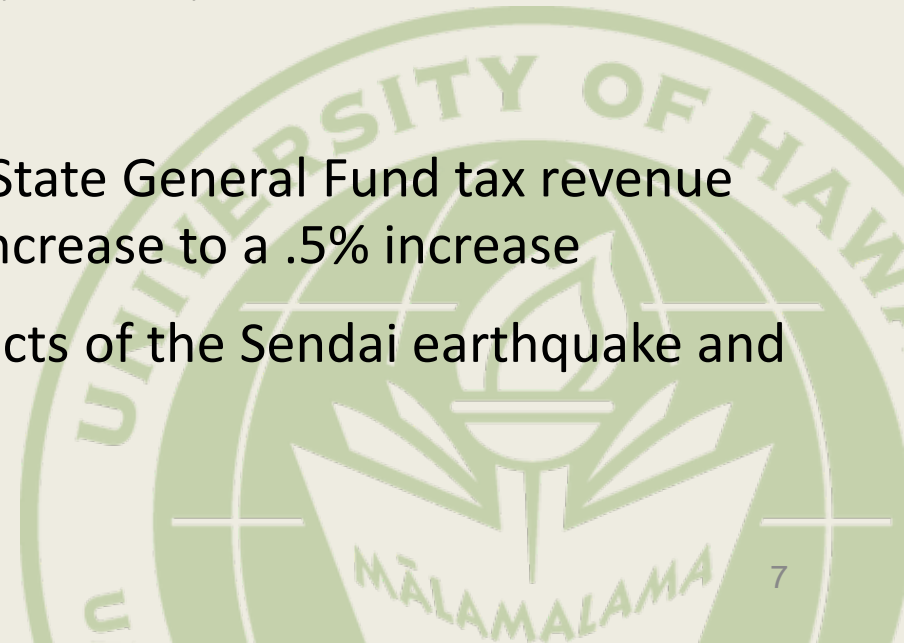
# Budget Reduction Approach

	FY2009-10	FY2010-11
General Fund Reductions		
Legislative Reductions	(\$46) M	(\$108) M
Governor's Restriction	<u>(52) M</u>	<u>          </u>
<b>Total (23% Reduction in General Funds)</b>	<b>(\$98) M</b>	<b>(\$108) M</b>
Planned Offsets/Savings:		
Federal Stabilization Funds	\$22 M	\$22 M
Executive Salary Reductions	2 M	2 M
Faculty Payroll Lag	12 M	0 M
Salary Reductions	22 M	22 M
Other operational savings, tuition revenue, non-general funds, program reductions	<u>40 M</u>	<u>62 M</u>
<b>Total</b>	<b>\$98 M</b>	<b>\$108 M</b>

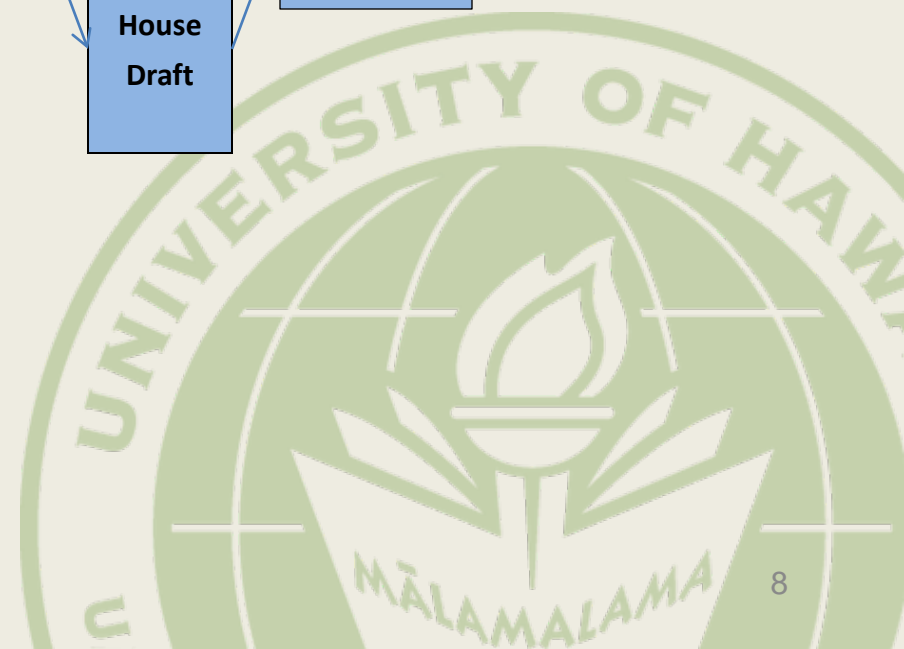
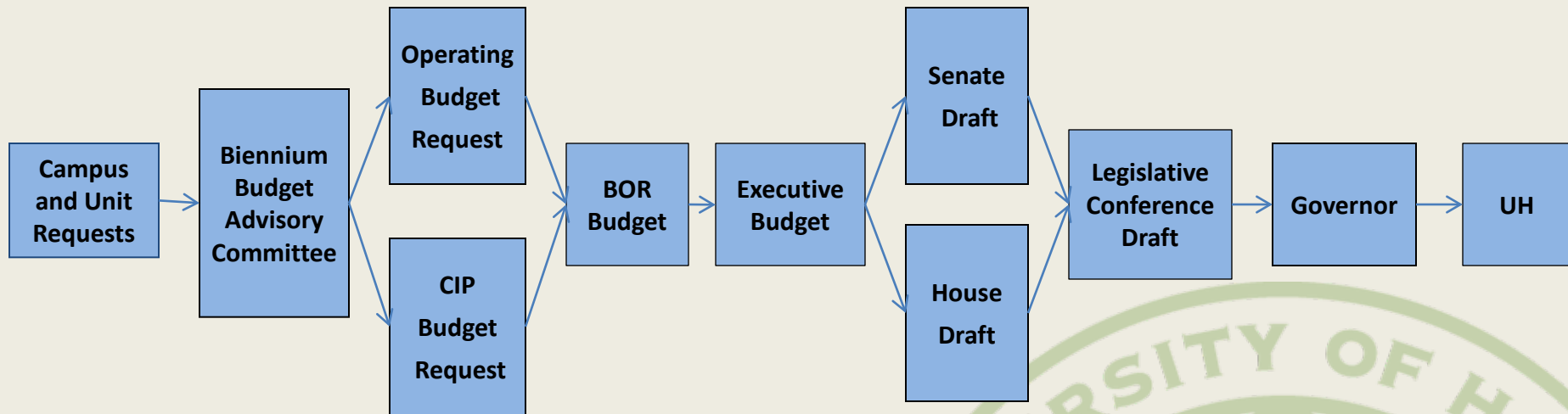


# Council on Revenues Projections

- September 8, 2010 meeting:
  - Revised downward its forecast for State General Fund tax revenue growth for FY 2010-11 from a 6.2% increase to a 2% increase
- December 29, 2010 meeting:
  - Revised upward its forecast for State General Fund tax revenue growth for FY 2010-11 from a 2% to a 3% increase
- March 10, 2011 meeting:
  - Revised downward its forecast for State General Fund tax revenue growth for FY 2010-11 from a 3% increase to a .5% increase
- Has not taken into account the effects of the Sendai earthquake and tsunami.



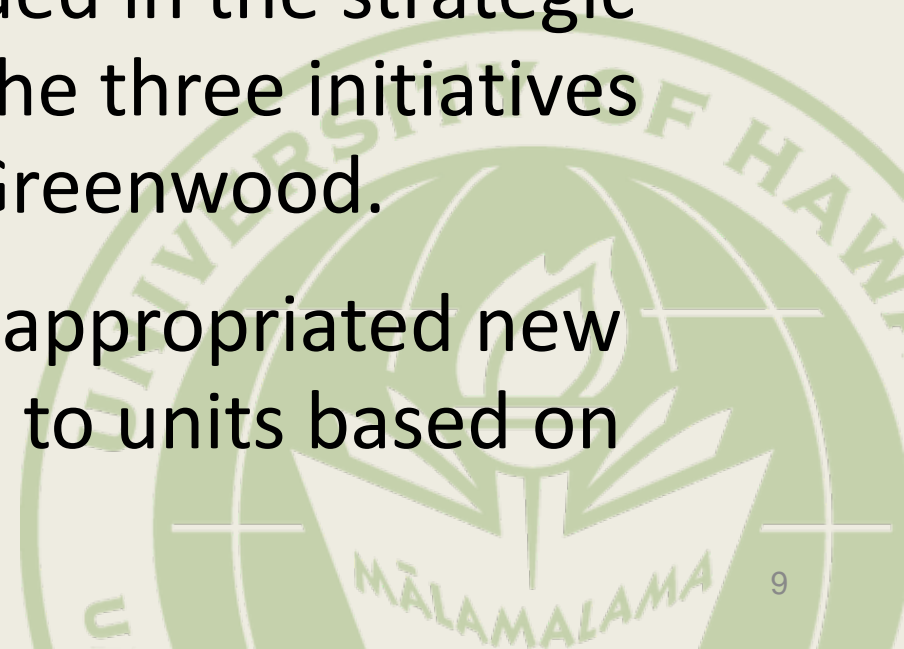
# Biennium Budget Process





# Biennium Budget Development Strategy

- Develop a realistic budget request that recognizes the financial condition of the State
- Provide concrete plans for strategic growth in which the state can invest
- Budget priorities grounded in the strategic outcomes, particularly the three initiatives launched by President Greenwood.
- A substantial portion of appropriated new monies will be allocated to units based on performance.



# Summary of Budget Requests

	FY2012	FY2013
General Fund Operating Budget (Base) (after reductions of \$108 million in FB 2009-2011)	\$360,687,276	
<hr/>		
Hawaii Graduation Initiative		
Outcome Based Funding	\$10,000,000	\$20,000,000
Enrollment Funding	5,000,000	10,000,000
Program Change Requests	10,268,483	19,046,757
Restoration of ARRA Funding	6,600,000	6,600,000
<b>Total Operating Budget Requests</b>	<b>31,868,483</b>	<b>55,646,757</b>
CIP Requests	313,593,000	405,964,000
<b>TOTAL REQUESTS:</b>	<b>\$345,461,483</b>	<b>\$461,610,757</b>