



UNIVERSITY
of HAWAII®
HILO

October 10, 2014

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

From: Marcia Sakai, Vice Chancellor for Administrative Affairs

Subject: FY 2014-15 Initial Budget Allocation, October 3, 2014

This allocation is based on the UH Hilo budget base articulated by the 2014 State of Hawaii Legislature and includes UH System adjustments, the governor's restriction and adjustments at the campus level. Divisions are requested to hold 1% of their total general and tuition funded allocation against 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 2015. Distribution of the division budget to division units is determined within each division.

Major adjustments in the Initial Budget Allocation for FY 2014-15 include:

- Implementation of Year 3 of the BoR approved 5-year student tuition plan
- Implementation of BoR policy that 18% 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
- Inclusion of the collective bargaining agreement term for current BU 07 faculty employees that provides for payment of 50% 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 a 4% salary adjustment
- Inclusion of collective bargaining agreement for BU 01 that provides for a 2% salary adjustment, effective 10/1/2014, and a second 2% adjustment, effective 4/1/2015
- Vice Chancellors have 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 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 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 10-1-14

**UNIVERSITY OF HAWAII HILO
FY 2015 INITIAL BUDGET ALLOCATION**

| | Starting Allocation* | Base Adjustments | One-Time Adjustments | Collective Bargaining | Adjusted Allocation |
|--|---------------------------------|-----------------------------|---------------------------------|----------------------------------|--------------------------------|
| Resources | | | | | |
| RESOURCES | | | | | |
| General Fund | 29,832,360 | | | | |
| Tuition and Fees Special Fund | 37,941,770 | | | | |
| Research and Training Revolving Fund | 320,000 | | | | |
| Other Transfers-In | 586,973 | | | | |
| Total Resources | 68,681,103 | | | | |
| EXPENSES | | | | | |
| Transfers-out (Assessments & ELI) | 1,204,674 | 11,264 | 0 | 0 | 1,215,938 |
| Fixed Expenses | | | | | |
| Student Employment | 606,905 | | | | 606,905 |
| UHPA Salary Repayment | 428,849 | | 176,480 | | 605,329 |
| Services (legal, disability, bank) | 432,237 | | | | 432,237 |
| Off Campus Lease | 189,973 | | | | 189,973 |
| Utilities | 6,412,283 | (100,000) | | | 6,312,283 |
| Workmen's Compensation Recharge (est) | 340,000 | | | | 340,000 |
| Student Scholarship/Exchange | 6,480,952 | 263,000 | | | 6,743,952 |
| Sub-Total Fixed Expenses | 14,891,199 | 163,000 | 176,480 | 0 | 15,230,679 |
| Academic Affairs | 32,434,898 | 650,773 | 54,000 | 529,009 | 33,668,680 |
| Student Affairs | 6,067,502 | 84,547 | 0 | 133,732 | 6,285,781 |
| Chancellor's Office (direct reports) | 3,262,934 | 30,000 | 107,422 | 40,303 | 3,440,659 |
| Administrative Affairs | 7,272,445 | 437,600 | 0 | 145,159 | 7,855,204 |
| Opportunity Funds for the Future | 246,944 | | | | 246,944 |
| Debt Service | 476,000 | (50,000) | | | 426,000 |
| Subtotal - Program Expenses | 49,760,723 | 1,152,920 | 161,422 | 848,203 | 51,923,268 |
| Total Expenses | 65,856,596 | 1,327,184 | 337,902 | 848,203 | 68,369,885 |
| *Includes FY 2014 Fringe Distribution | | | | | |