



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

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|--|-------------------|
| <i>Updated 9/14/2013</i> | |
| UNIVERSITY OF HAWAII HILO | |
| FY 2014 | |
| | FY 2014 |
| RESOURCES | |
| General Fund Base | 27,977,399 |
| Collective Bargaining Augmentation | 285,003 |
| Transfer from System for OMKM | 200,000 |
| Salary Snapback (E&M, HGEA, UPW) | 664,951 |
| Executive Restriction | (414,153) |
| Tuition and Fees* | 34,194,146 |
| Application Fees | 153,300 |
| Professional Fees - Nursing | 75,500 |
| Tuition & Fees Reserve Funds (Balance Forward) | 1,500,000 |
| Transfer-In HawCC - Library Shared Service | 340,000 |
| Transfer-In HawCC - Utilities Reimbursement | 154,500 |
| Transfer-In Conference Services & CCECS | 30,000 |
| Transfer-In Federal Grant Overhead (RTRF) | 320,000 |
| Transfer-In Utility Reimb. from Housing/Food Service Special Fund | 375,950 |
| Total Resources | 65,856,596 |
| <i>* Tuition revenue based on 3.0% decline in enrollment for Res/Nres Grad/Undergrad, flat enrollment for Nursing and CoP.</i> | |
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| <i>Updated 9/14/2013</i> | | | | | |
|---|-------------------|-------------------------|------------------|------------------|------------------------|
| UNIVERSITY OF HAWAII HILO | | | | | |
| FY 2014 Initial Allocation | | | | | |
| | FY 2013 | FY 2014 | FY 2014 | FY 2014 | FY 2014 |
| | Allocation | Allocation | % | \$ | Allocation |
| | Final | After Adjustment | Reduction | Reduction | After Reduction |
| <u>EXPENSES</u> | | | | | |
| <u>Transfers:</u> | | | | | |
| <i>Banner Assessment (est)</i> | 394,443 | 394,443 | | 0 | 394,443 |
| <i>Foundation Assessment (est)</i> | 198,736 | 198,736 | | 0 | 198,736 |
| <i>Risk Mgt Assessment (est)</i> | 211,495 | 211,495 | | 0 | 211,495 |
| <i>CCECS ESL Tuition Rebate (est)</i> | 400,000 | 400,000 | | 0 | 400,000 |
| Sub-Total Transfers-Out | 1,204,674 | 1,204,674 | | 0 | 1,204,674 |
| <u>Fixed Expenses</u> | | | | | |
| Student Worker Fund | 500,000 | 500,000 | | 0 | 500,000 |
| Student Federal Work Study Match | 106,905 | 106,905 | | 0 | 106,905 |
| <i>UHPA Salary Repayment</i> | 428,849 | 428,849 | | 0 | 428,849 |
| Legal Services | 150,000 | 150,000 | | 0 | 150,000 |
| ADA Accomodations | 117,237 | 117,237 | | 0 | 117,237 |
| Off Campus Lease | 189,973 | 189,973 | | 0 | 189,973 |
| Utilities | 6,237,168 | 6,412,283 | | 0 | 6,412,283 |
| Workmen's Compensation Recharge (est) | 340,000 | 340,000 | | 0 | 340,000 |
| Fringe Benefits for TFSF (S312) Salary | 607,343 | 0 | | 0 | 0 |
| Bank Service Charge | 165,000 | 165,000 | | 0 | 165,000 |
| Tuition Scholarship/Waiver - Program Specific | 128,952 | 500,952 | | 0 | 500,952 |
| Student Scholarship (Campus-Wide) | 5,200,000 | 5,715,000 | | 0 | 5,715,000 |
| Student Scholarship (Athletics) | 0 | 0 | | 0 | 0 |
| CGEE - Exchange Offset | 265,000 | 265,000 | | 0 | 265,000 |
| Sub-Total Fixed Expenses | 14,436,427 | 14,891,199 | | 0 | 14,891,199 |
| <u>Academic Affairs:</u> | | | | | |
| College of Arts and Sciences | | | | | |
| Salary | 11,692,306 | 12,711,069 | 2.00% | (233,846) | 12,477,223 |
| Non-Salary | 1,052,965 | 1,093,412 | 2.00% | (21,059) | 1,072,352 |
| CAS - Nursing Prof Fees | 64,837 | 64,837 | 2.00% | (1,297) | 63,540 |
| Subtotal CAS | 12,810,107 | 13,869,317 | | (256,202) | 13,613,115 |

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| UNIVERSITY OF HAWAII HILO | | | | | |
| FY 2014 Initial Allocation | | | | | |
| | FY 2013 | FY 2014 | FY 2014 | FY 2014 | FY 2014 |
| | Allocation | Allocation | % | \$ | Allocation |
| | Final | After Adjustment | Reduction | Reduction | After Reduction |
| COBE | | | | | |
| Salary | 2,005,815 | 1,998,134 | 2.00% | (40,116) | 1,958,017 |
| Non-Salary | 154,491 | 154,491 | 2.00% | (3,090) | 151,401 |
| Subtotal CoBE | 2,160,306 | 2,152,624 | | (43,206) | 2,109,418 |
| CAFNRM | | | | | |
| Salary | 1,674,758 | 1,787,008 | 2.00% | (33,495) | 1,753,513 |
| Non-Salary | 125,744 | 125,744 | 2.00% | (2,515) | 123,229 |
| Subtotal CAFNRM | 1,800,502 | 1,912,751 | | (36,010) | 1,876,741 |
| College of Hawaiian Language | | | | | |
| Salary | 1,257,724 | 1,333,859 | 2.00% | (25,154) | 1,308,705 |
| Non-Salary | 132,102 | 132,102 | 2.00% | (2,642) | 129,459 |
| Subtotal HLC | 1,389,826 | 1,465,961 | | (27,797) | 1,438,164 |
| CCECS (excludes special fund income) | | | | | |
| Salary | 433,196 | 408,872 | 2.00% | (8,664) | 400,208 |
| Non-Salary | 133,500 | 133,500 | 2.00% | (2,670) | 130,830 |
| Subtotal CCECS | 566,696 | 542,372 | | (11,334) | 531,038 |
| College of Pharmacy | | | | | |
| Salary | 6,731,395 | 6,793,005 | 0.00% | 0 | 6,793,005 |
| Non-Salary | 2,375,115 | 2,281,553 | 0.00% | 0 | 2,281,553 |
| Subtotal COP | 9,106,510 | 9,074,558 | | 0 | 9,074,558 |
| Library | | | | | |
| Salary | 944,700 | 1,053,317 | 2.00% | (18,894) | 1,034,423 |
| Non-Salary | 608,333 | 608,333 | 2.00% | (12,167) | 596,167 |
| Subtotal Library | 1,553,033 | 1,661,651 | | (31,061) | 1,630,590 |

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| FY 2014 Initial Allocation | | | | | |
| | FY 2013 | FY 2014 | FY 2014 | FY 2014 | FY 2014 |
| | Allocation | Allocation | % | \$ | Allocation |
| | Final | After Adjustment | Reduction | Reduction | After Reduction |
| Distance Ed. & Technology | | | | | |
| Salary | 353,509 | 387,258 | 2.00% | (7,070) | 380,188 |
| Non-Salary | 91,070 | 91,070 | 2.00% | (1,821) | 89,249 |
| Subtotal Distance Ed & Technology | 444,579 | 478,328 | | (8,892) | 469,436 |
| Kilohana (Academic Support Center) | | | | | |
| Salary | 151,171 | 197,746 | 2.00% | (3,023) | 194,723 |
| Non-Salary | 0 | 5,546 | | 0 | 5,546 |
| Subtotal Kilohana (Academic Support Center) | 151,171 | 203,292 | | (3,023) | 200,269 |
| Research Office | | | | | |
| Salary | 166,850 | 180,070 | 4.00% | (6,674) | 173,396 |
| Non-Salary | 15,489 | 15,489 | 4.00% | (620) | 14,870 |
| Subtotal Research | 182,339 | 195,559 | | (7,294) | 188,265 |
| VC Academic Affairs | | | | | |
| Salary | 836,105 | 676,631 | 2.00% | (16,722) | 659,909 |
| Non-Salary | 671,830 | 656,830 | 2.00% | (13,437) | 643,393 |
| Summer Session Income Distribution | | | | | |
| Subtotal VC Academics | 1,507,935 | 1,333,461 | | (30,159) | 1,303,302 |
| Sub-total Vice Chancellor Academic Affairs | 31,673,003 | 32,889,874 | | (454,977) | 32,434,898 |
| Student Affairs: | | | | | |
| Application Fees Allocation | 124,796 | 138,096 | 4.00% | (4,992) | 133,104 |
| VC Student Affairs | | | | | |
| Salary | 3,212,769 | 3,511,163 | 4.00% | (128,511) | 3,382,652 |
| Non-Salary | 541,784 | 541,784 | 4.00% | (21,671) | 520,113 |
| Athletics | | | | | |
| Salary | 1,028,385 | 1,108,859 | 2.00% | (20,568) | 1,088,292 |
| Non-Salary | 962,593 | 962,593 | 2.00% | (19,252) | 943,341 |
| Sub-Total Student Affairs | 5,870,327 | 6,262,495 | | (194,993) | 6,067,502 |

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| | FY 2013 | FY 2014 | FY 2014 | FY 2014 | FY 2014 |
| | Allocation | Allocation | % | \$ | Allocation |
| | Final | After Adjustment | Reduction | Reduction | After Reduction |
| Chancellor's Programs: | | | | | |
| Chancellor's Office (incl EEO) | | | | | |
| Salary | 634,217 | 683,397 | 4.00% | (25,369) | 658,028 |
| Non-Salary | 64,709 | 64,709 | 4.00% | (2,588) | 62,121 |
| Subtotal Chancellor's Office | 698,926 | 748,106 | | (27,957) | 720,149 |
| UH Hilo's Imiloa - Astronomy Center | | | | | |
| Salary | 248,041 | 257,208 | 5.00% | (12,402) | 244,806 |
| Non-Salary | 546,184 | 546,184 | 5.00% | (27,309) | 518,874 |
| Subtotal Imiloa | 794,225 | 803,392 | | (39,711) | 763,680 |
| Mauna Kea Management | | | | | |
| Salary | 232,333 | 249,604 | 4.00% | (9,293) | 240,311 |
| Non-Salary | 812,941 | 812,941 | 4.00% | (32,518) | 780,423 |
| Subtotal OMKM | 1,045,274 | 1,062,545 | | (41,811) | 1,020,734 |
| Performing Arts Center - Commercial Operation | | | | | |
| Salary | 140,878 | 151,379 | 4.00% | (5,635) | 145,744 |
| Non-Salary | 0 | 0 | | | 0 |
| Subtotal Performing Arts | 140,878 | 151,379 | | (5,635) | 145,744 |
| University Relations and Marketing | | | | | |
| Salary | 399,239 | 436,160 | 4.00% | (15,370) | 420,790 |
| Non-Salary | 199,829 | 199,829 | 4.00% | (7,993) | 191,836 |
| | | 0 | | | |
| Subtotal University Relations | 599,069 | 635,989 | 0 | (23,363) | 612,627 |
| Campus Technology Office (formerly OTDL) | | | | | |
| Salary | 0 | 0.00 | 0.00% | 0 | 0 |
| Non-Salary | 0.00 | (0.00) | 0.00% | (0) | (0) |
| Subtotal Technology | 0 | (0) | 0 | (0) | (0) |

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| | FY 2013 | FY 2014 | FY 2014 | FY 2014 | FY 2014 |
| | Allocation | Allocation | % | \$ | Allocation |
| | Final | After Adjustment | Reduction | Reduction | After Reduction |
| Sub-Total Chancellor | 3,278,372 | 3,401,411 | 0 | (138,477) | 3,262,934 |
| Admin Affairs Campus Support Services | | | | | |
| Vice Chancellor Administrative Affairs | | | | | |
| Salary | 3,396,104 | 4,282,743 | 2.00% | (67,922) | 4,214,821 |
| Non-Salary | 1,387,611 | 1,054,132 | 2.00% | (27,752) | 1,026,379 |
| Repair & Maintenance | 475,635 | 235,809 | 2.00% | (9,513) | 226,297 |
| Security | 957,531 | 957,531 | 2.00% | (19,151) | 938,381 |
| Computing Center | | | | | |
| Salary | 722,565 | 791,771 | 2.00% | (14,451) | 777,319 |
| Non-Salary | 91,070 | 91,070 | 2.00% | (1,821) | 89,249 |
| Sub-Total Admin/Support Service | 7,030,516 | 7,413,056 | | (140,610) | 7,272,445 |
| Opportunity Funds for the Future | 246,944 | 246,944 | | 0 | 246,944 |
| Debt Service (Student Housing) | 740,019 | 476,000 | | 0 | 476,000 |
| Sub-Total Other | 986,963 | 722,944 | | 0 | 722,944 |
| CAMPUS TOTAL A, B & C | 64,480,282 | 66,785,654 | | (929,058) | 65,856,596 |