



22896C

October 28, 2022

TO: Randolph G. Moore
Chairperson, Board of Regents

Robert Westerman
Chair, Committee on Budget and Finance, Board of Regents

VIA: David Lassner
President

Handwritten signature of David Lassner.

FROM: Kalbert K. Young
Vice President for B&F/CFO

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SUBJECT: FISCAL YEARS 2023-2024 AND 2024-2025 BIENNIUM OPERATING
BUDGET REQUEST FOR THE UNIVERSITY OF HAWAII

SPECIFIC ACTION REQUESTED:

In conformance with Regent Policy 8.204, it is recommended that the Board of Regents approve the submission of the Fiscal Biennium 2023-2025 (FB23-25) Operating Budget Request of the University of Hawai'i ("University" or "UH") to the Governor and the Legislature. This request is to include major budget additions (or reductions) to the University's appropriated operating budget. The primary component of this request is for additional State general funds for program support or new initiatives of the University. With approval, this proposed FB23-25 Operating Budget Request will represent the official request for all operating programs of the UH System. The University will submit the proposal to the State Department of Budget and Finance ("State B&F") for consideration to be included as part of the Governor's budget proposal to the Legislature. The University will also send this budget request directly to the Legislature, in accordance with Chapter 37-68, Hawai'i Revised Statutes (HRS).

The FB23-25 budget request for capital improvement projects (CIP) is to be deliberated by the Board of Regents Committee on Planning and Facilities. Both the operating budget request and the capital budget request are anticipated to be approved by the Board of Regents at its November 17, 2022 meeting.

RECOMMENDED EFFECTIVE DATE:

Upon approval of the Board of Regents.

BACKGROUND:

Annually, State departments submit budget requests to the Executive Branch via State B&F for consideration of inclusion into the proposed Executive Budget of the Governor to the Legislature for the next Legislative Session. The University also submits its Board approved budget request directly to the Legislature. Every two years, the Executive Branch proposes a biennium budget and in the subsequent year proposes a supplemental budget. This year is a biennium budget year.

Administration Change

A special dynamic to the budget construction process this year involves accommodating the transition of the Executive Branch for a new Administration. The Administration of Governor David Ige is concluding and a new Governor will be inaugurated on December 5. State law requires submission of the Executive Branch budget request to the Legislature by December 19. This leaves only two weeks for the incoming Administration to craft a budget. Given this short transition time, the current guidelines issued by State B&F in Finance Memorandum No. 22-11 indicate that there will essentially be two budgets: a “Steady State” budget submitted in December 2022 and a second budget submittal in an anticipated February-March 2023 timeframe.

The “Steady State” budget will be “...primarily focused on maintaining the status quo and will reflect the FY23 budget, including transfers, less non-recurring expenses, plus collective bargaining...” State B&F will also consider full-year funding for half-funded positions in the existing FY23 budget and funding for the continuation of programs funded by specific appropriations.

State B&F indicates that departments may submit other operating budget requests but these will not be included in the initial Executive Branch budget request and will be provided to the incoming Administration for consideration in the second budget submittal. This second budget submittal will contain budget specific adjustments determined by the incoming Administration that will reflect its new policy and budget priorities.

General Fund Outlook

At its September 6, 2022 meeting, the Council on Revenues (COR) increased its general fund tax revenue projections for FY23 from 5.0% to 6.5% and for FY24 from 3.5% to 4.0%. The COR noted the strong economic and tax collection data thus far this fiscal year as well as significant federal construction and infrastructure projects.

However, the COR also noted many downside risks: aggressive monetary policy from the Federal Reserve to combat inflation, high oil and commodity prices, geopolitical events including the war in Ukraine, supply chain disruptions, labor shortages, sustained travel restrictions in Asian markets due to the ongoing pandemic, a reduction in federal stimulus spending, and a strong U.S. dollar that might dissuade foreign visitors.

Additionally, the University of Hawai'i Economic Research Organization (UHERO) issued a forecast on September 23, 2022 that projects a mild recession for the United States in the first half of calendar year 2023. Hawai'i may escape overall net job losses as a result of Japanese travel that is finally underway, although there are still many unknowns.

BUDGET PROPOSAL:

Considering the issues stated above as well as other matters relevant to the operations of the University and the sustainability of any University request for public funds, the Administration hereby proposes consideration of the following request for funding. The FB23-25 Operating Budget request is summarized below, showing requested Full-Time Equivalent (FTE) position counts and funds (\$\$\$) for FY24 or FY25. The table below shows the entire general fund request for additional funds in several categories:

Category	FTE 24	\$\$\$ 24	FTE 25	\$\$\$ 25
Restoration of General Funds	-	\$ 17,526,848	-	\$ 17,526,848
Sustained Funding for Prior Appropriations	4.00	\$ 7,355,500	4.00	\$ 7,355,500
Hawai'i Promise	-	\$ 22,700,000	-	\$ 22,700,000
Campus Facilities and Core Services	46.00	\$ 1,440,996	46.00	\$ 2,398,050
Initiative: Support Student Success	23.00	\$ 1,437,852	28.00	\$ 2,369,204
Industry Initiative: Health	58.50	\$ 4,315,595	61.50	\$ 4,674,217
Address Areas of State Need	9.00	\$ 732,676	9.00	\$ 803,352
Early College Expansion	18.00	\$ 757,500	18.00	\$ 1,572,750
Total	158.50	\$ 56,266,967	166.50	\$ 59,399,921

Restoration of General Funds

In response to the significant decline in General Fund revenues to the State as a result of the COVID-19 pandemic, the Legislature reduced the budget in its 2021 Session for FY22 and FY23 by \$60.1 million. Simultaneously, the Legislature added back \$17.5 million and designated those amounts as “non-recurring.” This resulted in a net reduction of \$42.5 million. In the 2022 Legislative Session, the Legislature restored that \$42.5 million for FY23 to return UH’s General Fund appropriation back to pre-pandemic levels. However, because the Legislature did not change the designation, the State B&F is reducing the “non-recurring” \$17.5 million from UH’s base budget going into the

new biennium. This request seeks to restore those funds to pre-pandemic levels and maintain our current level of General Fund support from the State.

Sustained Funding for Prior Appropriations

There are two main elements to this request: Continued funding support for Athletics programs at Mānoa and Hilo, and continued funding for currently operating programs that were approved in the FY23 supplemental budget.

The 2022 Legislature provided General Fund subsidies to the Athletics programs at Mānoa and Hilo. \$7.2 million was provided to Mānoa, but the Legislature designated \$3.2 million of this amount as “non-recurring.” Similarly, \$800,000 was appropriated to Hilo as support for its Athletics program, but \$400,000 was designated as “non-recurring.” UH is requesting \$3.6 million to continue the current level of General Fund support from the State.

The Legislature funded three new Hawai'i Institute of Marine Biology (HIMB) positions with six months of funding (hiring delays) in the FY23 Supplemental Budget. UH is requesting \$85,500 for the additional six months of salary to fund the positions for the full year. HIMB currently has one janitor and one groundskeeper that maintain the entire island. The allocation for the additional janitor and groundskeeper will normalize the workload for the staff similar to those on Mānoa campus. The Cultural Coordinator position will help build support among the public, legislators, constituents, and people of Hawai'i to sustainably integrate cultural practices and principles of traditional ecosystem management approaches into the management of the He'eia estuary.

Similarly, the FY23 Supplemental Budget funded the Graduate Medical Education (GME) Residency Expansion's positions and other current expenses for six months to account for a delay in hire. The purpose of this program is to expand neighbor island GME programs to address physician workforce shortages. UH is seeking full year funding in the amount of \$1.67 million for the GME Residency Program Expansion positions and other current expenses - Associated Program Coordinators, Residents, and operational costs that were authorized in the FY23 Supplemental Budget.

Act 262, Session Laws of Hawai'i 2022, provided \$6.7 million for neighbor island MD expansion and collaboration with the Veterans Administration through the John A. Burns School of Medicine (JABSOM). UH is requesting four positions and \$2.0 million to continue funding this program for resident and medical student neighbor island rotation costs, associated health systems residency lease expense and new MD faculty and administrative support positions. The purpose of this program is to ensure JABSOM's neighbor island MD expansion project's continuance, which is needed to address Hawai'i's physician workforce shortages.

Hawai'i Promise

The Hawai'i Promise Program is a "last dollar" scholarship that provides free in-state tuition for qualified UH Community College students who need financial help to pay for college. The scholarship provides money to cover direct costs of education – including tuition, fees, and an allowance for books and supplies – that are not met by other forms of financial aid.

The program has proven to be very successful at the Community Colleges as evidenced in the increased utilization of the program which has now exceeded their base appropriation of \$1.8 million. UH is requesting an additional \$3.7 million to help cover the increased cost of the program that has otherwise come from the Community Colleges' Tuition and Fees Special Fund (TFSF).

Additionally, UH is requesting an additional \$19 million to expand the Hawai'i Promise Program to the four-year institutions – Mānoa, Hilo, and West O'ahu. A breakout of these funds is provided below:

Campus	\$\$\$ FY24	\$\$\$ FY25
Mānoa	\$ 12,300,000	\$ 12,300,000
Hilo	\$ 1,700,000	\$ 1,700,000
UHWO	\$ 5,000,000	\$ 5,000,000
Community Colleges	\$ 3,700,000	\$ 3,700,000
Total	\$ 22,700,000	\$ 22,700,000

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Industry Initiative: Health

The following table lists the requests at various campuses to help address critical staffing shortages in the healthcare industry, with additional information following.

Description	Campus	FTE 24	\$\$\$ 24	FTE 25	\$\$\$ 25
Medical Assisting Program Support	Kaua'i CC	3.00	\$ 232,000	3.00	\$ 232,000
Allied Health Professions Staffing Support and NI Expansion	Kapi'olani CC	7.00	\$ 761,000	7.00	\$ 761,000
Certified Nursing Assistant Program Support	Windward CC	1.00	\$ 86,000	1.00	\$ 86,000
Nursing Clinical Faculty	Kapi'olani CC	3.00	\$ 259,998	3.00	\$ 259,998
Nursing Program Maintenance and Expansion	Hawai'i CC	5.00	\$ 474,000	5.00	\$ 474,000
Nursing Faculty to Increase Enrollment	Kaua'i CC	3.00	\$ 258,000	3.00	\$ 258,000
Nursing Faculty for Nursing Program and Health Center	Maui College	2.00	\$ 172,000	2.00	\$ 172,000
Nursing Faculty Support	Hilo	8.00	\$ 198,000	8.00	\$ 198,000
UHWO-UHM Nursing Collaboration	Mānoa	10.00	\$ 503,000	10.00	\$ 503,000
CNA to LPN Program Support	Maui College	1.00	\$ 86,000	1.00	\$ 86,000
NAWSON Programs and Training Support	Mānoa	5.50	\$ 661,430	5.50	\$ 661,430
Inter-Professional Health Initiative	Mānoa	6.00	\$ 477,009	9.00	\$ 688,473
Health & Wellness	UHWO	4.00	\$ 147,158	4.00	\$ 294,316
Total		58.50	\$ 4,315,595	61.50	\$ 4,674,217

In its 2019 Hawai'i Healthcare Workforce Initiative Report, the Healthcare Association of Hawai'i (HAH) identified critical workforce shortages in key health professions, many of which are entry-level allied health professions, and these shortages continue to today. These areas include Certified Nursing Assistants (CNA), Medical Laboratory Technicians (MLT), and Medical Assistants (MA), among many others. As demonstrated by the COVID-19 pandemic, Emergency Medical Services (EMS) departments across the state have been closing EMS stations due to critical staffing shortages and further resources are needed to ensure adequate coverage, especially on the neighbor islands.

To help address these needs, funding is requested for three positions to support the Medical Assisting Program at Kaua'i Community College (two Instructors and one Administrative, Professional, and Technical (APT) position), seven FTEs at Kapi'olani Community College (one MLT Instructor, one MA Instructor, and five EMS faculty to meet program staffing needs in Kaua'i, Maui, Hawai'i Island, and O'ahu), and one Faculty Instructor for Hawaiian-serving CNA program at Windward Community College.

According to the Hawai'i State Center for Nursing (HSCN), in Academic Year 2020-21, the UH system graduated 230 of the 442 nursing graduates in the state. In Hawai'i, as of September 2022, there were 1,000 LPN and RN vacancies with an anticipated 110 new nurse positions being needed annually. Over 500 vacancies remain that cannot be accommodated by current graduation rates. UH System nursing schools are the only way for neighbor island students to become nurses in Hawai'i. In order to expand nursing education capacity across the state to meet the workforce needs, UH must increase the number of funded faculty positions and maintain the increased clinical instructor positions that were funded in 2022. Funding requests prioritize nursing program expansion where UH programs are the only option for nursing education and therefore imperative for the community's access to nursing, including neighbor islands, the west side of O'ahu, and educational development of future nursing faculty.

UH is requesting to create 37.5 FTE instructional nursing and other faculty positions at Kapi'olani Community College (3 FTEs), Hawai'i Community College (5 FTEs), Kaua'i Community College (3 FTEs), Maui College (2 FTEs), Hilo (8 FTEs) and for the UH West O'ahu (UHWO) Pre-Nursing to UH Mānoa Bachelor of Science in Nursing Collaboration (10 FTEs). Maui College also proposes to recruit one Coordinator faculty for its CNA GLIDE Path program. This program is also known as the CNA+ to PN Bridge Program, which supports current working CNAs and other health professionals in advancing their careers to become LPNs.

For training support and programs at the Nancy Atmospera-Walch School of Nursing (NAWSON), UH is requesting two Instructional faculty positions for Nursing Education & Leadership Program, 2.5 Instructional faculty FTE for Biobehavioral Health Program, and one Faculty position for Interprofessional DNP-MD Training.

Additionally, Mānoa is pursuing an Inter-Professional Health Initiative. Mānoa presently offers more than 50 health sciences-related degrees and certificates across nine different colleges and schools. This request would help to prepare Hawai'i's healthcare workforce, to increase the pipeline of individuals into health-related careers, and to position the state to quickly assess and respond to critical threats to the health and wellbeing of Hawai'i's people.

Finally, UHWO is requesting four faculty and staff positions. Three positions will build and strengthen UHWO's pre-Nursing program partnership with NAWSON through prerequisite and general education requirements, student success tutoring and advising, as well as student recruitment from regional and neighbor island pathways. The fourth position will meet the highly demanded workforce needs related to Health Care Administration.

Initiative: Support Student Success

Description	Campus	FTE 24	\$\$\$ 24	FTE 25	\$\$\$ 25
Student Success Support	UHWO	8.00	\$ 261,252	8.00	\$ 522,504
Health Center	Maui College	3.00	\$ 98,500	3.00	\$ 200,250
Distance Learning	Maui College	2.00	\$ 73,500	2.00	\$ 147,750
UH Hilo Transfer Center	Hilo	1.00	\$ 60,000	1.00	\$ 60,000
Incarcerated Students	Windward CC	3.00	\$ 125,500	3.00	\$ 241,550
Incarcerated Students	Hawai'i CC	1.00	\$ 37,500	1.00	\$ 78,750
Career Advising and Internship Administration	Hilo	1.00	\$ 60,000	1.00	\$ 60,000
Kūlia I Ka Nu'u Undergraduate Research Initiative (KINURI)	Mānoa	4.00	\$ 721,600	9.00	\$ 1,058,400
Total		23.00	\$ 1,437,852	28.00	\$ 2,369,204

Essential to UHWO is providing exemplary student support services to prepare our future leaders for success in their chosen career pathways. In particular, to provide the communities in West and Central O'ahu as well as remote communities on the neighbor islands with a robust, accessible educational 'auwai to post-secondary education. Eight positions are requested in total and six of these positions will have direct impact on student success -- accessibility and readiness for college; financial assistance and on-going financial literacy skill building; counseling and academic advising focused on persistence to degree that serves both the student and their support/family; workforce preparation that includes internships and mentoring; and career placement in our local and regional schools. The final two positions will provide direct service to students through library services and IT assistance.

The Health Center at Maui College historically has been managed by reassigning General Funded teaching Nursing faculty to oversee and run the Health Center along with instructional support staff to periodically assist the administrative functions when possible. Maui College is requesting three positions to institutionalize the Health Center and adequately fund the operation to provide the health services throughout the year and return the Nursing teaching faculty back to the Allied Health educational program.

Maui College is also requesting two positions to provide a holistic and integrated model of distance learning, including course development and design, course assessment and online curriculum production, and designing and implementing student development and support infrastructure to address the emerging needs of our current students.

At UH-Hilo, after several years of nominal decline in transfer student enrollment, the new transfer student enrollments in 2020 and 2021 have declined precipitously, though their overall completion rates have continued to grow. A transfer specialist position will advance the initial efforts to build a virtual transfer center. This transfer-focused advisor would serve in a concierge-style role to assist incoming and potential transfer students in understanding their options, providing advising to new and continuing transfer students, and creating a social milieu around positive experiences for the differing needs of the transfer population. This advisor will also work closely with advising counterparts in the Advising Center and in the academic departments with the specific intent of providing guidance and counsel regarding the transfer student experience and the connections to similarly-situated advisors at UH's Community Colleges.

Windward Community College is currently the only UH institution serving incarcerated populations with credit education leading to degrees and certificates. Windward Community College has been working in the Women's Community Correctional Center and Hawai'i Youth Correctional Center since 2017 and started offering courses at Hālawā Correctional Facility in Fall 2022.

Students in the program are very successful. Their grade point average is 3.6 (out of 4.0). All students to date have been the first in their family to attend college. 43% are Native Hawaiian and 9% are Pacific Islander. These students are much less likely to be re-incarcerated after release.

To date, we have provided all education through grant funds. However, these expire in June and September 2023. At that time, there will be no one to coordinate the coursework, which leads to Associate Degrees in Liberal Arts and Hawaiian Studies, as well as certificates in Business and Psychosocial Development. This request would institutionalize the current staffing level of one coordinator and three staff (one per facility) working to make this happen.

The work is intensive and difficult, given the parameters of incarcerated institutions, student barriers and general setbacks such as lockdowns, planes to Arizona, etc. It is also hugely impactful, necessary for Hawai'i to provide increased safety and quality of life, and life-changing, particularly for populations with historical oppression and socio-economic barriers.

To expand the incarcerated students program, Hawai'i Community College intends to offer a number of Certificate of Completion, Certificate of Achievement, an Associate in

Applied Science degree, an Associate in Science degree, an Academic Subject Certificate, and an Associate in Arts degree to inmates at the Kulani Correctional Center on the Island of Hawai'i. Participating students will have the ability to continue their studies following the release. One position is requested to begin this pilot at Hawai'i Community College.

UH Hilo is requesting a career advisor who would provide students with career exploration, internship opportunities, workshops and events (e.g., redesigned majors and graduate fairs), all with a focus on key transition points of enrollment and preparation for post-graduation. This career-focused advisor would serve in a concierge-style role to assist students in career development and will work closely with academic advising counterparts in the Advising Center and in the academic departments with the specific intent of developing programming specific to the post-graduation goals of our students.

The Kūlia I Ka Nu'u Undergraduate Research Initiative (KINURI) will be centered at Mānoa and will seek to engage 2,000 undergraduate students across ten UH campuses in undergraduate research in a multi-faceted innovative Portfolio of Undergraduate Research Programs. In addition, the initiative will recruit 2,000 high school students across the Hawaiian Islands in a year-long virtual research training program.

Address Areas of State Need

Description	Campus	FTE 24	\$\$\$ 24	FTE 25	\$\$\$ 25
Administration of Justice Program Expansion	Hilo	1.00	\$ 142,000	1.00	\$ 142,000
Expansion of the Master of Arts in Teaching Program and Kahuawaiola Indigenous Teacher Education Program	Hilo	2.00	\$ 210,000	2.00	\$ 210,000
Master of Arts Program in Counseling Psychology (Clinical Mental Health Specialization)	Hilo	3.00	\$ 210,000	3.00	\$ 210,000
College of Agriculture, Forestry and Natural Resource Management (CAFNRM) Sustainable Agribusiness	Hilo	1.00	\$ 100,000	1.00	\$ 100,000
Teacher Preparation	UHWO	2.00	\$ 70,676	2.00	\$ 141,352
Total		9.00	\$ 732,676	9.00	\$ 803,352

UH Hilo's Administration of Justice (AJ) program is the only self-standing AJ baccalaureate program in the UH system. This program is online, allowing students

to pursue their degree remotely, and the newly created Department of Administration of Justice is working with other campuses to strengthen transfer initiatives with the goal of serving students and communities across the state. These positions would provide AJ with the resources necessary to effectively serve students throughout the UH system and serve community needs statewide. One Assistant Professor position is requested to support state and community needs in law enforcement and criminal justice reform.

UH Hilo's Master of Arts in Teaching Program and Kahuawaiola Hawaiian and Indigenous Teacher Training Program prepare high quality teachers for PreK-12 education. There is a need to expand these programs to create pathways for highly qualified teachers to address ongoing teaching shortages and two positions are requested for this expansion. A target is working professionals (e.g., Hawai'i DOE Educational assistants) who work full time and training them to be teachers.

The Master of Arts Program in Counseling Psychology (Clinical Mental Health Specialization) in the Department of Psychology in the College of Arts and Sciences at UH Hilo is the only program of its kind in the UH System. The graduate program trains mental health professionals who can enter the field and provide much needed support to the citizens of Hawai'i. The need for highly-trained mental health professionals was a known problem prior to the pandemic and has only gotten worse over the last two years. Currently, the Department and MA program rely on lecturers and faculty to teach overload in order for the major and program to run. In order to expand and continue to produce highly-trained mental health providers, the Psychology Department and MA Program is requesting three positions: two Assistant Professors and one Program Coordinator.

UH Hilo is also requesting one additional faculty member in sustainable agribusiness to revamp the agribusiness and agricultural economics offerings in CAFNRM, reestablish the agribusiness specialty within the B.S. in Agriculture with a focus on island food systems, and apply techno-economic and life cycle (environmental) analyses (TEA-LCA) that will provide benefits to students across UH Hilo and the local community as a means of promoting greater data-informed sustainability awareness and decisions.

UHWO is working with those regional K-12 Complexes that have the highest number of Native Hawaiians, Pacific Islanders, and Filipino communities (to include charter, private, and independent schools) and Hawai'i P-20 to prepare students (beginning as juniors and seniors in high school) to fill much needed teaching positions in the central and western O'ahu region and in remote areas across Hawai'i. To strengthen its efforts, UHWO is requesting two faculty positions that meet early childhood education needs, diverse language and Hawaiian language learning needs, and increased college participation, persistence, and placement of students in our local and regional schools.

Campus Facilities and Core Services

Description	Campus	FTE FY24	\$\$\$ FY24	FTE FY25	\$\$\$ FY25
Security Positions	Hilo	7.00	\$ 313,320	7.00	\$ 313,320
Security Positions	CCs	31.00	\$ 693,780	31.00	\$ 1,456,938
Security Position	UHWO	1.00	\$ 30,900	1.00	\$ 61,800
Information Technology Support	Hilo	2.00	\$ 160,000	2.00	\$ 160,000
Analytical Laboratory Manager	Hilo		\$ 80,000		\$ 80,000
ACM & Facilities	UHWO	5.00	\$ 162,996	5.00	\$ 325,992
Total		46.00	\$ 1,440,996	46.00	\$ 2,398,050

In order for UH Hilo to provide a safe and healthy environment for its students, employees and guests, an additional seven University Security Officer positions are requested. (There are currently twenty-seven security positions.) The UH Hilo main campus is 120 acres which includes student residence halls and off campus sites in downtown Hilo (Hawai'i Innovation Center of Hilo), Keaukaha (Pacific Aquaculture and Coastal Resources Center) and Panaewa (Agriculture Farm Laboratory).

In order for the UH Community Colleges to provide safe and secure campuses for all students, faculty, and visitors, 31 University Security officer positions are requested. These positions will provide two FTE security positions on duty 24 hours a day, 7 days a week (24/7). These officers patrol campuses by vehicle and on foot and perform the full range of public safety services dealing with incident reports, campus investigations, medical and fire emergencies, traffic accidents, enforcement of laws regulating the use of alcohol, drugs, and weapons, and all other situations where Campus Security assistance is required.

To address safety and security needs of its students, faculty, staff, visitors/guests, and facilities, UHWO is requesting one additional Security Officer to complete a complement of eight officers to provide 24/7 in-house security force for the campus and the 1400 acres (900 mauka and 500 makai) it is tasked to secure. Currently, a 24/7 security patrol operates with seven officers but requires all to work overtime. The additional officer will help patrol more effectively both UHWO campus and University District lands which will soon see increased activity.

Information Technology needs on the UH Hilo campus have increased over the last several years while the Computing Center department staffing has remained constant. As the campus becomes more digital, and IT infrastructure increases, two additional professional staff positions are needed to maintain backbone services that are critical to the classroom and work environment.

The UH Hilo Analytical Laboratory is a state-of-the art laboratory that includes analytical chemistry instrumentation worth millions of dollars that is available to students (undergraduate and graduate), faculty, and researchers to use under the supervision of the laboratory staff. Funding is requested for a currently vacant position to staff and manage this Analytical Laboratory.

UHWO campus facilities and core services positions are required to support campus maintenance and growth, in particular in support of the newly constructed state-of-the-art Academy for Creative Media (ACM) facility. The addition of this facility with its mechanical needs (e.g., electro mechanical equipment like HVAC, draw on our current chiller and cooling towers, etc.) along with the additional square footage requires, at minimum, the five (5) positions requested to maintain the facility and other similar equipment across campus.

Early College Expansion

This request is to provide additional support in the form of counseling and advising services to high school students in the early college program as well as to provide better coordination and collaboration with the high schools. The additional support will assist in providing other forms of "dual credit" which would foster a "college-going" culture at the high school and enable students to begin working towards an Associate's degree while still attending high school.

Other Miscellaneous Requests

In addition to the above General Fund requests, there is another request for \$205,000 in increased Special Fund ceiling for the Physician Workforce Assessment Special Fund, which is run by JABSOM. This ceiling increase will allow for support of the student loan repayment program and provide scholarships for medical students who practice in underserved areas.

There are also transfers of positions and funds within UH to effectuate the budgetary changes needed to reflect actual practices. This involves transferring six positions for Nā Pua No'ēau that are funded in UOH900 but who work at various campuses; transferring 37 FTE counts from UOH100 to UOH115 (Cancer Center); and transferring 7 positions related to IT and Cybersecurity from Systemwide Administration to the Hilo and Mānoa campuses. These transfers are internal to UH and do not change UH's total appropriation levels.

The University will be working with State B&F, the current Executive Branch Administration, and the new Governor's Administration on this FB23-25 budget request as necessary.

Board Chairperson Randolph G. Moore
Committee Chair Robert Westerman
October 28, 2022
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ACTION RECOMMENDED:

University Administration recommends the Board of Regents approve the Administration's proposal for the Fiscal Biennium 2023-2025 Operating Budget Request for the University. Upon approval, the proposal will be transmitted to the State B&F as the approved Board of Regents' budget request. The proposal is to be considered for inclusion as part of the Governor's Executive Budget Proposal to the 2023 State Legislature. In accordance with Chapter 37-68, HRS, the University will also submit the approved budget request directly to the Legislature.



University of Hawai'i Operating Budget Request for Fiscal Biennium 2023-2025

November 3, 2022

Committee on Budget and Finance



Budget Request Process

- Pursuant to Regent Policy (RP) 8.204, the Board of Regents approves annual operating budget request for upcoming fiscal year(s), as legislative request.
- For 2022, UH Administration did try to incorporate more bottoms-up approach to solicit campus-level ideas and initiatives.
- Vetting of initiatives at multiple levels of leadership is part of testing the support and strategic focus of our proposals.
- The proposed items also considers factors and dynamics as to which initiatives UH will prioritize.



State General Fund Situation

- Fiscal recovery for the state continues
- Significant downside risk
 - Inflation in marketplace
 - Duration of Federal Reserve monetary policy (in response to inflation)
 - High oil/commodity prices and energy costs
 - Supply chain disruptions, labor shortages
 - Broader effects from war in Ukraine
 - Visitor market: Travel return, lingering restrictions, strength of U.S. Dollar
 - UHERO forecasting mild recession for U.S. in first half of Calendar Year 2023



State Administration Transition

- New Governor and new State Administration to be inaugurated on December 5.
- State Law (Chapter 37-71, HRS) requires submittal of the Executive Budget request to the Legislature by December 19.
- Because of this transition, two budget submittals are anticipated by State B&F (FM No. 22-11):
 - “Steady State” – meet constitutional and statutory requirements. Includes transfers, full-year funding for half-year funded positions, and continuation of programs funded by specific appropriations.
 - Second submittal – February-March 2023 timeframe. Allow incoming Administration flexibility to align budget and policy priorities.



Total Budget Request

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Industry Initiative: Health	58.50	\$ 4,315,595	61.50	\$ 4,674,217
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Restoration of General Funds

Campus	\$\$\$ 24	\$\$\$ 25
Mānoa	\$ 5,600,000	\$ 5,600,000
JABSOM	\$ 1,800,000	\$ 1,800,000
Hilo	\$ 3,420,000	\$ 3,420,000
West O'ahu	\$ 1,600,000	\$ 1,600,000
Systemwide Admin	\$ 5,086,848	\$ 5,086,848
Total	\$ 17,506,848	\$ 17,506,848

- In 2021, the Legislature reduced UH's budget by \$60.1 million.
 - The Legislature also added back \$17.5 million but designated this increase as "non-recurring."
 - Net reduction of \$42.5 million.
- In 2022, the Legislature restored the \$42.5 million to bring UH back to pre-pandemic funding levels.
- However, the "non-recurring" designation was not changed and State B&F is reducing this \$17.5 million.
- This request would continue UH's current level of General Fund support from the State.



Sustained Funding

Description	Campus	FTE 24	\$\$\$ 24	FTE 25	\$\$\$ 25
Support for Athletics Program	Mānoa	-	\$ 3,200,000	-	\$ 3,200,000
Support for Athletics Program	Hilo		\$ 400,000		\$ 400,000
Hawai'i Institute of Marine Biology Full Year Funding for Positions	Mānoa	-	\$ 85,500	-	\$ 85,500
JABSOM's Graduate Medical Education Residency Expansion	JABSOM	-	\$ 1,670,000	-	\$ 1,670,000
JABSOM's Neighbor Island MD Expansion-Act 262, SLH 2022, Funding Continuation	JABSOM	4.00	\$ 2,000,000	4.00	\$ 2,000,000
Total		4.00	\$ 7,355,500	4.00	\$ 7,355,500

- Athletics funding in last year's budget was designated as "non-recurring" as well. This restores the General Fund subsidy to current levels.
- The Legislature also provided funds for FY23 for HIMB and JABSOM. These requests seek to perpetuate the funding of these ongoing programs.



Hawai'i Promise

Campus	\$\$\$ FY24	\$\$\$ FY25
Mānoa	\$ 12,300,000	\$ 12,300,000
Hilo	\$ 1,700,000	\$ 1,700,000
UHWO	\$ 5,000,000	\$ 5,000,000
Community Colleges	\$ 3,700,000	\$ 3,700,000
Total	\$ 22,700,000	\$ 22,700,000

- “Last dollar” program to address the unmet direct cost needs for in-state students who meet certain eligibility criteria.
- Expansion of Hawai'i Promise Program to Four-Year Institutions.
- Continued Funding for Community Colleges
 - \$1.8 million already in base.
 - Community Colleges were already making up the difference from their own Tuition & Fees.



Industry Initiative: Health

Description	Campus	FTE 24	\$\$\$ 24	FTE 25	\$\$\$ 25
Medical Assisting Program Support	Kaua'i CC	3.00	\$ 232,000	3.00	\$ 232,000
Allied Health Professions Staffing Support and NI Expansion	Kapi'olani CC	7.00	\$ 761,000	7.00	\$ 761,000
Certified Nursing Assistant Program Support	Windward CC	1.00	\$ 86,000	1.00	\$ 86,000
Nursing Clinical Faculty	Kapi'olani CC	3.00	\$ 259,998	3.00	\$ 259,998
Nursing Program Maintenance and Expansion	Hawai'i CC	5.00	\$ 474,000	5.00	\$ 474,000
Nursing Faculty to Increase Enrollment	Kaua'i CC	3.00	\$ 258,000	3.00	\$ 258,000
Nursing Faculty for Nursing Program and Health Center	Maui College	2.00	\$ 172,000	2.00	\$ 172,000
Nursing Faculty Support	Hilo	8.00	\$ 198,000	8.00	\$ 198,000
UHWO-UHM Nursing Collaboration	Mānoa	10.00	\$ 503,000	10.00	\$ 503,000
CNA to LPN Program Support	Maui College	1.00	\$ 86,000	1.00	\$ 86,000
NAWSON Programs and Training Support	Mānoa	5.50	\$ 661,430	5.50	\$ 661,430
Inter-Professional Health Initiative	Mānoa	6.00	\$ 477,009	9.00	\$ 688,473
Health & Wellness	UHWO	4.00	\$ 147,158	4.00	\$ 294,316
Total		58.50	\$ 4,315,595	61.50	\$ 4,674,217



Initiative: Support Student Success

Description	Campus	FTE 24	\$\$\$ 24	FTE 25	\$\$\$ 25
Student Success Support	UHWO	8.00	\$ 261,252	8.00	\$ 522,504
Health Center	Maui College	3.00	\$ 98,500	3.00	\$ 200,250
Distance Learning	Maui College	2.00	\$ 73,500	2.00	\$ 147,750
UH Hilo Transfer Center	Hilo	1.00	\$ 60,000	1.00	\$ 60,000
Incarcerated Students	Windward CC	3.00	\$ 125,500	3.00	\$ 241,550
Incarcerated Students	Hawai'i CC	1.00	\$ 37,500	1.00	\$ 78,750
Career Advising and Internship Administration	Hilo	1.00	\$ 60,000	1.00	\$ 60,000
Kūlia I Ka Nu'u Undergraduate Research Initiative (KINURI)	Mānoa	4.00	\$ 721,600	9.00	\$ 1,058,400
Total		23.00	\$ 1,437,852	28.00	\$ 2,369,204



Address Areas of State Need

Description	Campus	FTE 24	\$\$\$ 24	FTE 25	\$\$\$ 25
Administration of Justice Program Expansion	Hilo	1.00	\$ 142,000	1.00	\$ 142,000
Expansion of the Master of Arts in Teaching Program and Kahuawaiola Indigenous Teacher Education Program	Hilo	2.00	\$ 210,000	2.00	\$ 210,000
Master of Arts Program in Counseling Psychology (Clinical Mental Health Specialization)	Hilo	3.00	\$ 210,000	3.00	\$ 210,000
College of Agriculture, Forestry and Natural Resource Management (CAFNRM) Sustainable Agribusiness	Hilo	1.00	\$ 100,000	1.00	\$ 100,000
Teacher Preparation	UHWO	2.00	\$ 70,676	2.00	\$ 141,352
Total		9.00	\$ 732,676	9.00	\$ 803,352



Campus Facilities and Core Services

Description	Campus	FTE 24	\$\$\$ 24	FTE 25	\$\$\$ 25
Security Positions	Hilo	7.00	\$ 313,320	7.00	\$ 313,320
Security Positions	Community Colleges	31.00	\$ 693,780	31.00	\$ 1,456,938
Security Position	UHWO	1.00	\$ 30,900	1.00	\$ 61,800
Information Technology Support	Hilo	2.00	\$ 160,000	2.00	\$ 160,000
Analytical Laboratory Manager	Hilo		\$ 80,000		\$ 80,000
ACM & Facilities	UHWO	5.00	\$ 162,996	5.00	\$ 325,992
Total		46.00	\$ 1,440,996	46.00	\$ 2,398,050

Note: Some transfers will also be included to appropriately reflect budget execution practices. These transfers do not result in any net change to UH's total budget.



Transfers and Special Fund

- The following transfers do not change UH's total appropriation levels:
 - Transfer six positions for Nā Pua No'eau that are funded in UOH900 but who work at various campuses.
 - Transfer 37 FTE counts from Mānoa to Cancer Center.
 - Transfer 7 positions related to IT and Cybersecurity from UOH900 to Mānoa and Hilo.
- Increase in ceiling of \$205,000 for JABSOM's Physician Workforce Assessment Special Fund to allow for support of the student loan repayment program and provide scholarships for medical students who practice in underserved areas.



Early College Expansion

- Counseling and advice services to high school students in the early college program. This will assist in providing other forms of “dual credit” to help foster a “college-going” culture at HS level.
- For Community Colleges:
 - 7 Campus Coordinators and 7 Early College Counselors
 - Total: 14 FTEs and \$577,500 for FY24
14 FTEs and \$1,212,750 for FY25
- 2 Early College Counselors at West O‘ahu
- 2 Early College Coordinators at Hawai‘i P-20 (Systemwide Administration)



Next Steps

- Recommendation for Committee on Budget and Finance to approve this operating budget request for subsequent approval by the full Board at its November 17 meeting.
- Following approval by the full Board of Regents, the budget request and associated forms will be transmitted to the Governor and the Legislature, in accord with Chapter 37-68, HRS.
- UH Administration will work with the outgoing and incoming Executive Branch Administrations on their formal budget submittals.