



# **Fiscal Year 2021-2022 Operating Budget**

**September 2021**

## Introduction and Context

University of Hawai'i (UH) Board of Regents (BOR) Policy 8.204 requires UH Administration to present an operating budget, or expenditure plan, each year for approval. Recognizing the extraordinary fiscal uncertainty as a result of the ongoing global pandemic that currently impacts UH revenues, expenses, and operations, this spending plan contains the framework, assumptions, and actions being taken to respond to and prepare for these unprecedented circumstances and the likely expectation of more adjustments that will be necessary before the fiscal year ends.

The UH depends on State General Funds for approximately 50% of its operating budget and tuition revenue accounts for another 30%.

The expenditure plan is based on the information that is available at this point in time:

- A 2% restriction on the discretionary portion of UH's General Fund budget. "Discretionary" is defined by the State Department of Budget and Finance (State B&F) as those costs not directly associated with instruction or instructional support. This restriction is based on the budget execution instructions put forth by the Governor and State B&F in Executive Memorandum No. 21-04.
- Although this restriction is smaller than the 10% amount in recent years, legislative appropriations to UH were significantly reduced during the 2021 Session. As a result, UH's General Fund Revenues are projected to decrease by \$42.5 million, or 7.9%, as compared to actual FY21 General Fund Revenues.
- After years of intentional and planned buildup of fund balances reserves in anticipation of challenging fiscal scenarios, it is now necessary to use a portion of those fund balances to address the impact of the General Fund reductions to UH's appropriations.
- The federal coronavirus response packages included funding specifically for institutions of higher education to mitigate the impacts of the COVID-19 pandemic and its economic repercussions. These moneys must be used within the next fiscal year or two and although they are not part of this spending plan, they will also be used to defray a portion of those expenditures that would normally be a part of UH's operating budget as well as the requirement to make direct payments to students. Quarterly expenditure reports are required by the federal government and these reports will continue to be presented to the Board of Regents.

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## OVERVIEW

In aggregate across the entire UH system, the FY22 projected operating budget is forecasted to include \$1,002,456,775 in revenues against \$1,004,118,799 in expenditures and transfers. As a result, the net fiscal operating deficit is projected to be \$1,662,024 across all fund types for FY22 across UH system campuses. However, this deficit includes \$13,806,403 in one-time expenditures, and by excluding those one-time costs, UH is projecting a \$12.1 million operating gain across all funds.

As a result of the ongoing COVID-19 pandemic and the economic downturn, FY22 revenues across all fund types are projected to decline by \$17.8 million, or 1.7%, as compared to actual FY21 collections. The biggest decline in revenue is in the General Funds category, which is primarily related to reduced legislative appropriations (General Fund revenue will be \$42.5 million, or 7.9%, less than FY21 levels) as well as a 2% restriction on *discretionary* spending as directed by the Governor and State (B&F). Although this is less than the 10% restriction in recent fiscal years, the base appropriation is significantly smaller due to the legislative reductions.

Additionally, revenues for the Tuition and Fees Special Fund (TFSF) are projected to decline by \$4.3 million, or 1.3% of actual FY21 collections. As on-campus activity increases, Other Special Funds and Other Revolving Funds revenues are expected to be stronger this fiscal year and are projecting increases of 14.1% and 125.2%, respectively. However, it should be noted that Act 9, Special Session of Hawai'i 2021, converted the Community Colleges Special Fund into a Revolving Fund. As such, approximately \$16.6 million in revenues that was previously reported as Other Special Funds will now be reported as Other Revolving Funds.

FY22 operating expenditures, transfers, and one-time expenditures are projected to increase by \$69.3 million, or 7.4%, as compared to FY21 actual expenditures. This is primarily due to the shifting of costs from General Funds to TFSF. This shifting of personnel costs to TFSF requires UH to cover the cost of fringe associated with those positions in addition to the salary (the State General Fund picks up fringe costs for General Funded salaries). As a result, for every \$1 of salary shifted out of General Funds, it costs UH's non-General Funds about \$1.53 with expenditures expected to increase as on-campus services increase.

A net operating loss of \$1.7 million across all fund types is projected for FY22. Of that amount, \$13.8 million is attributable to one-time expenditures, leaving \$12.1 million as an operating gain. However, the net operating income varies by fund category. TFSF is projected to have a \$9.5 million loss (of which \$4.5 million is one-time) while Other Special Funds are projected to have a \$20.4 million gain (of which \$3.2 million is one-time costs).

Fund balances are still above target levels (16% of a three-year average for expenditures) pursuant to UH Board of Regents Policy (RP) 8.203. However, it is anticipated that these fund balances will be utilized in future fiscal years to address the General Fund reductions to UH's appropriations and the expiration of federal coronavirus response funds.

## BUDGET HIGHLIGHTS BY CAMPUS

### Mānoa

Mānoa is projecting a \$1.5 million net operating loss across all appropriated funds. Revenues are projected to be lower by 0.4% as significant reductions in General Funds are offset primarily by increases in Other Special Funds. Additionally, TFSF Revenues are projected to increase by 1.3% due to favorable enrollment trends. While many special and revolving funded operations are expecting to return to near pre-pandemic levels of activity, there is continued uncertainty given the current surge related to the Delta variant of COVID-19. Additionally, these projections were made prior to the latest restrictions on gatherings by the City and County of Honolulu and general guidance from the State. Expenditures are projected to be lower due to the inflow of federal coronavirus response money, scaled back operations due to the pandemic, and cost saving measures including hiring restrictions.

### Hilo

General Fund and tuition revenue are both projected to decline in FY22. In response to this decline, UH Hilo will continue cost saving measures that began in the spring of 2020 as well as using HEERF moneys to cover lost revenues. Additionally, an increase in the number of students attending in-person classes as well as students residing on campus will result in increased revenue for Other Special and Other Revolving funds but will also increase personnel and operating expenditures.

### West O'ahu (UHWO)

UHWO is projecting an enrollment consistent with FY21 with stable tuition revenue. Cost cutting measures to become leaner and more efficient will continue into FY22. Overall, UHWO is projecting a \$21.6 million ending balance.

### Community Colleges

TFSF revenues are projected to decrease by \$5.1 million, or 9.2%. While the overall Student Semester Hour (SSH) enrollment drop is around 6%, the total drop in revenue is more pronounced due to reductions in non-resident enrollment. General Fund Revenues are also projected to decrease by \$4.0 million, or 2.6%. The Community Colleges plan to use \$8.0 million in HEERF funds to cover lost revenues, which will be transferred to cover various needs to help address these revenue declines.

### Systemwide Administration (System)

System is projecting a decrease of \$4.1 million in General Fund Revenues, and an \$8.4 million, or 10%, decrease in Revenues when looking at all fund types. Through continued fiscal controls, System will address these revenue declines.

**SYSTEMWIDE REVENUES**

Type of Fund	FY22 Projected	FY 21 Actual	FY22 Projected vs. FY21 Actual	%age
General Funds	\$493,018,593	\$535,520,707	(\$42,502,114)	-7.9%
Tuition & Fees	\$327,947,772	\$332,295,333	(\$4,347,561)	-1.3%
RTRF	\$48,997,190	\$52,568,391	(\$3,571,201)	-6.8%
Other Special Funds	\$88,430,458	\$77,497,427	\$10,933,031	14.1%
Other Revolving Funds	\$36,695,205	\$16,297,920	\$20,397,285	125.2%
Appropriated Federal Funds	\$7,367,557	\$6,049,158	\$1,318,399	21.8%
<b>Total Revenues</b>	<b>\$1,002,456,775</b>	<b>\$1,020,228,936</b>	<b>(\$17,772,161)</b>	<b>-1.7%</b>

Type of Fund	FY 21 Actual	FY21 Projected	FY21 Actual vs. FY21 Projected	%age
General Funds	\$535,520,707	\$513,502,509	\$22,018,198	4.3%
Tuition & Fees	\$332,295,333	\$309,320,373	\$22,974,960	7.4%
RTRF	\$52,568,391	\$52,117,248	\$451,143	0.9%
Other Special Funds	\$77,497,427	\$86,612,004	(\$9,114,577)	-10.5%
Other Revolving Funds	\$16,297,920	\$20,482,084	(\$4,184,164)	-20.4%
Appropriated Federal Funds	\$6,049,158	\$8,869,683	(\$2,820,525)	-31.8%
<b>Total Revenues</b>	<b>\$1,020,228,936</b>	<b>\$990,903,901</b>	<b>\$29,325,035</b>	<b>3.0%</b>

General Fund revenues are reflected here as the Legislative appropriation net of transfers that occur at the start of the budget execution process. The disproportionate allocation of the General Fund cuts to the major units may be adjusted by the Administration.

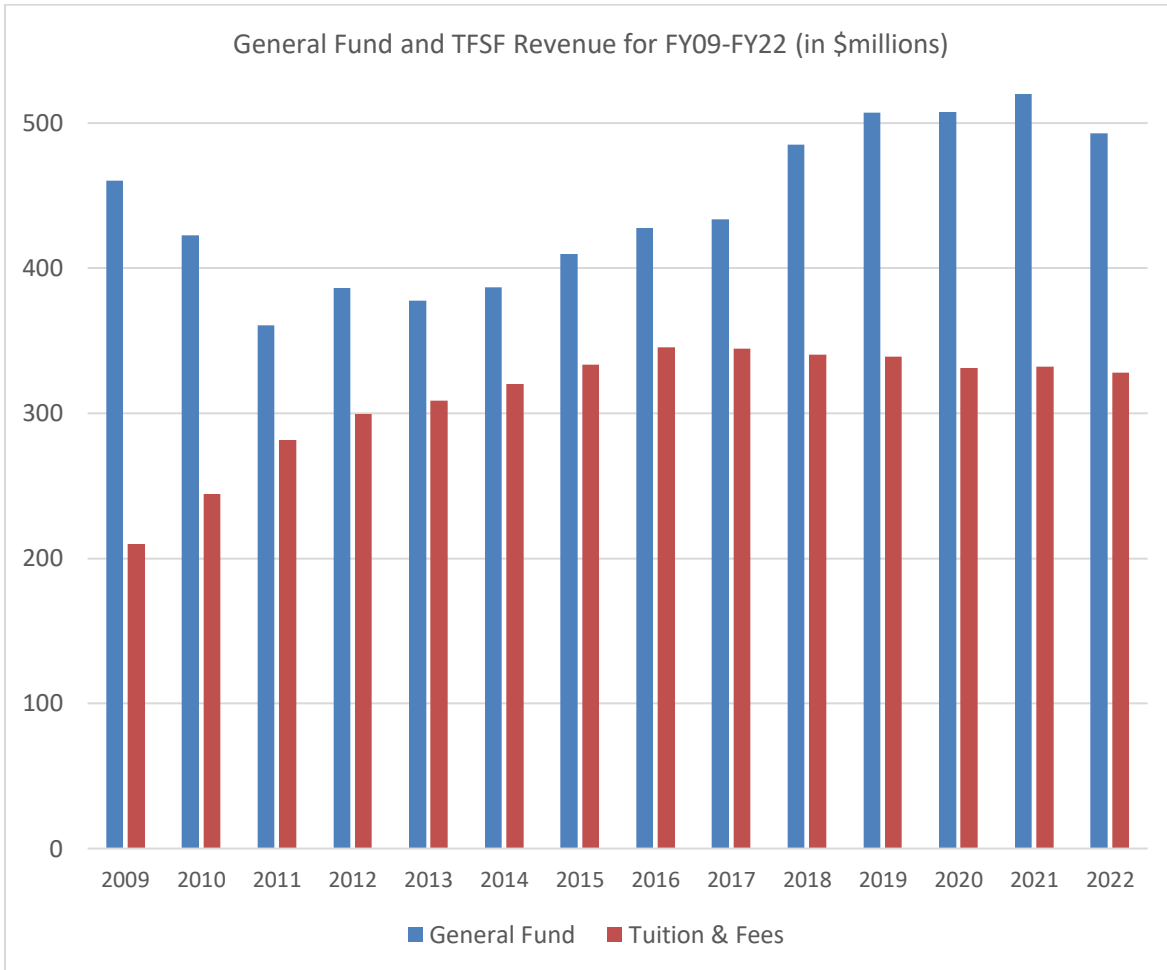
Compared to FY21 actual revenues, FY22 revenues are projected to decline by \$17.8 million, or 1.7%. However, the General Fund budget is projected to decline by \$42.5 million, or 7.9%, as a result of reductions made by the Legislature. The following table provides a breakout by campus of the difference between projected FY22 revenues and actual FY21 collections:

Campus	General Fund Reduction	TFSF Reduction
Mānoa	(\$33,570,950)	\$2,897,335
Hilo	(\$1,316,913)	(\$1,408,949)
West O'ahu	(\$837,339)	\$0
Community Colleges	(\$2,711,625)	(\$5,080,096)
Systemwide Admin	(\$4,065,287)	(\$755,851)
<b>Total</b>	<b>(\$42,502,114)</b>	<b>(\$4,347,561)</b>

As on-campus activity increases, revenues for Other Special Funds and Other Revolving Funds are projected to increase. Act 9, Special Session Laws of the Hawai'i, converted the Community Colleges Special Fund into a revolving fund. Because of this, approximately \$16.6 million of revenue that was previously accounted as Other Special Funds will now show as Other Revolving Funds beginning this fiscal year.

### Historic Revenues for General Fund and Tuition

The following chart shows historic revenues for FY09 through FY21 and projected revenues for FY22 for the General Fund and TFSF. The range was selected to show the previous “high” prior to the Great Recession approximately ten years ago:



The General Fund revenue projection is significantly below recent fiscal years and is only about \$8 million higher than General Fund revenues for 2018 (\$485.2 million).

## SYSTEMWIDE EXPENDITURES

### Expenditures and Transfers by Fund Type

Expenditures and Transfers	FY22 Projected	FY 21 Actual	FY22 Proj. vs. FY21 Actual	%age
General Funds	\$493,018,593	\$535,518,136	(\$42,499,543)	-7.9%
Tuition & Fees	\$341,915,141	\$242,044,064	\$99,871,077	41.3%
RTRF	\$51,020,194	\$48,663,302	\$2,356,892	4.8%
Other Special Funds	\$71,238,039	\$85,628,369	(\$14,390,330)	-16.8%
Other Revolving Funds	\$39,577,775	\$16,862,286	\$22,715,489	134.7%
Appropriated Federal Funds	\$7,349,057	\$6,049,158	\$1,299,899	21.5%
<b>Total Exp. &amp; Transfers</b>	<b>\$1,004,118,799</b>	<b>\$934,765,315</b>	<b>\$69,353,484</b>	<b>7.4%</b>

Expenditures and Transfers	FY 21 Actual	FY21 Projected	FY21 Actual vs. FY21 Proj.	%age
General Funds	\$535,518,136	\$513,502,509	\$22,015,627	4.3%
Tuition & Fees	\$242,044,064	\$291,031,368	(\$48,987,304)	-16.8%
RTRF	\$48,663,302	\$45,575,488	\$3,087,814	6.8%
Other Special Funds	\$85,628,369	\$124,828,987	(\$39,200,618)	-31.4%
Other Revolving Funds	\$16,862,286	\$21,327,706	(\$4,465,420)	-20.9%
Appropriated Federal Funds	\$6,049,158	\$8,869,683	(\$2,820,525)	-31.8%
<b>Total Exp. &amp; Transfers</b>	<b>\$934,765,315</b>	<b>\$1,005,135,741</b>	<b>(\$70,370,426)</b>	<b>-7.0%</b>

In coordination with the decrease in General Fund revenues, expenditures from General Funds are projected to decrease by \$42.5 million. As UH operations are primarily funded through a combination of state General Fund and UH Tuition & Fees (TFSF), the decrease in General Fund expenditures is being offset in part by an increase in TFSF expenditures. When salaries previously paid by the General Fund are paid using TFSF fund dollars there may be some addition of fringe costs of approximately 53% of the salary. As a result, without mitigating measures the increase in TFSF expenditures is considerably larger than the reduction in General Funds.

Additionally, the increase in on-campus activity will require additional services to be provided, which will result in increased expenditures from nearly all fund types.



Expenditure Category	FY22 Budget	FY21 Actual	FY22 Projected vs. FY21 Actual	%age
Regular Employee Payroll	\$636,851,324	\$617,774,114	\$19,077,210	3.1%
Lecturer Payroll	\$38,268,729	\$32,905,663	\$5,363,066	16.3%
Student Help Payroll	\$13,035,351	\$12,288,324	\$747,027	6.1%
Other Personnel	\$7,753,878	\$5,943,878	\$1,810,000	30.5%
<i>Subtotal Personnel</i>	<i>\$695,909,282</i>	<i>\$668,911,979</i>	<i>\$26,997,303</i>	<i>4.0%</i>
Utilities	\$67,791,956	\$56,223,211	\$11,568,745	20.6%
Scholarships, Tuition	\$62,951,306	\$60,642,563	\$2,308,743	3.8%
Other Operating Expenses	\$192,044,222	\$150,563,058	\$41,481,164	27.6%
<i>Subtotal Other</i>	<i>\$322,787,484</i>	<i>\$267,428,832</i>	<i>\$55,358,652</i>	<i>20.7%</i>
<b>Total Expenditures</b>	<b>\$1,018,696,766</b>	<b>\$936,340,811</b>	<b>\$82,355,955</b>	<b>8.8%</b>

Expenditure Category	FY21 Actual	FY21 Projected	FY21 Actual vs. FY21 Projected	%age
Regular Employee Payroll	\$617,774,114	\$630,753,645	(\$12,979,531)	-2.1%
Lecturer Payroll	\$32,905,663	\$32,425,507	\$480,156	1.5%
Student Help Payroll	\$12,288,324	\$15,363,761	(\$3,075,437)	-20.0%
Other Personnel	\$5,943,878	\$6,990,763	(\$1,046,885)	-15.0%
<i>Subtotal Personnel</i>	<i>\$668,911,979</i>	<i>\$685,533,676</i>	<i>(\$16,621,697)</i>	<i>-2.4%</i>
Utilities	\$56,223,211	\$65,377,807	(\$9,154,596)	-14.0%
Scholarships, Tuition	\$60,642,563	\$61,943,894	(\$1,301,331)	-2.1%
Other Operating Expenses	\$150,563,058	\$175,313,003	(\$24,749,945)	-14.1%
<i>Subtotal Other</i>	<i>\$267,428,832</i>	<i>\$302,634,704</i>	<i>(\$35,205,872)</i>	<i>-11.6%</i>
<b>Total Expenditures</b>	<b>\$936,340,811</b>	<b>\$988,168,380</b>	<b>(\$51,827,569)</b>	<b>-5.2%</b>

Due to transfers, these numbers do not exactly match the previous table that reported expenditures by fund type. Again, as on-campus activities increase, expenditures are also increasing.

**SYSTEMWIDE NET OPERATING INCOME**

Revenues less expenditures produce the Net Operating Income for the UH. When looking at recurring costs, UH is showing a net gain of \$12.1 million. However, there are also \$13.8 million in one-time expenditures planned for FY22. The combined effect of these is a reduction of fund balances totaling \$1.7 million for FY22.

<b>Net Operating Income</b>	<b>FY22 Projected</b>
General Funds	\$0
Tuition & Fees	(\$9,450,276)
RTRF	(\$2,023,004)
Other Special Funds	\$20,378,142
Other Revolving Funds	\$3,221,017
Appropriated Federal Funds	\$18,500
<b>Total NOI</b>	<b>\$12,144,379</b>

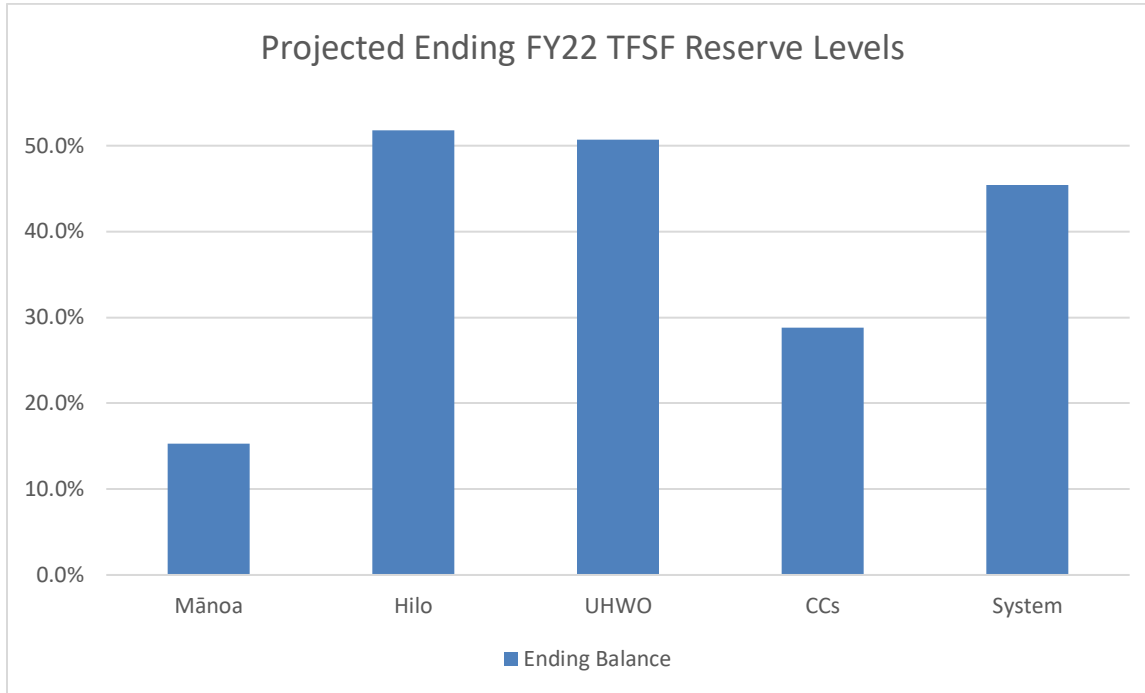
<b>One-Time Expenditures</b>	<b>FY22 Projected</b>
Tuition & Fees	\$4,517,093
RTRF	\$0
Other Special Funds	\$3,185,723
Other Revolving Funds	\$6,103,587
<b>Total NOI</b>	<b>\$13,806,403</b>

When looking across all UH funds, reserves can adequately satisfy the operating loss for this fiscal year. However, individual funds may be impacted more than others. Additionally, further reductions of UH’s General Fund appropriations in the next fiscal biennium are currently programmed into the State budget by the Legislature. HEERF moneys will also not be available at that time.

<b>Net Operating Income (including one-time expenditures)</b>	<b>FY22 Projected</b>
<b>(All Funds Summary)</b>	
Net Operating Income	(\$1,662,024)
Beginning Balance	\$406,670,551
Ending Balance	\$405,008,527
Other Reserve Requirements (R&R, Bond, RTRF Commitments)	\$107,881,776
Revised Ending Balance	\$297,126,751
Reserve Requirement (5% Minimum)	\$49,688,487
<b>Balance Above Minimum Reserve After Adjustments</b>	<b>\$247,438,264</b>

### TFSF RESERVE LEVELS

Despite the losses in the current fiscal year, TFSF reserve levels remain healthy. However, these fund balances were purposefully built up over the past few fiscal years and it is expected that these balances will need to be tapped for the next several.



Campus	FY22 Ending	Held at System
Mānoa	\$ 68,822,740	\$ 22,448,943
Hilo	\$ 31,603,770	\$ 3,049,486
UHWO	\$ 16,314,824	\$ 1,609,122
CCs	\$ 63,513,248	\$ 11,018,162
System	\$ 24,659,016	\$ 2,714,493
<b>Total</b>	<b>\$ 204,913,598</b>	<b>\$ 40,840,206</b>

**This is the first year that Mānoa has joined the other units in having a portion of their fund balance held at the System level equivalent to 5% of their annual expenditures. This reserve can only be utilized on authority of UH’s Chief Financial Officer.**

### ENROLLMENT

Across all UH campuses, Fall 2022 enrollment appears to be about 2% higher than Fall 2021. However, the experience is mixed with Mānoa and Hilo showing growth while UHWO and the Community Colleges show slight declines. Individual campus sections within this narrative have additional detail regarding enrollment.

## **Federal Coronavirus Response Funds**

Since the start of the pandemic in March 2020, the federal government passed three funding measures in response to the COVID-19 pandemic and its economic impacts. These were the Coronavirus Aid Relief, and Economic Security (CARES) Act, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and the American Rescue Plan Act (ARPA). All three of these measures included funding for the Higher Education Emergency Relief Fund (HEERF).

HEERF moneys are available in three separate tranches: Tranche 1 funds are required to be used for aid awarded and paid directly to students; Tranche 2 can be used to cover any costs associated with significant changes to the delivery of instruction due to the coronavirus, such as purchase of equipment or software for distance learning, and training to operate in a remote learning environment; and Tranche 3 can be used to defray institutional expenses, including lost revenue, reimbursement for expenses already incurred, technology costs associated with the transition to distance education, and payroll.

This spending plan uses HEERF funds to offset decreases in revenues for other UH funds. Expiration dates vary as the grants were not all awarded simultaneously and these funds expire in approximately one year. Therefore, while HEERF funds will be used this fiscal year, some will not be available in subsequent years. Due to the one-time nature of these funds, these expenditures are not included in this plan. Quarterly reports on HEERF expenditures will continue to be made to the federal government and to the Board of Regents.

## **CONCLUSION**

The FY22 spending plan for UH addresses the reduction to UH's General Fund appropriations through the utilization of fund balances and defraying some of these costs using HEERF. Additionally, as on-campus activity increases, revenues for Other Special and Other Revolving Funds should eventually return to near pre-pandemic levels.

Although UH appears to be able to manage its fiscal position for FY22, it will require the utilization of fund balances, which were intentionally built up over the past several years through prudent management. Continued uncertainty about COVID-19, the likelihood of additional General Fund reductions, and the loss of federal coronavirus relief funds will require UH to use these fund balances in the near future.

# University of Hawai'i at Mānoa

## Introduction

The University of Hawai'i at Mānoa (UH Mānoa) is the 'flagship' campus of the UH System, combining world-class research with graduate and undergraduate education. Consistent with its location in the most diverse community and environment in the world, UH Mānoa is a globally recognized center of learning and research with a kuleana to serve the people of Hawai'i and our neighbors in the Pacific and Asia. The Carnegie Foundation classifies UH Mānoa as a Research 1 institution with "very high" research activity, and the National Science Foundation ranks UH Mānoa as 44<sup>th</sup> among public universities in federal research expenditures. UH Mānoa has widely recognized strengths in tropical agriculture, tropical medicine, oceanography, astronomy, marine biology, engineering, volcanology, microbiology, linguistics, comparative philosophy, comparative religion, Hawaiian studies, Asian studies, Pacific Islands studies, and public health.

UH Mānoa houses the State's only medical school, law school, college of engineering and school of architecture. It provides distinctive professional degrees through schools in education, business, travel industry management, nursing, and social work. It also offers doctoral programs in major intellectual disciplines. As a land-, sea-, space- and sun-grant university, UH Mānoa has unique responsibilities and opportunities to deliver applied research and education programs that are relevant to the pressing needs of our State and the nation. UH Mānoa offers 102 bachelor's degrees, 89 master's degrees, 52 research doctorates, and 5 professional doctorates. Of these, 69 programs are professionally accredited. The campus offers 28 undergraduate certificates, 3 post-baccalaureate certificates, and 40 graduate certificates.

Strategic planning over the past several years provided the campus with a roadmap for budget strategies and priorities over the next five years, all of which has been upended by the COVID-19 pandemic and financial crisis. The post-pandemic planning process begun in Spring 2020 yielded a series of recommendations for programmatic adjustments, which are in the process of being implemented. A set of performance indicators for prioritization was developed in FY21 to be used for further evaluation of program, hiring priorities, and budget-making decisions. This planning and prioritization process will align the strategic deployment and investment of resources toward the goal of meeting the highest priority needs of the State to ensure economic and social recovery as it builds toward a more sustainable and robust future.

## BUDGET SUMMARY

### Overview

For all funds, UH Mānoa is projecting revenues of \$585.4 million and expenditures of \$591.7 million. Discussion of the projected net operating loss follows presentation of the summary tables below. The Tuition and Fees Special Fund is covered in a separate section following the discussion of all funds.

### ALL FUNDS

#### Revenues

Type of Fund	FY22 Projected	FY 21 Actual	FY22 Projected vs. FY21 Actual	%age
General Funds	\$230,780,332	\$264,351,282	(\$33,570,950)	-12.7%
Tuition & Fees	\$228,859,569	\$225,962,234	\$2,897,335	1.3%
RTRF	\$29,584,693	\$30,960,165	(\$1,375,472)	-4.4%
Other Special Funds	\$76,462,202	\$50,931,543	\$25,530,659	50.1%
Other Revolving Funds	\$16,295,518	\$12,900,214	\$3,395,304	26.3%
Appropriated Federal Funds	\$3,446,193	\$2,535,038	\$911,155	35.9%
<b>Total Revenues</b>	<b>\$585,428,507</b>	<b>\$587,640,476</b>	<b>(\$2,211,969)</b>	<b>-0.4%</b>

Type of Fund	FY 21 Actual	FY21 Projected	FY21 Actual vs. FY21 Projected	%age
General Funds	\$264,351,282	\$252,839,614	\$11,511,668	4.6%
Tuition & Fees	\$225,962,234	\$206,107,415	\$19,854,819	9.6%
RTRF	\$30,960,165	\$32,513,608	(\$1,553,443)	-4.8%
Other Special Funds	\$50,931,543	\$62,478,697	(\$11,547,154)	-18.5%
Other Revolving Funds	\$12,900,214	\$15,938,528	(\$3,038,314)	-19.1%
Appropriated Federal Funds	\$2,535,038	\$4,954,277	(\$2,419,239)	-48.8%
<b>Total Revenues</b>	<b>\$587,640,476</b>	<b>\$574,832,139</b>	<b>\$12,808,337</b>	<b>2.2%</b>

When comparing the projected FY22 budget against FY21 actuals, revenue is expected to decrease by \$2.2 million. The 2021 Legislature reduced the UH Mānoa appropriation of General Funds by \$35.6 million in FY22 (the reduction is slightly lower in the above table due to one-time appropriations in FY21). Other Special and Revolving fund revenues were severely impacted by the pandemic in FY21 and are projected to begin recovering in FY22. RTRF is expected to decrease slightly from FY21 actuals.

TFSF revenue is currently projected to increase approximately 1.3% from the prior year. Enrollment is up by approximately 9% for Fall 2021, and tuition charged for Fall has increased correspondingly over the previous year. However, significant uncertainties regarding how much tuition will actually be collected remain to be resolved as we navigate through the semester. First, the uncollected tuition amount for Fall jumped in Fall 2020, and this trend continues for Fall 2021. Second, the assumptions usually used to project Spring enrollment as a percentage of Fall enrollment may not hold true this academic year due to pandemic conditions. Tuition waivers trended much lower than usual for FY21, and as a result the FY22 tuition revenue projection was adjusted to include a more

typical projection for waivers. The net result of all of these assumptions reduces the overall rate of increase to 1.3%.

Other Special and Revolving Fund operations include campus auxiliary operations such as bookstore, parking, athletics, student activities, and student and faculty housing. For FY22, most units are conservatively projecting that operations will be near 75% of pre-pandemic levels. Units that rely on in-person activities are hopeful that operations will eventually return to pre-pandemic levels in FY23. However, given the recent surge in cases and the restrictions in attendance for athletic events, these projections may require revision when more information is available.

Expenditures and Transfers by Fund Type

Expenditures and Transfers	FY22 Projected	FY21 Actual	FY22 Proj. vs. FY21 Actual	%age
General Funds	\$230,780,332	\$264,348,714	(\$33,568,382)	-12.7%
Tuition & Fees	\$246,974,395	\$184,630,140	\$62,344,255	33.8%
RTRF	\$29,459,591	\$29,790,278	(\$330,687)	-1.1%
Other Special Funds	\$59,015,271	\$68,475,732	(\$9,460,461)	-13.8%
Other Revolving Funds	\$17,249,513	\$13,862,857	\$3,386,656	24.4%
Appropriated Federal Funds	\$3,427,693	\$2,535,038	\$892,655	35.2%
<b>Total Expenditures</b>	<b>\$586,906,795</b>	<b>\$563,642,759</b>	<b>\$23,264,036</b>	<b>4.1%</b>

Expenditures and Transfer	FY21 Actual	FY21 Projected	FY21 Actual vs. FY21 Proj.	%age
General Funds	\$264,348,714	\$252,839,614	\$11,509,100	4.4%
Tuition & Fees	\$184,630,140	\$197,540,802	(\$12,910,662)	-7.0%
RTRF	\$29,790,278	\$29,452,860	\$337,418	1.1%
Other Special Funds	\$68,475,732	\$99,321,308	(\$30,845,576)	-45.0%
Other Revolving Funds	\$13,862,857	\$15,980,922	(\$2,118,065)	-15.3%
Appropriated Federal Funds	\$2,535,038	\$4,954,277	(\$2,419,239)	-95.4%
<b>Total Expenditures</b>	<b>\$563,642,759</b>	<b>\$600,089,783</b>	<b>(\$36,447,024)</b>	<b>-6.5%</b>

Across all fund types, FY22 expenditures and net transfers are projected to increase by 4.1% over FY21 actual expenditures.

For General Funds, expenditures will be reduced by the amount of the reduction in legislative appropriation. Both TFSF funds and HEERF will be used to address this shortfall in General Funds.

TFSF expenditures on personnel will increase to cover the General Fund shortfall, and to cover the associated additional fringe benefit cost (projected to be approximately \$11 million for FY22). These personnel expenditure increases are offset in part by cost saving measures including the following:

- Continuation of the freeze on hiring across the Mānoa campus. Exceptions to the freeze will be considered for operational necessity, as further informed by the performance indicators recently developed;

- Continuation of the freeze on travel, equipment purchases, other purchases over \$25,000, as well as other operating costs. All such expenditures must be approved by the President, after scrutiny by the Provost and the Campus Budget Office. With the anticipation of a greater presence on campus in FY22, utilities and other operating expenses are expected to increase over FY21 actuals but to remain below FY19 actuals, which represents the last year in which spending was not impacted by the pandemic; and,
- UHM leadership is continuing to work with the campus units to identify additional opportunities for cost savings during FY22.

Other Special Fund expenditures are expected to decrease in FY22 due to delay of Repair & Replacement (R&R) projects because of the pandemic. While most of the units are anticipating a partial return to pre-pandemic levels of operations, prior planned R&R costs will be delayed. Some of the expenditures are being offset due to lost revenue funding being received in FY22 for the prior fiscal year due to the pandemic.

Other Revolving Fund expenditures are expected to increase in hopes of returning to near pre-pandemic levels of activities on campus. The prior year actuals reflect fewer expenditures related to student fee activities and commercial enterprise activities.



Expenditures by Category

Expenditure Category	FY22 Budget	FY21 Actual	FY22 Projected vs. FY21 Actual	%age
Regular Employee Payroll	\$382,186,046	\$376,302,083	\$5,883,963	1.6%
Lecturer Payroll	\$8,043,937	\$9,254,737	(\$1,210,800)	-13.1%
Student Help Payroll	\$7,424,986	\$7,734,721	(\$309,735)	-4.0%
Other Personnel	\$3,642,639	\$2,985,382	\$657,257	22.0%
<i>Subtotal Personnel</i>	<i>\$401,297,608</i>	<i>\$396,276,923</i>	<i>\$5,020,685</i>	<i>1.3%</i>
Utilities	\$47,461,877	\$40,512,718	\$6,949,159	17.2%
Scholarships, Tuition	\$43,247,964	\$41,059,017	\$2,188,947	5.3%
Other Operating Expenses	\$99,646,489	\$83,764,928	\$15,881,561	19.0%
<i>Subtotal Other</i>	<i>\$190,356,330</i>	<i>\$165,336,663</i>	<i>\$25,019,667</i>	<i>15.1%</i>
<b>Total Expenditures</b>	<b>\$591,653,938</b>	<b>\$561,613,586</b>	<b>\$30,040,352</b>	<b>5.3%</b>

Expenditure Category	FY21 Actual	FY21 Projected	FY21 Actual vs. FY21 Projected	%age
Regular Employee Payroll	\$376,302,083	\$383,703,863	(\$7,401,780)	-1.9%
Lecturer Payroll	\$9,254,737	\$6,285,511	\$2,969,226	47.2%
Student Help Payroll	\$7,734,721	\$9,245,759	(\$1,511,038)	-16.3%
Other Personnel	\$2,985,382	\$3,079,157	(\$93,775)	-3.0%
<i>Subtotal Personnel</i>	<i>\$396,276,923</i>	<i>\$402,314,290</i>	<i>(\$6,037,367)</i>	<i>-1.5%</i>
Utilities	\$40,512,718	\$46,630,769	(\$6,118,051)	-13.1%
Scholarships, Tuition	\$41,059,017	\$41,608,377	(\$549,360)	-1.3%
Other Operating Expenses	\$83,764,928	\$89,441,649	(\$5,676,721)	-6.3%
<i>Subtotal Other</i>	<i>\$165,336,663</i>	<i>\$177,680,795</i>	<i>(\$12,344,132)</i>	<i>-6.9%</i>
<b>Total Expenditures</b>	<b>\$561,613,586</b>	<b>\$579,995,085</b>	<b>(\$18,381,499)</b>	<b>-3.2%</b>

Due to transfers, these numbers do not exactly match the previous table that reported expenditures by fund type. Expenditures in FY22 are projected to increase by 5.3% over actual FY21 expenditures. These increases are primarily in utilities and other operating expenses due to increased on-campus activity.

Net Operating Gain (Loss)

Type of Fund	FY22 Projected	FY21 Actual	FY22 Proj. vs. FY21 Actual	%age
General Funds	\$0	\$2,568	(\$2,568)	-100.0%
Tuition & Fees	(\$18,114,826)	\$41,332,094	(\$59,446,920)	-143.8%
RTRF	\$125,102	\$1,169,887	(\$1,044,785)	-89.3%
Other Special Funds	\$18,967,654	(\$17,544,189)	\$36,511,843	208.1%
Other Revolving Funds	(\$369,187)	(\$962,643)	\$593,456	61.6%
Appropriated Federal Funds	\$18,500	\$0	\$18,500	
<b>Total Expenditures</b>	<b>\$627,243</b>	<b>\$23,997,717</b>	<b>(\$23,370,474)</b>	<b>-97.4%</b>

Type of Fund	FY21 Actual	FY21 Projected	FY21 Actual vs. FY21 Proj.	%age
General Funds	\$2,568	\$0	\$2,568	100.0%
Tuition & Fees	\$41,332,094	\$8,566,613	\$32,765,481	79.3%
RTRF	\$1,169,887	\$3,060,748	(\$1,890,861)	-161.6%
Other Special Funds	(\$17,544,189)	(\$36,842,611)	\$19,298,422	110.0%
Other Revolving Funds	(\$962,643)	(\$42,394)	(\$920,249)	-95.6%
Appropriated Federal Funds	\$0	\$0	\$0	
<b>Total Expenditures</b>	<b>\$23,997,717</b>	<b>(\$25,257,644)</b>	<b>\$49,255,361</b>	<b>205.3%</b>

Net Operating Gain/Loss is the difference between Revenue and the combined amount of Expenditures and Net Transfers (out).

The decrease in TFSF net operating is primarily caused by an increased amount of expenditure due to the decrease of General Funds. While there is a slight increase in projected revenue, this will not cover the loss of over \$30 million of General Funds. The projected operating balance will be critical to cover for anticipated shortfalls in the upcoming years.

RTRF net operating income is projected to decrease due to conservative revenue and expenditures assumptions for the upcoming year. With hiring controls and restrictions on purchasing in place, projected expenditures are expected to be flat while the revenue is projected to decrease slightly from the prior year.

With the anticipation of increased presence and activity on campus this academic year, the extent of COVID-related challenges to specific Other Special Funds are not projected to be as extensive as FY21. For example, Student Housing is operating at full capacity for Fall 2021 and thus revenues are projected to return to normal levels. However, with the recent announcement that the football and volleyball seasons will begin without fans, the revenue projections for the Athletics Special Fund are now subject to further uncertainty and will need to be revisited. It is not known at this time what impact the current surge in COVID case levels will have on special and revolving fund revenues.

Net Operating Gain (Loss)

<b>Net Operating Income (including one-time expenditures)</b>	<b>FY22</b>
<b>(All Funds Summary)</b>	<b>Projected</b>
Net Operating Income	<b>(\$1,478,288)</b>
Beginning Balance	\$207,727,494
Ending Balance	\$206,249,206
Other Reserve Requirements (R&R, Bond, RTRF Commitments)	\$79,561,339
Revised Ending Balance	\$126,687,867
Reserve Requirement (5% Minimum)	\$29,173,955
<b>Balance Above Minimum Reserve After Adjustments</b>	<b>\$97,513,912</b>

After a projected net operating loss of \$1.5 million, Mānoa’s anticipated ending balance is \$206.2 million. Much of this balance is already committed in the form of R&R reserves (\$58.2 million), bond covenant and requirements (\$953K) and RTRF commitments (\$20.4 million). The total of those adjustments is projected to be \$79.6 million in FY22. This revises the projected ending balance to be \$97.5 million, which remains above the 5% minimum reserve and slightly above the 16% target reserve level of \$93.3 million.

**TUITION AND FEES SPECIAL FUND**

Tuition and Fees Special Fund (TFSF) is projected to have revenues of \$228.9 million, expenditures of \$191.9 million and net transfers of \$55.1 million. This results in a projected net operating loss of \$18.1 million.

Revenues

<b>FY22 Projected</b>	<b>FY21 Actual</b>	<b>FY22 Proj. vs. FY21 Actual</b>	<b>%age</b>
\$223,168,863	\$225,962,234	<b>(\$2,793,371)</b>	<b>-1.2%</b>

<b>FY21 Actual</b>	<b>FY21 Projected</b>	<b>FY21 Actual vs. FY21 Proj.</b>	<b>%age</b>
\$225,962,234	\$206,107,415	\$19,854,819	9.6%

FY22 tuition is projected to be \$2.9 million more than what was received in FY21. This reflects a lower projection of growth than the current enrollment numbers indicate; however, uncertainties remain with regard to the revenues that may be realized.

## Expenditures

FY22 expenditures are projected to increase by about 35.7% in comparison to FY21 actuals.

- **Personnel Expenses:** Personnel expenditures are expected to increase by 33.4 million over the last fiscal year. This reflects the use of TFSF funds towards the General Funds shortfall and associated increase in fringe benefits costs.
- **Utilities:** Expenditures for utilities on tuition funds are projected to be higher than in FY21, due to increased presence on campus and increases in rates.
- **Other Operating Expenses:** The combination of the freeze on travel, equipment purchases, and purchases over \$25,000 is expected to hold operating expenses on tuition funds below FY19 actuals, which represents the last year in which spending was not impacted by the pandemic. However, greater presence on campus is expected to result in an increase in operating costs over FY21 actuals.

Expenditure Category	FY22 Budget	FY21 Actual	FY22 Projected vs. FY21 Actual	%age
Regular Employee Payroll	\$95,810,706	\$62,380,275	\$33,430,431	53.6%
Lecturer Payroll	\$7,858,968	\$9,055,816	(\$1,196,848)	-13.2%
Student Help Payroll	\$2,772,507	\$3,946,509	(\$1,174,002)	-29.7%
Other Personnel	\$2,412,835	\$1,790,112	\$622,723	34.8%
<i>Subtotal Personnel</i>	<i>\$108,855,016</i>	<i>\$77,172,712</i>	<i>\$31,682,304</i>	<i>41.1%</i>
Utilities	\$35,195,924	\$26,125,784	\$9,070,140	34.7%
Scholarships, Tuition	\$2,191,876	\$2,211,698	(\$19,822)	-0.9%
Other Operating Expenses	\$45,647,050	\$35,897,920	\$9,749,130	27.2%
<i>Subtotal Other</i>	<i>\$83,034,850</i>	<i>\$64,235,402</i>	<i>\$18,799,448</i>	<i>29.3%</i>
<b>Total Expenditures</b>	<b>\$191,889,866</b>	<b>\$141,408,114</b>	<b>\$50,481,752</b>	<b>35.7%</b>

Expenditure Category	FY21 Actual	FY21 Projected	FY21 Actual vs. FY21 Projected	%age
Regular Employee Payroll	\$62,380,275	\$68,424,602	(\$6,044,327)	-8.8%
Lecturer Payroll	\$9,055,816	\$5,845,700	\$3,210,116	54.9%
Student Help Payroll	\$3,946,509	\$4,173,738	(\$227,229)	-5.4%
Other Personnel	\$1,790,112	\$1,988,107	(\$197,995)	-10.0%
<i>Subtotal Personnel</i>	<i>\$77,172,712</i>	<i>\$80,432,147</i>	<i>(\$3,259,435)</i>	<i>-4.1%</i>
Utilities	\$26,125,784	\$30,484,127	(\$4,358,343)	-14.3%
Scholarships, Tuition	\$2,211,698	\$1,224,659	\$987,039	80.6%
Other Operating Expenses	\$35,897,920	\$33,419,947	\$2,477,973	7.4%
<i>Subtotal Other</i>	<i>\$64,235,402</i>	<i>\$65,128,733</i>	<i>(\$893,331)</i>	<i>-1.4%</i>
<b>Total Expenditures</b>	<b>\$141,408,114</b>	<b>\$145,560,880</b>	<b>(\$4,152,766)</b>	<b>-2.9%</b>

Net Operating Gain (Loss)

<b>Net Operating Income (including one-time expenditures) (TFSF)</b>	<b>FY22 Projected</b>
Net Operating Income	(\$18,114,826)
Beginning Balance	\$86,937,566
Ending Balance	\$68,822,740
Other Reserve Requirements (R&R, Bond, RTRF Commitments)	\$0
Revised Ending Balance	\$68,822,740
Reserve Requirement (5% Minimum)	\$23,887,736
<b>Balance Above Minimum Reserve After Adjustments</b>	<b>\$44,935,004</b>

In FY22, TFSF is projected to have a net operating loss of \$18.1 million, which still places the ending balance above the 5% minimum reserve requirement of \$23.8 million outlined in Executive Policy (EP). These reserves will be essential to address revenue shortfalls in future fiscal years while campus reshaping plans are implemented.

## University of Hawai'i at Hilo

UH Hilo is a comprehensive, regional university serving roughly 3,000 students on a 120-acre main campus. The primary focus of the campus is to provide high quality baccalaureate and select postgraduate education. In carrying out this mission, UH Hilo offers 35 undergraduate degrees, 5 graduate degrees, 2 doctoral degrees, and 2 professional degrees that take advantage of the unique physical and social characteristics of the island, attracting students who are qualified for baccalaureate entry and seek opportunities for highly engaging and experiential learning. This includes first-generation and non-traditional students, some of whom attend part-time.

While a primary target for UH Hilo is residents of Hawai'i Island, its quality programs are attractive to prospective students from other islands, the Pacific, the mainland U.S. and other countries. University-bound students from O'ahu in particular may select UH Hilo not only for its distinctive undergraduate programs but also for its rural setting, affordability, intimate character, or to leave home without leaving the state.

UH Hilo is anticipating an increase in the number of students attending in-person classes as well as students residing on campus. As a result, revenue in Other Special and Other Revolving funds will increase but so will personnel and operating expenditures.

General Fund and tuition revenue is projected to decline. In response to this decline, UH Hilo will continue cost saving measures that began in the spring of 2020.

**ALL FUNDS**

Revenues

Type of Fund	FY22 Projected	FY 21 Actual	FY22 Projected vs. FY21 Actual	%age
General Funds	\$37,532,515	\$38,849,428	(\$1,316,913)	-3.4%
Tuition & Fees	\$29,618,584	\$31,027,533	(\$1,408,949)	-4.5%
RTRF	\$2,982,997	\$2,962,497	\$20,500	0.0%
Other Special Funds	\$7,417,006	\$4,265,790	\$3,151,216	73.9%
Other Revolving Funds	\$1,405,812	\$1,262,589	\$143,223	11.3%
Appropriated Federal Funds	\$291,557	\$261,512	\$30,045	11.5%
<b>Total Revenues</b>	<b>\$79,248,471</b>	<b>\$78,629,349</b>	<b>\$619,122</b>	<b>0.8%</b>

Type of Fund	FY 21 Actual	FY21 Projected	FY21 Actual vs. FY21 Projected	%age
General Funds	\$38,849,428	\$37,343,067	\$1,506,361	4.0%
Tuition & Fees	\$31,027,533	\$30,888,533	\$139,000	0.5%
RTRF	\$2,962,497	\$2,388,217	\$574,280	24.0%
Other Special Funds	\$4,265,790	\$4,915,977	(\$650,187)	-13.2%
Other Revolving Funds	\$1,262,589	\$1,500,047	(\$237,458)	-15.8%
Appropriated Federal Funds	\$261,512	\$291,557	(\$30,045)	-10.3%
<b>Total Revenues</b>	<b>\$78,629,349</b>	<b>\$77,327,398</b>	<b>\$1,301,951</b>	<b>1.7%</b>

Overall, revenues are projected to increase by .8% when compared to actual FY21 collections. Although General Fund revenue is projected to be 3.4% less than FY21 actuals, HEERF funds will be used to help offset this loss of revenue. Tuition and Fees revenue is planned to be \$1.4 million less than FY21 actuals due to enrollment decline in the Daniel K. Inouye College of Pharmacy (DKICP). Other Special Fund revenue is projected to increase by \$3.2 million when compared with actual FY21 revenue.

The increase in Other Special Fund revenue is primarily due to a projected increase in residence hall occupancy and the number of students attending in-person classes. Revenue from theater ticket sales, athletic events, food concession rebates and facility use is also projected to increase when compared with FY 21 actual revenue. There is a slight increase in Other Revolving Fund revenue as a result of more students taking in-person classes.

Expenditures

Expenditure Category	FY22 Budget	FY21 Actual	FY22 Projected vs. FY21 Actual	%age
Regular Employee Payroll	\$47,477,972	\$42,837,347	\$4,640,625	10.8%
Lecturer Payroll	\$1,248,030	\$1,069,856	\$178,174	16.7%
Student Help Payroll	\$1,779,917	\$1,323,444	\$456,473	34.5%
Other Personnel	\$1,188,931	\$1,229,001	(\$40,070)	-3.3%
<i>Subtotal Personnel</i>	<i>\$51,694,850</i>	<i>\$46,459,648</i>	<i>\$5,235,202</i>	<i>11.3%</i>
Utilities	\$5,512,593	\$3,464,233	\$2,048,360	59.1%
Scholarships, Tuition	\$6,962,614	\$6,544,292	\$418,322	6.4%
Other Operating Expenses	\$17,959,332	\$10,399,882	\$7,559,450	72.7%
<i>Subtotal Other</i>	<i>\$30,434,539</i>	<i>\$20,408,407</i>	<i>\$10,026,132</i>	<i>49.1%</i>
<b>Total Expenditures</b>	<b>\$82,129,389</b>	<b>\$66,868,055</b>	<b>\$15,261,334</b>	<b>22.8%</b>

Expenditure Category	FY21 Actual	FY21 Projected	FY21 Actual vs. FY21 Projected	%age
Regular Employee Payroll	\$42,837,347	\$44,467,544	(\$1,630,197)	-3.7%
Lecturer Payroll	\$1,069,856	\$1,377,521	(\$307,665)	-22.3%
Student Help Payroll	\$1,323,444	\$1,715,981	(\$392,537)	-22.9%
Other Personnel	\$1,229,001	\$1,034,777	\$194,224	18.8%
<i>Subtotal Personnel</i>	<i>\$46,459,648</i>	<i>\$48,595,823</i>	<i>(\$2,136,175)</i>	<i>-4.4%</i>
Utilities	\$3,464,233	\$5,317,087	(\$1,852,854)	-34.8%
Scholarships, Tuition	\$6,544,292	\$6,985,100	(\$440,808)	-6.3%
Other Operating Expenses	\$10,399,882	\$17,231,748	(\$6,831,866)	-39.6%
<i>Subtotal Other</i>	<i>\$20,408,407</i>	<i>\$29,533,935</i>	<i>(\$9,125,528)</i>	<i>-30.9%</i>
<b>Total Expenditures</b>	<b>\$66,868,055</b>	<b>\$78,129,758</b>	<b>(\$11,261,703)</b>	<b>-14.4%</b>

Overall, expenditures are projected to be 22.8% more compared to actual FY21 expenditures. Regular employee payroll is projected to increase by 10.8% due to the strategic filling of positions that were deferred since the spring of 2020. The projected FY22 utilities budget is about \$2.0 million more than actual in FY21 because the budgeted amount includes potential rate increases and increase in usage as a result of more students, faculty and staff being physically on campus. Other Operating Expenses projected for FY22 include one-time expenditures such as R&R projects for student housing and the Student Life Center. Some R&R projects planned for FY 2021 were not finalized and will be completed this year. Operating cost will increase as we welcome our students, faculty, staff and community back to campus.

In response to the projected decrease in General Fund and TFSF revenue, UH Hilo is continuing the following cost saving measures:

- Freeze on filling vacant positions and new hires are made on an exception basis only and requires the approval of the UH President;
- Postpone faculty special salary adjustments and staff special compensation adjustments for retention, equity and performance;
- Reduce 89-day hires by not extending or early termination of current appointments;



- A freeze on out-of-state travel was implemented in FY 2020 and continues into FY 2022. A travel freeze was also placed on inter-island travel;
- A freeze on equipment purchases and new contracts exceeding \$25,000 continues into FY 2022. All contract renewals are being carefully scrutinized and approved only if it is determined that they are absolutely necessary at this time;
- Pcard use has been reduced by limiting the number of employees authorized to make purchases. The Chancellor and Vice Chancellors provided approvals for up to two cardholders from each major department. The remaining cardholders have been instructed not to utilize their Pcards; and,
- Reduce other operational costs such as supplies, subscriptions, memberships, repairs and maintenance and printing.

Net Operating Gain (Loss)

<b>Net Operating Income (including one-time expenditures)</b>	<b>FY22</b>
<b>(All Funds Summary)</b>	<b>Projected</b>
Net Operating Income	<b>(\$2,155,255)</b>
Beginning Balance	\$43,099,172
Ending Balance	\$40,943,917
Other Reserve Requirements (R&R, Bond, RTRF Commitments)	\$6,700,000
Revised Ending Balance	\$34,243,917
Reserve Requirement (5% Minimum)	\$4,055,608
<b>Balance Above Minimum Reserve After Adjustments</b>	<b>\$30,188,309</b>

Pursuant to EP2.212, a cash balance is maintained by the Revenue Undertaking Special Fund for a R&R reserve. An amount equal to 50% of its depreciation expense for the preceding fiscal year is transferred into this fund for Student Housing, Food Service, and DKICP projects. Balances are also held for repairing, maintaining, and replacing facility and equipment for revenue generating units, i.e., Student Life Center. In total, this reserve requirement is \$6.7 million.

Although UH Hilo proposes to spend \$2.2 million more than its revenues for FY22 to cover planned expenditures and to fund one-time expenses, the remaining balance of \$34.2 million is still above the minimum threshold.

**TUITION AND FEES SPECIAL FUND**

Revenues

<b>FY22 Projected</b>	<b>FY21 Actual</b>	<b>FY22 Proj. vs. FY21 Actual</b>	<b>%age</b>
\$29,618,584	\$31,027,533	(\$1,408,949)	-4.5%

<b>FY21 Actual</b>	<b>FY21 Projected</b>	<b>FY21 Actual vs. FY21 Proj.</b>	<b>%age</b>
\$31,027,533	\$30,888,533	\$139,000	0.5%

Tuition and Fee revenues are planned to be 4.5% less than the FY21 actual amount due to a projected enrollment decline in the DKICP.

Expenditures

<b>Expenditure Category</b>	<b>FY22 Budget</b>	<b>FY21 Actual</b>	<b>FY22 Projected vs. FY21 Actual</b>	<b>%age</b>
Regular Employee Payroll	\$8,649,768	\$4,429,934	\$4,219,834	95.3%
Lecturer Payroll	\$1,248,030	\$821,964	\$426,066	51.8%
Student Help Payroll	\$629,000	\$523,398	\$105,602	20.2%
Other Personnel	\$1,010,000	\$70,272	\$939,728	1337.3%
<i>Subtotal Personnel</i>	<i>\$11,536,798</i>	<i>\$5,845,568</i>	<i>\$5,691,230</i>	<i>97.4%</i>
Utilities	\$4,660,850	\$2,719,844	\$1,941,006	71.4%
Scholarships, Tuition	\$200,000	\$67,456	\$132,544	196.5%
Other Operating Expenses	\$7,701,978	\$5,311,575	\$2,390,403	45.0%
<i>Subtotal Other</i>	<i>\$12,562,828</i>	<i>\$8,098,875</i>	<i>\$4,463,953</i>	<i>55.1%</i>
<b>Total Expenditures</b>	<b>\$24,099,626</b>	<b>\$13,944,443</b>	<b>\$10,155,183</b>	<b>72.8%</b>

<b>Expenditure Category</b>	<b>FY21 Actual</b>	<b>FY21 Projected</b>	<b>FY21 Actual vs. FY21 Projected</b>	<b>%age</b>
Regular Employee Payroll	\$4,429,934	\$6,046,579	(\$1,616,645)	-26.7%
Lecturer Payroll	\$821,964	\$1,362,521	(\$540,557)	-39.7%
Student Help Payroll	\$523,398	\$704,030	(\$180,632)	-25.7%
Other Personnel	\$70,272	\$860,000	(\$789,728)	-91.8%
<i>Subtotal Personnel</i>	<i>\$5,845,568</i>	<i>\$8,973,130</i>	<i>(\$3,127,562)</i>	<i>-34.9%</i>
Utilities	\$2,719,844	\$4,685,850	(\$1,966,006)	-42.0%
Scholarships, Tuition	\$67,456	\$200,000	(\$132,544)	-66.3%
Other Operating Expenses	\$5,311,575	\$9,065,544	(\$3,753,969)	-41.4%
<i>Subtotal Other</i>	<i>\$8,098,875</i>	<i>\$13,951,394</i>	<i>(\$5,852,519)</i>	<i>-41.9%</i>
<b>Total Expenditures</b>	<b>\$13,944,443</b>	<b>\$22,924,524</b>	<b>(\$8,980,081)</b>	<b>-39.2%</b>

Overall, personnel costs are planned to be higher in FY22 as compared to actual expenditures in FY21 due to the transfer of expenditures from General Funds to TFSF. This increase is partially funded by the transfer of HEERF funds to cover the General Fund revenue loss. The projected FY22 Utilities budget is \$1.9 million more than actual in FY21 because the budgeted amount includes potential rate increases and increase in usage as a result of more students, faculty and staff being physically on

campus. Other operating expenses are projected to increase when compared to FY21 actual expenditures however it is less than what was previously budgeted. FY21 expenditures were significantly reduced due to the uncertainty of the General Fund allocation which was released on a quarterly rather than annual basis. Strict restrictions implemented in FY21 to curtail expenditures were at a level that cannot be sustained for FY22.

Net Operating Gain (Loss)

<b>Net Operating Income (including one-time expenditures)</b>	<b>FY22 Projected</b>
<b>(TFSF)</b>	
Net Operating Income	<b>(\$270,000)</b>
Beginning Balance	\$31,873,770
Ending Balance	\$31,603,770
Other Reserve Requirements (R&R, Bond, RTRF Commitments)	\$0
Revised Ending Balance	\$31,603,770
Reserve Requirement (5% Minimum)	\$3,371,055
<b>Balance Above Minimum Reserve After Adjustments</b>	<b>\$28,232,715</b>

UH Hilo’s TFSF ending balance of \$31.6 million is above the 5% minimum reserve requirement set in EP8.210 Systemwide Financial Reserves.

**One-time Commitment:**

**\$270,000 - PISCES**

The Pacific International Space Center for Exploration Systems (PISCES) program was transferred back to UH Hilo from the DBEDT by Act 1, Special Session 2021. Funds for the PISCES program did not transfer due to a legislative error. UH Hilo will fund the program at a minimal level through FY22 only pending legislative action to correct the error for FY23.

# University of Hawai'i West O'ahu

## Introduction

The University of Hawai'i West O'ahu (UHWO) offers a distinct, learner-centered baccalaureate education that integrates liberal arts, social sciences, and STEM with professional and applied fields. As a diverse and inclusive indigenous-inspired institution, UHWO blends Native Hawaiian traditional and cultural practices with those of other ethnicities to provide dynamic learning environments where all students learn, discover, innovate, engage, and thrive as they become our 21<sup>st</sup> Century leaders; career creators.

As a growing campus, the slightest of deviations in General and/or Tuition and Fee Special Funds (TFSF) can have significant impacts on UHWO. In FY21, to address the anticipated fiscal crises, UHWO's action strategy was "cash preservation." This theme continues into FY22 as we continue to strategically reduce costs, prioritize signature academic programs, sharpen student services, grow enrollment (and tuition revenue), and increase efficiency and effectiveness. In addition to the President's mitigation efforts, UHWO has also implemented additional approvals for procurement transactions, temporarily suspended a majority of campus purchasing cards, developed a streamlined and comprehensive review process for all personnel and position action requests, conducted an assessment of all operational costs to include only those deemed operationally necessary, continued financial monitoring through monthly reporting and analyses, and strategically utilized federal relief funds.

Over the course of this fiscal year, we continue to explore and implement cost-saving measures to enhance our budget and continually seek opportunities for further savings and efficiencies. This short-term plan serves as a bridge affording our campus community an opportunity to define strategic actions that will reposition us academically and financially for success in FY22 and beyond.

**BUDGET SUMMARY  
ALL FUNDS**

Revenues

Type of Fund	FY22 Projected	FY 21 Actual	FY22 Projected vs. FY21 Actual	%age
General Funds	\$18,400,333	\$19,237,672	(\$837,339)	-4.4%
Tuition & Fees	\$18,306,024	\$18,306,024	\$0	0.0%
RTRF	\$195,390	\$195,390	\$0	0.0%
Other Special Funds	\$43,260	\$35,293	\$7,967	22.6%
Other Revolving Funds	\$662,000	\$349,102	\$312,898	89.6%
Appropriated Federal Funds	\$100,000	\$65,214	\$34,786	53.3%
<b>Total Revenues</b>	<b>\$37,707,007</b>	<b>\$38,188,695</b>	<b>(\$481,688)</b>	<b>-1.3%</b>

Type of Fund	FY 21 Actual	FY21 Projected	FY21 Actual vs. FY21 Projected	%age
General Funds	\$19,237,672	\$18,348,857	\$888,815	4.8%
Tuition & Fees	\$18,306,024	\$16,560,000	\$1,746,024	10.5%
RTRF	\$195,390	\$367,653	(\$172,263)	-46.9%
Other Special Funds	\$35,293	\$54,558	(\$19,265)	-35.3%
Other Revolving Funds	\$349,102	\$717,911	(\$368,809)	-51.4%
Appropriated Federal Funds	\$65,214	\$100,000	(\$34,786)	-34.8%
<b>Total Revenues</b>	<b>\$38,188,695</b>	<b>\$36,148,979</b>	<b>\$2,039,716</b>	<b>5.6%</b>

UHWO's General Fund appropriation has been permanently reduced by \$1,080,000 by the Legislature (although this is mitigated somewhat by continuing transfers within UH). This is the primary reason for the overall 1.3% decrease in FY22 projected revenues compared to FY21 actual revenues. While campus administrators and various campus committees are in the process of evaluating and re-imagining the campus, strategic use of federal relief funds are being used to temporarily bridge this gap.

Despite the enrollment uncertainties during the COVID pandemic in FY21, through hard work and perseverance, UHWO managed to realize a 10.5% tuition revenue increase over its projected revenue. Remarkably, this increase was 3.4% higher than tuition revenue received in FY20. While COVID-related uncertainties continue in FY22, UHWO is projecting tuition revenue levels to be consistent with FY21.

Other Special Funds revenue is projected to increase by 22.6% in FY22 compared to FY21 actual revenue as international program activities cautiously resume. Other Revolving Funds is projecting an 89.6% increase primarily due to a projected increase in student fee revenues. With the re-opening of the campus this fall semester, more students are projected to return to campus, thus student fee rates will increase from \$22/semester for distance learning to \$120/semester for in-person.

Expenditures

Expenditure Category	FY22 Budget	FY21 Actual	FY22 Projected vs. FY21 Actual	%age
Regular Employee Payroll	\$21,828,625	\$20,751,380	\$1,077,245	5.2%
Lecturer Payroll	\$2,624,172	\$2,568,176	\$55,996	2.2%
Student Help Payroll	\$678,135	\$274,077	\$404,058	147.4%
Other Personnel	\$276,575	\$85,092	\$191,483	225.0%
<i>Subtotal Personnel</i>	<i>\$25,407,507</i>	<i>\$23,678,725</i>	<i>\$1,728,782</i>	<i>7.3%</i>
Utilities	\$1,802,000	\$1,221,907	\$580,093	47.5%
Scholarships, Tuition	\$2,430,000	\$1,793,855	\$636,145	35.5%
Other Operating Expenses	\$4,322,098	\$1,517,181	\$2,804,917	184.9%
<i>Subtotal Other</i>	<i>\$8,554,098</i>	<i>\$4,532,943</i>	<i>\$4,021,155</i>	<i>88.7%</i>
<b>Total Expenditures</b>	<b>\$33,961,605</b>	<b>\$28,211,668</b>	<b>\$5,749,937</b>	<b>20.4%</b>

Expenditure Category	FY21 Actual	FY21 Projected	FY21 Actual vs. FY21 Projected	%age
Regular Employee Payroll	\$20,751,380	\$21,070,548	(\$319,168)	-1.5%
Lecturer Payroll	\$2,568,176	\$2,818,259	(\$250,083)	-8.9%
Student Help Payroll	\$274,077	\$448,826	(\$174,749)	-38.9%
Other Personnel	\$85,092	\$304,878	(\$219,786)	-72.1%
<i>Subtotal Personnel</i>	<i>\$23,678,725</i>	<i>\$24,642,511</i>	<i>(\$963,786)</i>	<i>-3.9%</i>
Utilities	\$1,221,907	\$2,003,000	(\$781,093)	-39.0%
Scholarships, Tuition	\$1,793,855	\$2,390,000	(\$596,145)	-24.9%
Other Operating Expenses	\$1,517,181	\$3,050,296	(\$1,533,115)	-50.3%
<i>Subtotal Other</i>	<i>\$4,532,943</i>	<i>\$7,443,296</i>	<i>(\$2,910,353)</i>	<i>-39.1%</i>
<b>Total Expenditures</b>	<b>\$28,211,668</b>	<b>\$32,085,807</b>	<b>(\$3,874,139)</b>	<b>-12.1%</b>

Overall, expenditures in FY22 are projected to increase by 20.4% compared to FY21 actual expenditures or 6.2% increase over FY20 actual expenditures. While regular employee and lecturer costs are similar to FY21 costs, there was a noticeable increase in casual hires and student help. The primary increase in “Student Help Payroll” and “Other Personnel” is due to the projected increase in student activities which are supported by student fee revenues. Additional student help is also budgeted to support the opening of the Creative Media building in the Fall semester and to provide support for the Student Services division. Other non-personnel expenditures are expected to increase in FY22 as the campus re-opens and rebounds from the pandemic to include nearly \$1.5 million in campus repair and replacement projects.

UHWO significantly reduced its operating expenditures in FY21 and expended \$3.9 million less than projected. Factors contributing to the decrease in expenditures included a review of all purchasing requests by the Chancellor for all institutional funds to maximize cash preservation, utility savings realized due to the delayed opening of the Creative Media building and the decrease in campus usage of facilities during the pandemic, funds provided by the System to assist with EAB costs, strategic use of federal relief funds, personnel savings realized due to the hiring freeze and strategic hiring, deferment of a campus repair project to FY22, and an overall decrease in the level of campus activities on campus.

In compliance with EP 6.204 Student Financial Assistance Program, UHWO budgeted \$2.39 million of its AY19-20 tuition revenue for student scholarships in FY21. Although scholarships awarded in FY21 exceeded the amount allocated, not all students actually matriculated/enrolled, hence 24%, or \$566,145, was not used.

Net Operating Gain (Loss)

<b>Net Operating Income (including one-time expenditures)</b>	<b>FY22</b>
<b>(All Funds Summary)</b>	<b>Projected</b>
Net Operating Income	\$675,162
Beginning Balance	\$20,937,888
Ending Balance	\$21,613,050
Other Reserve Requirements (R&R, Bond, RTRF Commitments)	\$2,725,437
Revised Ending Balance	\$18,887,613
Reserve Requirement (5% Minimum)	\$1,846,592
<b>Balance Above Minimum Reserve After Adjustments</b>	<b>\$17,041,021</b>

The projected net operating gain of \$675,162 includes one-time expenditures totaling \$1.5 million for campus wide repair, replacement, and maintenance projects and the possible purchase of a vehicle. Across all funds, UHWO is projected to have an ending balance of \$21.6 million. Of this amount, \$2.7 million is held in the R&R reserve per EP2.212. The revised ending balance of \$18.9 million remains above the 5% and 16% minimum reserve requirements.

## TUITION AND FEES SPECIAL FUND

### Revenues

FY22 Projected	FY21 Actual	FY22 Proj. vs. FY21 Actual	%age
\$18,306,024	\$18,306,024	\$0	0.0%

FY21 Actual	FY21 Projected	FY21 Actual vs. FY21 Proj.	%age
\$18,306,024	\$16,560,000	\$1,746,024	10.5%

Despite the enrollment uncertainties during the COVID-19 pandemic in FY21, UHWO realized a 10.5% tuition revenue increase over the projected revenue through various efforts such as an aggressive recruitment campaign with the assistance of EAB Global, Inc., counseling and advising services to retain current students, and the issuance of federal relief funds to students. This increase was 3.4% higher than the actual tuition revenue received in FY20. While COVID-19 uncertainties continue into FY22, UHWO is projecting tuition revenue to be consistent with FY21.

### Expenditures

Expenditure Category	FY22 Budget	FY21 Actual	FY22 Projected vs. FY21 Actual	%age
Regular Employee Payroll	\$5,265,657	\$3,762,015	\$1,503,642	40.0%
Lecturer Payroll	\$416,807	\$112,315	\$304,492	271.1%
Student Help Payroll	\$399,135	\$122,565	\$276,570	225.7%
Other Personnel	\$91,575	\$13,089	\$78,486	599.6%
<i>Subtotal Personnel</i>	<i>\$6,173,174</i>	<i>\$4,009,984</i>	<i>\$2,163,190</i>	<i>53.9%</i>
Utilities	\$1,750,000	\$1,133,898	\$616,102	54.3%
Scholarships, Tuition	\$0	\$0	\$0	
Other Operating Expenses	\$2,439,098	\$1,186,076	\$1,253,022	105.6%
<i>Subtotal Other</i>	<i>\$4,189,098</i>	<i>\$2,319,974</i>	<i>\$1,869,124</i>	<i>80.6%</i>
<b>Total Expenditures</b>	<b>\$10,362,272</b>	<b>\$6,329,958</b>	<b>\$4,032,314</b>	<b>63.7%</b>

Expenditure Category	FY21 Actual	FY21 Projected	FY21 Actual vs. FY21 Projected	%age
Regular Employee Payroll	\$3,762,015	\$5,019,728	(\$1,257,713)	-25.1%
Lecturer Payroll	\$112,315	\$167,319	(\$55,004)	-32.9%
Student Help Payroll	\$122,565	\$226,076	(\$103,511)	-45.8%
Other Personnel	\$13,089	\$26,320	(\$13,231)	-50.3%
<i>Subtotal Personnel</i>	<i>\$4,009,984</i>	<i>\$5,439,443</i>	<i>(\$1,429,459)</i>	<i>-26.3%</i>
Utilities	\$1,133,898	\$1,977,500	(\$843,602)	-42.7%
Scholarships, Tuition	\$0	\$0	\$0	
Other Operating Expenses	\$1,186,076	\$2,096,471	(\$910,395)	-43.4%
<i>Subtotal Other</i>	<i>\$2,319,974</i>	<i>\$4,073,971</i>	<i>(\$1,753,997)</i>	<i>-43.1%</i>
<b>Total Expenditures</b>	<b>\$6,329,958</b>	<b>\$9,513,414</b>	<b>(\$3,183,456)</b>	<b>-33.5%</b>

FY22 TFSF expenditures are projected to increase 63.7% or \$4 million over the actual amount



expended in FY21 and .2% decrease compared with FY20 actual expenditures. With the \$1.08 million decrease in General Fund allocation in FY22, TFSF and federal relief funds will be used to bridge this gap while campus administrators and campus committees re-imagine and prioritize its needs and available resources. Additional funds are needed to provide student help for the Fall opening of the Creative Media building, assistance for the Student Services division, and casual hires to offset workforce shortages as a result of the hiring freeze.

An additional \$1.9 million will be expended in “Other” costs in FY22 over FY21 actuals which includes \$500,000 in repairs and maintenance projects and \$616,000 in additional utility costs due to the opening of the Creative Media building in the fall and the re-opening of the campus.

Transfers

In FY22, UHWO will transfer approximately \$7.6 million, or 41% of its estimated tuition revenue, for debt service commitments (\$4 million), UHWO scholarships (\$2.4 million) per EP 6.204, R&R reserve (\$1 million) per EP 2.212, and various system assessments (~\$125,000).

Net Operating Gain (Loss)

<b>Net Operating Income (including one-time expenditures) (TFSF)</b>	<b>FY22 Projected</b>
Net Operating Income	\$1,443,512
Beginning Balance	\$14,871,312
Ending Balance	\$16,314,824
Other Reserve Requirements (R&R, Bond, RTRF Commitments)	\$0
Revised Ending Balance	\$16,314,824
Reserve Requirement (5% Minimum)	\$1,763,142
<b>Balance Above Minimum Reserve After Adjustments</b>	<b>\$14,551,682</b>

With a cautious approach to its spending plan in FY22, the campus is projecting to have an ending balance of \$16.3 million, sufficient to meet its 5% and 16% reserve requirements.

## Community Colleges

### Introduction

The University of Hawai'i Community Colleges (UHCC) is dedicated to increasing the educational capital of the State, addressing the needs of underserved populations, and revitalizing and expanding the State's economy. The UHCC provides first generation college students, educationally and economically disadvantaged individuals, and under-represented groups a gateway for upward mobility, while providing a highly trained and highly skilled workforce for Hawai'i industries.

### ALL FUND SUMMARY

#### Revenues

Type of Fund	FY22 Projected	FY 21 Actual	FY22 Projected vs. FY21 Actual	%age
General Funds	\$154,051,412	\$156,763,037	(\$2,711,625)	-1.7%
Tuition & Fees	\$50,004,445	\$55,084,541	(\$5,080,096)	-9.2%
RTRF	\$1,434,237	\$1,124,305	\$309,932	27.6%
Other Special Funds	\$7,217	\$16,566,270	(\$16,559,053)	-100.0%
Other Revolving Funds	\$17,471,856	\$772,477	\$16,699,379	2161.8%
Appropriated Federal Funds	\$2,873,807	\$2,848,932	\$24,875	0.9%
<b>Total Revenues</b>	<b>\$225,842,974</b>	<b>\$233,159,562</b>	<b>(\$7,316,588)</b>	<b>-3.1%</b>

Type of Fund	FY 21 Actual	FY21 Projected	FY21 Actual vs. FY21 Projected	%age
General Funds	\$156,763,037	\$151,477,974	\$5,285,063	3.5%
Tuition & Fees	\$55,084,541	\$54,585,497	\$499,044	0.9%
RTRF	\$1,124,305	\$1,504,078	(\$379,773)	-25.2%
Other Special Funds	\$16,566,270	\$14,524,272	\$2,041,998	14.1%
Other Revolving Funds	\$772,477	\$987,426	(\$214,949)	-21.8%
Appropriated Federal Funds	\$2,848,932	\$2,867,849	(\$18,917)	-0.7%
<b>Total Revenues</b>	<b>\$233,159,562</b>	<b>\$225,947,096</b>	<b>\$7,212,466</b>	<b>3.2%</b>

Revenues for General Funds show a decrease of \$2.7 million, or 1.7%, due to legislative budget reductions. General Funds makes up approximately 75% of what is considered the General Operating Budget (General Funds plus Tuition & Fees) for the Community Colleges that funds the majority of operational expenses at the campuses.

TFSF revenues are projected to decrease by \$5.1 million, or 9.2%. While the overall Student Semester Hour (SSH) enrollment drop is around 6%, the total drop in revenue is more pronounced due to reductions in non-resident enrollment. UHCC enrollment has declined during the pandemic. Conventional expectations of an increase in enrollment under recessionary conditions did not materialize as Community College enrollments fell across the nation. It is believed that Community College students have been more susceptible to the extraordinary economic strain created by the pandemic and that this group of students have been more likely to put their education plans on-hold in

order to meet pressing familial obligations. The UHCC has been working hard to remove as many financial barriers to attendance as possible, including strategizing the way tuition funded scholarships are awarded, providing additional Hawai'i Promise scholarships and disbursing HEERF funding for Student Aid. As a result, the decline in enrollment at UHCC has been generally smaller than what has been experienced nationwide. Going forward, it is hoped that tuition revenue will fully recover as the UHCC continue to play an essential role in training workers for the new economy shaped by the COVID-19 pandemic.

Other Special Fund and Other Revolving Fund revenue projections show massive differences due to passage of Act 9, SSLH 2021, which converted the UH Community College Special Fund (CCSF) to the Community College Revolving Fund (CCRF). This shifted funds from the former CCSF from the Other Special Fund category in FY21 to the Other Revolving Fund category in FY22, creating the significant mismatches represented on the table. If the effects of this shift were eliminated, the variance between the FY 2022 projection and FY 2021 actual would be negligible.

Expenses

Expenditure Category	FY22 Budget	FY21 Actual	FY22 Projected vs. FY21 Actual	%age
Regular Employee Payroll	\$140,696,178	\$132,521,028	\$8,175,150	6.2%
Lecturer Payroll	\$26,352,590	\$20,012,713	\$6,339,877	31.7%
Student Help Payroll	\$2,229,172	\$1,884,267	\$344,905	18.3%
Other Personnel	\$1,252,189	\$1,150,584	\$101,605	8.8%
<i>Subtotal Personnel</i>	<i>\$170,530,129</i>	<i>\$155,568,592</i>	<i>\$14,961,537</i>	<i>9.6%</i>
Utilities	\$11,612,032	\$9,554,182	\$2,057,850	21.5%
Scholarships, Tuition	\$7,310,728	\$8,282,879	(\$972,151)	-11.7%
Other Operating Expenses	\$38,617,634	\$19,979,819	\$18,637,815	93.3%
<i>Subtotal Other</i>	<i>\$57,540,394</i>	<i>\$37,816,880</i>	<i>\$19,723,514</i>	<i>52.2%</i>
<b>Total Expenditures</b>	<b>\$228,070,523</b>	<b>\$193,385,472</b>	<b>\$34,685,051</b>	<b>17.9%</b>

Expenditure Category	FY21 Actual	FY21 Projected	FY21 Actual vs. FY21 Projected	%age
Regular Employee Payroll	\$132,521,028	\$136,412,696	(\$3,891,668)	-2.9%
Lecturer Payroll	\$20,012,713	\$21,944,216	(\$1,931,503)	-8.8%
Student Help Payroll	\$1,884,267	\$2,978,788	(\$1,094,521)	-36.7%
Other Personnel	\$1,150,584	\$1,291,415	(\$140,831)	-10.9%
<i>Subtotal Personnel</i>	<i>\$155,568,592</i>	<i>\$162,627,115</i>	<i>(\$7,058,523)</i>	<i>-4.3%</i>
Utilities	\$9,554,182	\$9,507,050	\$47,132	0.5%
Scholarships, Tuition	\$8,282,879	\$7,960,417	\$322,462	4.1%
Other Operating Expenses	\$19,979,819	\$30,986,783	(\$11,006,964)	-35.5%
<i>Subtotal Other</i>	<i>\$37,816,880</i>	<i>\$48,454,250</i>	<i>(\$10,637,370)</i>	<i>-22.0%</i>
<b>Total Expenditures</b>	<b>\$193,385,472</b>	<b>\$211,081,365</b>	<b>(\$17,695,893)</b>	<b>-8.4%</b>

UHCC relies on State appropriated General Funds to subsidize a significant portion of its general operating budget to keep post-secondary education costs within reach for target populations. In FY21, the full-year GF allocation normally provided in the first quarter was replaced by a series of quarter-by-

quarter allotments. The uncertainty surrounding the GF coupled with anticipated losses of Tuition revenue prompted UHCC campuses to adopt a highly conservative approach to expending funds. This approach was facilitated by the hiring freeze on regular positions and reductions in campus expenses associated with providing instruction online. Our overall strategy was to build reserves to carry the UHCC forward through highly uncertain times. This strategy, however, did not come without a significant cost as campuses struggled with staffing issues and deferred expenditures that were not deemed essential.

The FY22 budget was increased over FY21 actuals to address some of the issues mentioned above. The first issue is that much of the face-to-face instruction will resume at UHCC campuses driving-up projected Other Operating and Utilities costs. The second is that UHCC staffing shortages need to be alleviated through the filling of vacant positions in an effort to prevent long-term harm to campus programs. Faculty vacancies that remain unfilled will be covered by lecturers to ensure that the demand for instruction can be met. The third is that items deferred during the past year and a half need to be funded. The task to catch-up on deferred items has been made far easier due to HEERF grants that allow campuses to claim monies for lost revenues. The FY22 plan includes \$8.0 million in HEERF lost revenues that will be transferred to cover various UHCC needs.

Net Operating Gain (Loss)

<b>Net Operating Income (including one-time expenditures)</b>	<b>FY22</b>
<b>(All Funds Summary)</b>	<b>Projected</b>
Net Operating Income	\$0
Beginning Balance	\$91,437,305
Ending Balance	\$91,437,305
Other Reserve Requirements (R&R, Bond, RTRF Commitments)	\$3,395,000
Revised Ending Balance	\$88,042,305
Reserve Requirement (5% Minimum)	\$11,148,458
<b>Balance Above Minimum Reserve After Adjustments</b>	<b>\$76,893,847</b>

Other Reserve Requirements include debt service payments for energy projects and new facilities at Kapi'olani Community College and Hawai'i Community College that were financed using revenue bonds. It also includes contributions toward the R&R reserve fund required pursuant to EP2.212.

**TUITION AND FEES SPECIAL FUND**

Revenues

FY22 Projected	FY21 Actual	FY22 Proj. vs. FY21 Actual	%age
\$50,004,445	\$55,084,541	(\$5,080,096)	-9.2%

FY21 Actual	FY21 Projected	FY21 Actual vs. FY21 Proj.	%age
\$55,084,541	\$54,585,497	\$499,044	0.9%

TFSF revenue projections show a \$5.0 million decrease, or 9.2%. While the overall Student Semester Hour (SSH) enrollment drop is around 6%, the total drop in revenue is more pronounced due to reductions in non-resident enrollment. Please refer to the TFSF portion of the All Fund Summary for additional information.

Expenditures

Expenditure Category	FY22 Budget	FY21 Actual	FY22 Projected vs. FY21 Actual	%age
Regular Employee Payroll	\$2,863,096	\$3,175,561	(\$312,465)	-9.8%
Lecturer Payroll	\$5,144,213	\$426,536	\$4,717,677	1106.0%
Student Help Payroll	\$1,144,585	\$1,144,586	(\$1)	-0.0%
Other Personnel	\$581,452	\$581,451	\$1	0.0%
<i>Subtotal Personnel</i>	<i>\$9,733,346</i>	<i>\$5,328,134</i>	<i>\$4,405,212</i>	<i>82.7%</i>
Utilities	\$4,559,391	\$2,195,024	\$2,364,367	107.7%
Scholarships, Tuition	\$5,439,159	\$5,439,158	\$1	0.0%
Other Operating Expenses	\$28,895,992	\$8,821,926	\$20,074,066	227.5%
<i>Subtotal Other</i>	<i>\$38,894,542</i>	<i>\$16,456,108</i>	<i>\$22,438,434</i>	<i>136.4%</i>
<b>Total Expenditures</b>	<b>\$48,627,888</b>	<b>\$21,784,242</b>	<b>\$26,843,646</b>	<b>123.2%</b>

Expenditure Category	FY21 Actual	FY21 Projected	FY21 Actual vs. FY21 Projected	%age
Regular Employee Payroll	\$3,175,561	\$5,821,891	(\$2,646,330)	-45.5%
Lecturer Payroll	\$426,536	\$0	\$426,536	
Student Help Payroll	\$1,144,586	\$1,826,182	(\$681,596)	-37.3%
Other Personnel	\$581,451	\$295,958	\$285,493	96.5%
<i>Subtotal Personnel</i>	<i>\$5,328,134</i>	<i>\$7,944,031</i>	<i>(\$2,615,897)</i>	<i>-32.9%</i>
Utilities	\$2,195,024	\$6,001,705	(\$3,806,681)	-63.4%
Scholarships, Tuition	\$5,439,158	\$5,386,474	\$52,684	1.0%
Other Operating Expenses	\$8,821,926	\$21,010,543	(\$12,188,617)	-58.0%
<i>Subtotal Other</i>	<i>\$16,456,108</i>	<i>\$32,398,722</i>	<i>(\$15,942,614)</i>	<i>-49.2%</i>
<b>Total Expenditures</b>	<b>\$21,784,242</b>	<b>\$40,342,753</b>	<b>(\$18,558,511)</b>	<b>-46.0%</b>

While the All Fund Summary describes changes in overall UHCC budget priorities, isolating Tuition & Fees expenditures introduces distortions caused by efforts to balance available General Fund and TFSF revenues with general operating expenditure needs. For example, it is not anticipated that Lecturer requirements will grow by an astronomical 1,106% , rather, a greater proportion of Tuition funds will be used in FY 22 for lecturer expenses. The FY22 budget is only planning for a 31.7% increase as campuses elect to hire Lecturers to meet instructional needs in lieu of filling vacant tenure track Faculty positions. This explanation also applies for the Utilities and Other Operating expenditure categories.

Net Operating Gain (Loss)

<b>Net Operating Income (including one-time expenditures) (TFSF)</b>	<b>FY22 Projected</b>
Net Operating Income	\$0
Beginning Balance	\$63,513,248
Ending Balance	\$63,513,248
Other Reserve Requirements (R&R, Bond, RTRF Commitments)	\$2,593,000
Revised Ending Balance	\$60,920,248
Reserve Requirement (5% Minimum)	\$10,202,793
<b>Balance Above Minimum Reserve After Adjustments</b>	<b>\$50,717,455</b>

Other Reserve Requirements include debt service payments for energy projects and new facilities that were financed using revenue bonds. It also includes contributions toward the R&R reserve fund required pursuant to EP2.212.

# Systemwide Administration

## Introduction

The UH Systemwide Administration (System) is committed to providing the vision, leadership, and stewardship needed to enable the ten University campuses to advance missions that promote distinctive pathways to excellence, differentially emphasize instruction, research, and service while contributing to a coherent response to the needs of a technologically advanced, globally competitive, and culturally diverse island state.

The System offices and programs are organized under the Board of Regents Office, President's Office, Vice President for Academic Strategy, Vice President for Administration, Vice President for Budget and Finance and Chief Financial Officer, Vice President for Information Technology and Chief Information Officer, Vice President for Legal Affairs and University General Counsel, and Vice President for Research and Innovation. The System budget supports 54 offices and programs which include 416 appropriated General Fund, 20 Special Fund, 4 Federal Fund, and 15 Revolving Fund permanent Full Time Equivalent (FTE) positions.

Due to the impact of COVID-19, the Legislature reduced the UH's budget in FY22 by \$48.2 million, of which System's share is \$3.4 million. System's operating budget will focus on minimizing adverse impact to core central functions that support all ten campuses, while containing costs due to a smaller General Funds budget allocation. Additionally, in line with Board Resolution 21-01, System has begun to implement reorganizations to reduce personnel cost, and to then realign some of these savings to strategic priorities such as student success and monetizing our real property assets.

**BUDGET SUMMARY  
ALL FUNDS**

Revenues

Type of Fund	FY22 Projected	FY 21 Actual	FY22 Projected vs. FY21 Actual	%age
General Funds	\$52,254,001	\$56,319,288	(\$4,065,287)	-7.2%
Tuition & Fees	\$1,159,150	\$1,915,001	(\$755,851)	-39.5%
RTRF	\$14,799,873	\$17,326,034	(\$2,526,161)	-14.6%
Other Special Funds	\$4,500,773	\$5,698,531	(\$1,197,758)	-21.0%
Other Revolving Funds	\$860,019	\$1,013,538	(\$153,519)	-15.1%
Appropriated Federal Funds	\$656,000	\$338,462	\$317,538	93.8%
<b>Total Revenues</b>	<b>\$74,229,816</b>	<b>\$82,610,854</b>	<b>(\$8,381,038)</b>	<b>-10.1%</b>

Type of Fund	FY 21 Actual	FY21 Projected	FY21 Actual vs. FY21 Projected	%age
General Funds	\$56,319,288	\$53,492,997	\$2,826,291	5.3%
Tuition & Fees	\$1,915,001	\$1,178,928	\$736,073	62.4%
RTRF	\$17,326,034	\$15,343,692	\$1,982,342	12.9%
Other Special Funds	\$5,698,531	\$4,638,500	\$1,060,031	22.9%
Other Revolving Funds	\$1,013,538	\$1,338,172	(\$324,634)	-24.3%
Appropriated Federal Funds	\$338,462	\$656,000	(\$317,538)	-48.4%
<b>Total Revenues</b>	<b>\$82,610,854</b>	<b>\$76,648,289</b>	<b>\$5,962,565</b>	<b>7.8%</b>

Total System revenue is projected to trend lower than last year across all sources of funds. A comparison of FY22 projected revenue over FY21 actual in General Funds show a 7.2% decrease, or \$4 million. This is primarily due to the legislative reduction of General Funds for the biennium. For TFSF, interest income earned will continue to decline due to low interest rates paid on deposits. RTRF for System will also trend slightly lower this year due to low or exempt Facilities & Administration (F&A) rates on large federal awards such as CARES funds.

Other Special and Other Revolving Funds projections remain conservative due to the uncertainty of program revenues rebounding this year. Programs such as Discoveries & Inventions Commercial Enterprises Collegiate Licensing, and Animal Veterinary Services are not expected to recover lost revenue for this fiscal year.



Expenditures

Expenditure Category	FY22 Budget	FY21 Actual	FY22 Projected vs. FY21 Actual	%age
Regular Employee Payroll	\$44,662,503	\$45,362,276	(\$699,773)	-1.5%
Lecturer Payroll	\$0	\$182	(\$182)	-100.0%
Student Help Payroll	\$923,141	\$1,071,814	(\$148,673)	-13.9%
Other Personnel	\$1,393,543	\$493,818	\$899,725	182.2%
<i>Subtotal Personnel</i>	<i>\$46,979,187</i>	<i>\$46,928,090</i>	<i>\$51,097</i>	<i>0.1%</i>
Utilities	\$1,403,454	\$1,470,171	(\$66,717)	-4.5%
Scholarships, Tuition	\$3,000,000	\$2,962,520	\$37,480	1.3%
Other Operating Expenses	\$31,498,669	\$34,901,248	(\$3,402,579)	-9.7%
<i>Subtotal Other</i>	<i>\$35,902,123</i>	<i>\$39,333,939</i>	<i>(\$3,431,816)</i>	<i>-8.7%</i>
<b>Total Expenditures</b>	<b>\$82,881,310</b>	<b>\$86,262,029</b>	<b>(\$3,380,719)</b>	<b>-3.9%</b>

Expenditure Category	FY21 Actual	FY21 Projected	FY21 Actual vs. FY21 Projected	%age
Regular Employee Payroll	\$45,362,276	\$45,098,994	\$263,282	0.6%
Lecturer Payroll	\$182	\$0	\$182	
Student Help Payroll	\$1,071,814	\$974,407	\$97,407	10.0%
Other Personnel	\$493,818	\$1,280,536	(\$786,718)	-61.4%
<i>Subtotal Personnel</i>	<i>\$46,928,090</i>	<i>\$47,353,937</i>	<i>(\$425,847)</i>	<i>-0.9%</i>
Utilities	\$1,470,171	\$1,919,901	(\$449,730)	-23.4%
Scholarships, Tuition	\$2,962,520	\$3,000,000	(\$37,480)	-1.2%
Other Operating Expenses	\$34,901,248	\$34,602,527	\$298,721	0.9%
<i>Subtotal Other</i>	<i>\$39,333,939</i>	<i>\$39,522,428</i>	<i>(\$188,489)</i>	<i>-0.5%</i>
<b>Total Expenditures</b>	<b>\$86,262,029</b>	<b>\$86,876,365</b>	<b>(\$614,336)</b>	<b>-0.7%</b>

Other Operating Expenses are projected to decrease from last year due to balancing the Legislative cuts to General Funds. System programs will continue to practice a freeze on hiring with limited exceptions, approve selective but minimal out-of-state travel, and use conservative approaches for other operating expenses to preserve cash for the challenging fiscal years ahead.

Net Operating Gain (Loss)

<b>Net Operating Income (including one-time expenditures)</b>	<b>FY22</b>
<b>(All Funds Summary)</b>	<b>Projected</b>
Net Operating Income	\$1,296,358
Beginning Balance	\$43,468,692
Ending Balance	\$44,765,050
Other Reserve Requirements (R&R, Bond, RTRF Commitments)	\$15,500,000
Revised Ending Balance	\$29,265,050
Reserve Requirement (5% Minimum)	\$3,463,873
<b>Balance Above Minimum Reserve After Adjustments</b>	<b>\$25,801,177</b>

Net operating income is projected to be positive by keeping operating expenditures in check for this fiscal year in order to maximize carryover cash balances for the next couple of fiscal years as program revenues recover. The System currently has well over the minimum reserve requirements. However, reserves are necessary and critical to respond quickly to Information Technology (IT) needs due to the pandemic including investments in technology infrastructure, software licensing, and data security measures.

Other reserve requirements include \$1.5 million for IT building debt service, \$3 million University Foundation annual payment, \$5 million Risk Management special fund for self-insurance, \$1.5 million in IT Special Fund for ongoing operational cost and building maintenance, \$3 million for B+ scholarships for ensuing academic year, and \$1.5 million in Revenue Undertaking Fund by bond covenants.

## GENERAL FUNDS

Based on the current budget allocation from State B&F, System programs will have to adjust General Funds expenses compared to last year due to the Legislative reductions. Mitigative measures to maximize spending on General Funds to preserve non-General Funds cash balances is being implemented. Office reorganizations and prudent operating spending will accommodate the budget cuts.

Legislative appropriation for specific initiatives in the System budget, will continue to be disseminated to the campuses. In FY22, 12.07% or \$6.31 million of the General Fund budget will be transferred to the campuses for scholarships and other program expenses. Moreover, while the Western Interstate Commission for Higher Education (WICHE) scholarship budget of \$1.45 million is managed by System, the scholarships directly support higher education options for students at the campuses. Consequently, a total of 14.84% or \$7.76 million of the General Fund budget is in fact spent by the campuses rather than System operations.

General Fund Transfers	FY22 Budget	FY21 Actual	FY22 Budget vs. FY21 Actual	%age
Performance Funding	\$2,000,000	\$2,072,763	(\$72,763)	-3.5%
B Plus Scholarships	\$3,000,000	\$3,000,000	\$0	0.0%
Workers Comp/UI	\$800,000	\$800,000	\$0	0.0%
Na Pua Noeau	\$322,242	\$322,242	\$0	0.0%
Student Affairs	\$187,000	\$187,000	\$0	0.0%
<i>Total Transfers</i>	<i>\$6,309,242</i>	<i>\$6,382,005</i>	<i>(\$72,763)</i>	<i>-3.5%</i>
WICHE	\$1,447,465	\$1,427,732	\$19,733	1.4%
<b>Grand Total</b>	<b>\$7,756,707</b>	<b>\$7,809,737</b>	<b>(\$53,030)</b>	<b>-0.7%</b>

## TUITION AND FEES SPECIAL FUND

### Revenues

FY22 Projected	FY21 Actual	FY22 Proj. vs. FY21 Actual	%age
\$1,159,150	\$1,915,001	(\$755,851)	-39.5%

FY21 Actual	FY21 Projected	FY21 Actual vs. FY21 Proj.	%age
\$1,915,001	\$1,178,928	\$736,073	62.4%

TFSF revenues in System are not from student tuition. Rather, revenue is gained through fees from: Late Registration, the Tuition payment plan, interest income, and applications for use of UH facilities for commercial filming. FY22 interest income projections are anticipated to be down due to continued lower interest rates.

### Expenditures

Expenditure Category	FY22 Budget	FY21 Actual	FY22 Projected vs. FY21 Actual	%age
Regular Employee Payroll	\$238,052	\$451,682	(\$213,630)	-47.3%
Lecturer Payroll	\$0	\$0	\$0	
Student Help Payroll	\$0	\$8	(\$8)	-100.0%
Other Personnel	\$116,470	\$0	\$116,470	
<i>Subtotal Personnel</i>	<i>\$354,522</i>	<i>\$451,690</i>	<i>(\$97,168)</i>	<i>-21.5%</i>
Utilities	\$17,832	\$162,138	(\$144,306)	-89.0%
Scholarships, Tuition	\$0	\$0	\$0	
Other Operating Expenses	\$6,142,572	\$4,154,200	\$1,988,372	47.9%
<i>Subtotal Other</i>	<i>\$6,160,404</i>	<i>\$4,316,338</i>	<i>\$1,844,066</i>	<i>42.7%</i>
<b>Total Expenditures</b>	<b>\$6,514,926</b>	<b>\$4,768,028</b>	<b>\$1,746,898</b>	<b>36.6%</b>

Expenditure Category	FY21 Actual	FY21 Projected	FY21 Actual vs. FY21 Projected	%age
Regular Employee Payroll	\$451,682	\$352,553	\$99,129	28.1%
Lecturer Payroll	\$0	\$0	\$0	
Student Help Payroll	\$8	\$78,239	(\$78,231)	-100.0%
Other Personnel	\$0	\$700	(\$700)	-100.0%
<i>Subtotal Personnel</i>	<i>\$451,690</i>	<i>\$431,492</i>	<i>\$20,198</i>	<i>4.7%</i>
Utilities	\$162,138	\$19,200	\$142,938	744.5%
Scholarships, Tuition	\$0	\$0	\$0	
Other Operating Expenses	\$4,154,200	\$8,189,384	(\$4,035,184)	-49.3%
<i>Subtotal Other</i>	<i>\$4,316,338</i>	<i>\$8,208,584</i>	<i>(\$3,892,246)</i>	<i>-47.4%</i>
<b>Total Expenditures</b>	<b>\$4,768,028</b>	<b>\$8,640,076</b>	<b>(\$3,872,048)</b>	<b>-44.8%</b>

FY22 personnel expense is projected to be lower due to not filling vacated positions and a reduction on student help on TFSF funds. Programs will continue to practice essential operating spending to preserve cash reserves for the years ahead.

Net Operating Income

<b>Net Operating Income (including one-time expenditures)</b>	<b>FY22</b>
<b>(All Funds Summary)</b>	<b>Projected</b>
Net Operating Income	\$2,973,945
Beginning Balance	\$21,685,071
Ending Balance	\$24,659,016
Other Reserve Requirements (R&R, Bond, RTRF Commitments)	\$4,500,000
Revised Ending Balance	\$20,159,016
Reserve Requirement (5% Minimum)	\$2,371,960
<b>Balance Above Minimum Reserve After Adjustments</b>	<b>\$17,787,056</b>

**RESERVES**

In 2015, the Legislature passed Act 236 which annually requires moneys from each campus's TFSF to lapse to the credit of System. As a result, System begins FY22 with an unencumbered cash balance of \$260.6 million after \$242.0 million in FY21 unencumbered cash balances were swept from the campuses. Of this amount, \$40.8 million will be held centrally by System as the 5% TFSF reserve requirement for Mānoa, Hilo, West O'ahu, the Community Colleges, and System itself. A total of \$219.8 million was returned to the campuses for inclusion in their FY22 campus operating budgets.