Fiscal Years Biennium 2017-2019
Operating Budget Request

November 17, 2016
Board of Regents
General Fund Situation

• While State ended FY16 with general fund surplus exceeding $1 billion, that was a single point of data and the current balance is much lower

• Council on Revenues latest forecast is for 5.5% growth for FY17

• Tax revenue collections at end of September were down 3.3% compared to FY16

• ERS (retirement) and EUTF (health fund) unfunded liabilities for the State are roughly $18 billion

• Labor negotiations for all 14 BU’s are underway
Introduction

• Total Request: $28,700,000 in FY18 and $29,600,000 in FY19
• Aligned with four Strategic Directions
  • Hawai‘i Graduation Initiative
  • Hawai‘i Innovation Initiative
  • 21st Century Facilities
  • High Performance Mission-Driven System
• Structured around themes that support Strategic Directions
  • Driving Student Success
  • Academic Innovation
  • Hawai‘i Papa O Ke Ao
  • Graduate Assistant Salary Support
  • Hawai‘i Innovation Initiative
  • UH Cancer Center
  • Facilities Management
  • Title IX, VAWA and Compliance
  • High Performance Mission Initiative
Driving Student Success

- Promulgating support programs that have demonstrated improvements in student success, such as advising, mentoring, early college/dual credit, summer bridge programs, and applied learning.
- $4,000,000 for FY18 and $3,900,000 for FY19
- Includes programs designed to support key populations such as Veterans and Filipinos and other Pacific Islanders.
- Provides for applied and experiential learning in STEM and sustainability.
- Will improve UH performance on metrics relating to overall student graduation outcomes.
Academic Innovation

- Support innovative programs and delivery methods that engage and inspire new students to enroll and succeed.
- $2,500,000 for FY18 and $3,500,000 for FY19
- New distance learning initiative will support creation of new interdisciplinary programs, high-demand/high-growth programs, and integration of research into undergraduate education.
- Will improve UH performance on metrics relating to overall student graduation outcomes and indirectly support aspects of the Hawai‘i Innovation Initiative.
Hawaiʻi Papa O Ke Ao

• Advance campus capacity to improve Native Hawaiian student success by institutionalizing support for Native Hawaiian student programs that have been started with federal funding and have proven successful.

• $3,350,000 for FY18 and $3,500,000 for FY19

• Includes system-level coordination and leadership for programs that advance the UH system as a model indigenous-serving institution.

• Will improve UH performance on its metrics relating to Native Hawaiian student outcomes.
Graduate Assistant Salary Support

- Will provide salary increases for Graduate Assistants to address one of the primary objectives stated for collective bargaining.
- $2,850,000 for FY18 and $3,400,000 for FY19
- Increases base salary from Step 6 to Step 10 and provides 2% cost of living adjustment increase.
- Will advance performance on metrics relating to research and innovation as well as graduate student graduation outcomes.
Hawai‘i Innovation Initiative

- Strategic support for research and innovation to drive economic diversification and development while addressing the challenges facing Hawai‘i and the world.
- $3,500,000 for FY18 and $3,500,000 for FY19
- Will improve UH performance on metrics relating to innovation, research, and economic impact.
UH Cancer Center

• Restore prior State funding commitment that has disappeared as cigarette tax revenues have decreased.

• Will support renewal of NCI designation of UH Cancer Center and its ability to improve the quality of cancer care in Hawai‘i and beyond.

• $5,000,000 each fiscal year

• Will improve UH performance on metrics relating to innovation, research, and economic impact.
Facilities Management

- Operational support for facilities and space management.
- Special R&M funding for projects that would not be appropriate for bond financing.
- $4,700,000 for FY18 and $4,000,000 for FY19
- Will improve UH performance on metrics relating to 21st Century Facilities.
- A Capital Improvement Projects (CIP) budget will be proposed in conjunction with total Biennium Budget Proposal package.
Title IX, VAWA, and Compliance

- Provide continued funding for ongoing support started through Act 208/SLH 2016 and ensure compliance with state and federal mandates to support safe and secure campuses on all islands.
- $1,850,000 for each fiscal year
- Includes increased legal support for UH.
- Will improve campus safety and compliance in accord with enterprise risk management priorities.
High Performance Mission Initiative

- Develop integrated Systemwide data warehouse to support informed decision-making and transparency across all key aspects of mission: student, HR, and finance.
- Stabilize new Office of Sustainability.
- $950,000 for each fiscal year
- This widely requested initiative will support improved institutional performance across multiple areas by enabling more analytical decision-making.
### Request by Strategic Direction

<table>
<thead>
<tr>
<th>Strategic Direction</th>
<th>FY18</th>
<th>FY19</th>
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<tbody>
<tr>
<td>Hawai‘i Graduation Initiative</td>
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<td>Hawai‘i Innovation Initiative</td>
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<td>21st Century Facilities</td>
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<td>High Performance Mission-Driven System</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$28,700,000</strong></td>
<td><strong>$29,600,000</strong></td>
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Not Included in Operating Budget Request

• Separate request for legislation to establish the Hawai‘i Promise program, Hawai‘i’s response to the “free tuition” movement.

• As a pilot, this new program would provide “last dollar” scholarships to address all unmet need associated with the direct cost (tuition, fees, books, transportation) of attending UH community colleges.

• $2.5 million per year will support all community college student unmet need (direct costs only) including some expected growth.
Recommendation

• B&F Committee approve this operating budget request for approval by the full Board at its November 17, 2016 meeting.

• Following approval by the full Board, the budget request and associated forms will be transmitted to the Governor and Legislature, pursuant to Chapter 37-68, HRS.