Supplemental Budget Presentation

Board of Regents Meeting
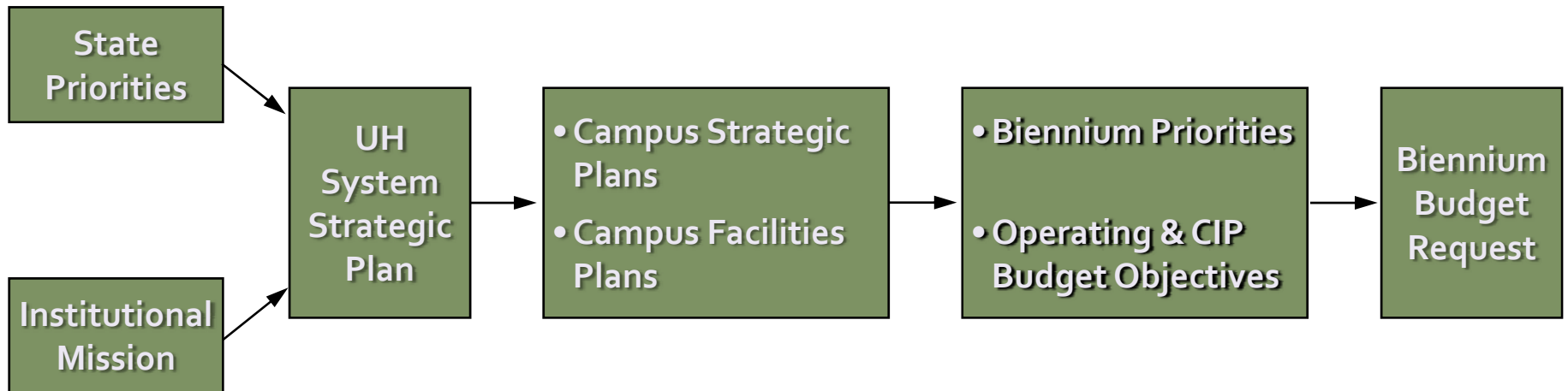
August 27, 2009

Biennium Budget Process

| Stocktaking | Biennium Budget Advisory Committee | Operating Budget Request / CIP Budget Request | BOR Budget | Executive Budget | Senate Draft / House Draft | Legislative Conference Draft | Governor | UH |

May-08　　Jul-08　　Sept-08　　Nov-08　　Dec-08　　Jan-09　　Apr-09　　May-09
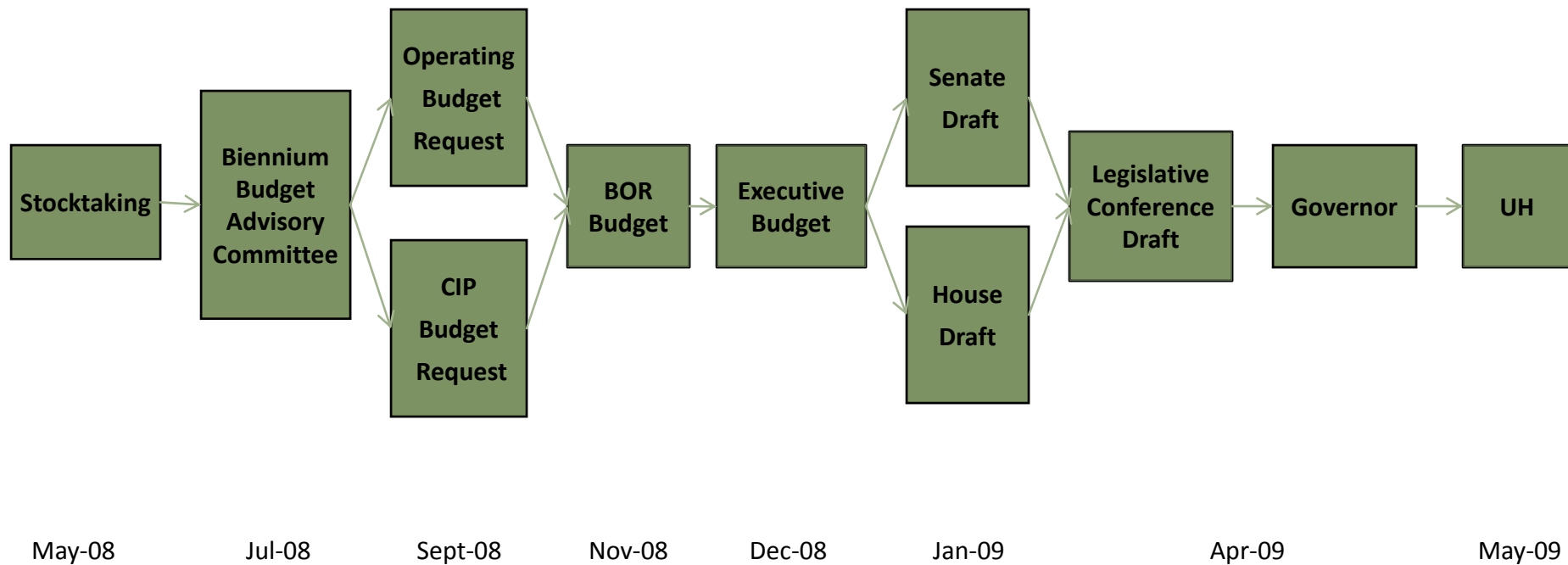
University of Hawai'i System Planning

State Priorities → UH System Strategic Plan
Institutional Mission → UH System Strategic Plan

UH System Strategic Plan →
- Campus Strategic Plans
- Campus Facilities Plans

→
- Biennium Priorities
- Operating & CIP Budget Objectives

→ Biennium Budget Request

Governor's Instructions – FB 09–11

- Biennium Budget based on FY09 appropriations from Act 158, SLH 2008, minus necessary adjustments

- Departments submit budget requests at three levels of operation and funding limit
  - Each tier represents a successive lower level of total expenditures, to be achieved by reducing the current budget base by a target of up to 10% (Tier 1), 15% (Tier 2) and 20% (Tier 3)

- Departments instructed to maximize efforts to use non-general funds, as appropriate, to support their programs

BOR Approved Budget

UNIVERSITY OF HAWAII

BOARD OF REGENTS BUDGET

FY'S 2009 - 10 and 2010 - 11

MAJOR UNIT	FY 2009-10 Amount	FY 2010-11 Amount
Total University of Hawaii		
General Funds (net of pass-throughs)	$455,074,841	$455,074,841
Special Funds (Spending Ceiling)	352,419,905	364,156,822
Federal Funds (Spending Ceiling)	11,264,761	11,264,761
Revolving Funds (Spending Ceiling)	104,408,548	104,390,548
TOTAL	$923,168,055	$934,886,972

Legislative Appropriations

UNIVERSITY OF HAWAII

LEGISLATIVE APPROPRIATIONS

FY'S 2009 - 10 and 2010 - 11

MAJOR UNIT	FY 2009-10 Amount	FY 2010-11 Amount
Total University of Hawaii		
General Funds	$422,591,205	$422,691,205
Special Funds (Spending Ceiling)	352,419,905	364,156,822
Federal Funds (Spending Ceiling)	11,264,761	11,264,761
Revolving Funds (Spending Ceiling)	104,908,548	104,890,548
Education Stabilization Funds (ARRA)	32,000,000	22,000,000
TOTAL	$923,184,419	$925,003,336

Legislative Appropriations - Operating

LEGISLATIVE APPROPRIATIONS
FY'S 2005-06 to 2010-11

Date: 08/17/09

DESCRIPTION	BIENNIUM		SUPPLEMENTAL	BIENNIUM		SUPPLEMENTAL	BIENNIUM	
	FY 2005-06	FY 2006-07	FY 2006-07	FY 2007-08	FY 2008-09	FY 2008-09	FY 2009-10	FY 2010-11
Prior Year General Fund Appropriations	$475,172,131	$475,172,131	$588,577,553	$614,889,773	$614,889,773	$714,532,333	$728,299,688	$728,299,688
Less: Non-recurring Funds	(750,639)	(750,639)	0	(1,680,000)	(1,680,000)	0	(2,623,742)	(2,623,742)
Collective Bargaining	20,090,565	28,591,153	0	21,942,033	39,801,446	0	10,703,171	10,703,171
Pass Through Funds Adjustments	(159,301,417)	(159,301,417)	0	(228,951,753)	(228,951,753)	0	4,360,124	11,434,420
Continuing Funding, Current Year	335,210,640	343,711,228	588,577,553	406,200,053	424,059,466	714,532,333	740,739,241	747,813,537
Legislative Appropriations								
Operating Funds *	11,142,318	13,207,262	29,019,530	26,440,083	37,279,763	2,602,184	(45,971,080)	(45,871,080)
Pass Through Funds Adjustments	214,095,875	231,659,063	(2,707,310)	237,844,939	253,193,104	11,165,171	(272,176,956)	(279,251,252)
Other: Flood Damages	31,000,000	0	0	0	0	0	0	0
Adjustment for Comparability**	(214,095,875)	(231,659,063)	(228,951,753)	(237,844,939)	(253,193,104)	(264,358,275)	0	0
Total	**$377,352,958**	**$356,918,490**	**$385,938,020**	**$432,640,136**	**$461,339,229**	**$463,941,413**	**$422,591,205**	**$422,691,205**

Prepared by UH Budget Office

* BI 2007-08 & 2008-09 operating funds includes an increase of $590,000 for Property Insurance Premium which are part of Risk Management Costs, and should be a Pass Through Fund adjustment; however, since the Legislature appropriated it in operating funds, it is shown that way here.

** For FB 2009-2011 the Legislature transferred the budget for the pass through funds (health premiums, retirement benefits and debt service costs) to the State Department of Budget & Finance. Accordingly, adjustments have been reflected on this schedule in the years prior to FY 2009-10 for comparability purposes.

Legislative Reductions

UNIVERSITY OF HAWAII

FY 2009 - 10

MAJOR UNIT	FY 2009-10 Amount
General Funds	
UH Manoa	($34.2 mil)
UH Hilo	(2.6 mil)
UH West Oahu	(0.4 mil)
Community Colleges	(6.9 mil)
UH System	(1.9 mil)
TOTAL	**($46.0 mil)**

Governor's Restriction

UNIVERSITY OF HAWAII

FY 2009 - 10

MAJOR UNIT	FY 2009-10 Amount
General Funds	
UH Manoa	($29.4 mil)
UH Hilo	(4.1 mil)
UH West Oahu	(0.8 mil)
Community Colleges	(14.1 mil)
UH System	(3.6 mil)
Aquaria/SBDC	(0.1 mil)
TOTAL	**($52.1 mil)**

Current Year (FY 2009-10) Budget and Planning

- Federal Stabilization (ARRA) Funds
- Collective Bargaining/Salary Savings
- Six Year Tuition Schedule
- Non-General Funds
- Cost Savings (e.g., electricity)
- Programmatic Reductions

Budget Reduction Approach

	FY2009-10	FY2010-11
General Fund Reductions		
Legislative Reductions	($46) M	($46) M
Governor's Restriction	(52) M	(54) M
Total (21% Reduction in General Funds)	**($98) M**	**($100) M**
Planned Offsets/Savings:		
Federal Stabilization Funds	$22 M	$22 M
Executive Salary Reductions	2 M	2 M
Faculty Payroll Lag*	12 M	0 M
Salary Reductions (5%)*	22 M	22 M
Energy Savings	4 M	4 M
Other operational savings, tuition revenue,		
non-general funds, program reductions	36 M	50 M
Total	**$98 M**	**$100 M**

*Contingent upon collective bargaining negotiations

Supplemental FY 2010-11 Operating Budget Requests

- For the supplemental budget year July 1, 2010 – June 30, 2011 no general fund operating budget requests are contemplated at this time with the exception of funding for the Office of Mauna Kea Management Comprehensive Management Plan (CMP) implementation costs

- The implementation of the CMP is critical for the securing of the Thirty Meter Telescope (Mauna Kea has been selected as the preferred site)

- Annual cost of implementation is approximately $2 million

FY 2010-11 Supplemental CIP Budget

- This CIP Budget Request primarily includes requests which were approved by the BOR in 2008, but were not funded by the 2009 Legislature
- Focus is again on funding our Health and Safety projects and reducing our Maintenance Backlog over the next five years
- Includes only new projects funded by G.O. Bonds leveraged with other funding sources, such as Federal Stimulus funding
- Does not include design or construction funding

Current Status/Next Steps

- Council on Revenues
- State Budget & Finance instructions
- Collective Bargaining
- Board of Regents Input & Approval

Questions?