



UNIVERSITY *of* HAWAII®

House Committee on Higher Education Informational Briefing

December 8, 2015



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University of Hawai‘i System

A. Supplemental Budget request for FY2016-2017



Operating Budget Requests

<u>Campus</u>	<u>Description</u>	<u>FTE</u>	<u>Amount</u>
Mānoa	CTAHR Cooperative Extension (Act 105/SLH 2015)	4.00	\$ 350,000
Mānoa	ORC General Fund Salary Restoration	0.00	306,168
Mānoa	EHSO General Fund Salary Restoration	0.00	1,093,832
Mānoa	Cancer Research Center	0.00	5,000,000
Mānoa	Mānoa Intercollegiate Athletics	0.00	3,000,000
Hilo	Student Athlete Academic Success & Increased Travel Costs	3.00	560,000
Hilo	Conversion of Security from Contracted Services	37.00	420,000
UHWO	UHWO Campus Evolution	12.00	728,020
CCs	Equipment Funds	0.00	1,250,000
Sys Support	Hawai‘i Research and Innovation Initiative	20.00	3,500,000
Total		76.00	\$ 16,208,020



University of Hawai‘i System

A. Supplemental Budget request for FY2016-2017



Capital Improvement Program (CIP)

- **\$184.9 M in GO Bonds**
 - \$2.5 M for Snyder Hall Renovation (Design)
 - \$0.3 M for CIP Staffing
 - \$2.0 M for Dean Hall Renovation (Design)
 - \$38.8 M for Creative Media Facility at UH-West O‘ahu (mostly Construction)
 - \$10.0 M for Community College Minor CIP Lump Sum
 - \$131.3 M for Systemwide Lump Sum
 - Development of and Improvements to Grounds, Infrastructure, Existing Facilities, Temporary Facilities, New Facilities, Equipment and Appurtenances, and Other Related Project Costs
 - Totals 71 projects across the various campuses
- **\$5.6 M in Special Funds for JABSOM from interest earnings accrued from the original bond sale**
 - This is an authorization request and NOT for State funds.



University of Hawai‘i System

B. Guided Pathway System (GPS)

(also known as Graduation Pathway System)

Act 104, SLH 2015 requires UH to develop a Graduation Pathway System (GPS) to strengthen educational outcomes and on-time graduation for students.

- **GPS technology was developed at UH; a first in the nation**
 - Provides a semester by semester pathway of courses for students in their majors
 - A stand-alone tool for advising students on the best pathway toward graduating on-time (2 years for associate’s degree; 4 years for bachelor’s degree)
- **Act 104 funding enables linking GPS to student registration process**
 - Tracks progress toward degree completion as a student selects courses during registration
 - If a student registers in a way that takes them off–course, GPS recalculates the pathway to keep on track towards graduation
 - November 2015 successfully piloted at Honolulu CC with a select group of students
- **Forward Plan**
 - Mar. 2016 pilots will be conducted at select programs across UH campuses
 - Nov. 2016 will be implemented with undergraduates across 10 UH campuses



University of Hawai'i System

C. Implementation of Act 236 (Budget Planning & Tuition Special Fund to UOH900)

Premise

At the end of each fiscal year, the moneys in the campus level Tuition and Fees Special Fund (TFSF) shall lapse to the credit of UOH900 (Systemwide Support)

Issues

- Propriety of using tuition & fees paid by a student at one campus to support programs and operations at another campus
- TFSF Balances on June 30 include deferred revenue, e.g., tuition already paid by students for the following Fall semester
- Board of Regents policy mandating prudent and appropriate reserves for campuses and programs
- Board of Regents approved Operating Budget for each fiscal year

Forward Plan

- Mechanically sweep TFSF balances to UOH900 to comply with statute
- Reallocate funds to campuses in accordance with considerations regarding deferred revenue, reserve policies and BOR-approved operating budget



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D. Management of Capital Improvement Projects and Update on Repair and Maintenance Backlog

Management of Capital Improvement Projects

- Internally restructured roles and responsibilities within OCI to allow A/Es to focus on ensuring projects are on time and on budget
- Developing staff dedicated to construction procurement and contract administration
- Implementing eBuilders – a turnkey capital program management system
 - Web-based environment that tracks projects at the individual and portfolio level
 - Used throughout the project delivery lifecycle: budget, design, construction, and project close-out
 - Implemented systemwide for consistency, accuracy, timeliness, transparency, and accountability at all levels



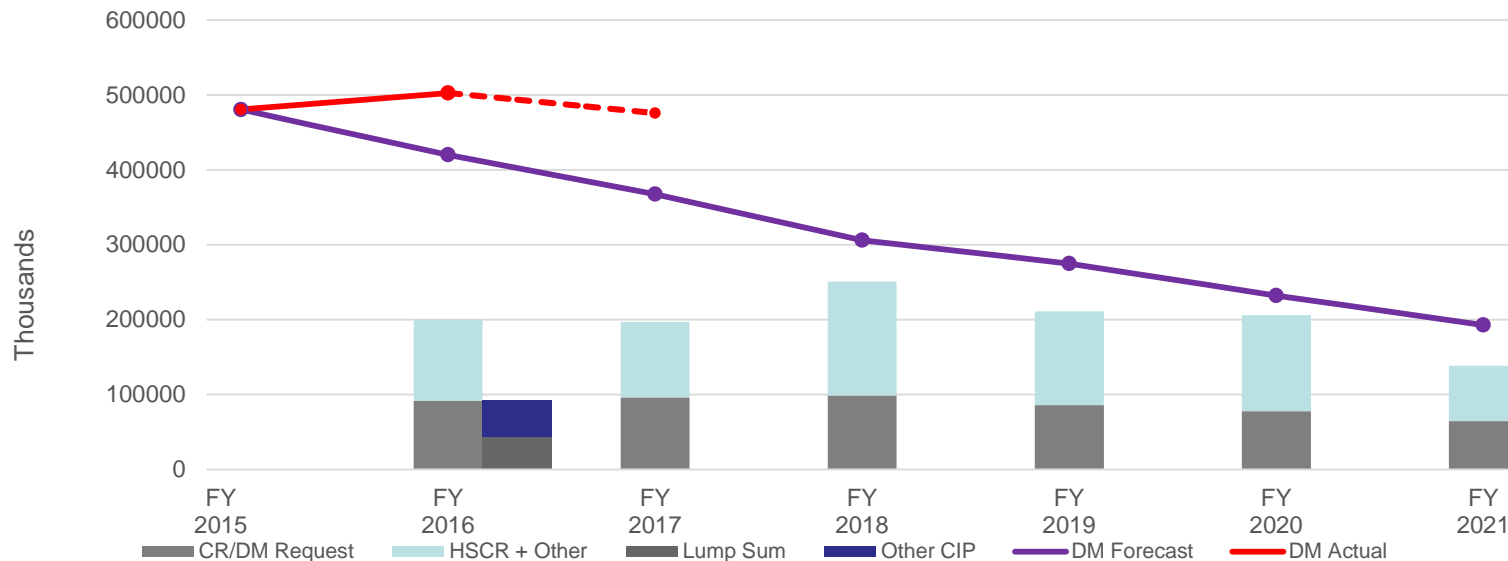
University of Hawai'i System

D. Management of Capital Improvement Projects and Update on Repair and Maintenance Backlog

Update on Repair and Maintenance Backlog

- On average, need \$77 million to address our capital renewal to prevent additional deferred maintenance
- Deferred maintenance backlog balance for the entire system is \$503 million
- \$138 million in lump sum CIP requested to address capital renewal and deferred maintenance (CR/DM), health & safety code requirements (HSCR), and modernization

6 YR CIP* vs. Actual



* Approved by Board of Regents, University of Hawai'i in 2014



University of Hawai'i at Hilo

A. Update on Daniel K. Inouye School of Pharmacy

- College of Pharmacy is balancing its budget
 - \$ 12,232,337 annual operating (AY15)
 - \$ 10,452,537 resources from enrollment
 - \$ 1,780,815 resources from general fund, other
- Enrollment is stable
 - Annual tuition for AY17 is Resident \$ 23,376, Non-Resident \$40,320
 - Projected annual enrollment near or at capacity 360
- Construction of new facility in process
 - \$33 million appropriated
 - \$28 million in GO bonds
 - \$5 million in UH Revenue bonds
 - IFB published November 2015
 - Proposal review currently underway
- Dean search is underway



University of Hawai‘i at West O‘ahu

A. Repayment of EB-5 Loan

Background

- May 2012, 5-Year Loan
- \$17 million borrowed (as of FY16)

Current

- 1.5% interest-only annual payments
- Loan repayment due April 2018

Repayment Options

- State general obligation bonds (requires appropriation)
- UH revenue bonds (requires authorization)



University of Hawai‘i at West O‘ahu

B. Land Development Plan and Implementation

Concept

- Develop a “University Village” on approximately 168 acres surrounding UHWO campus
- Mixed-uses concept
- Complementary uses to support education and develop a community

Objectives

- Establish a public-private partnership arrangement with a master developer
- Develop uses, businesses, residences and services that support and benefit a college campus
- Revenue to provide financial support to fund operations at UHWO

Status

- Request for Qualifications process underway to identify potential master developers
- Next step to request proposals for “University Village” concepts that incorporate varied uses, maximizes revenue potential, and offers best management arrangement for UHWO.



University of Hawai‘i Mānoa Athletics

- Athletics compares well to its peers, nationally and within 2 conferences we're in.
- \$5.2M of higher costs are unique to Hawai‘i
 - \$1.8M Travel Subsidies/Guarantees, \$1.2M in Travel Costs, and \$2.2M Athletic Student Aid
- If not for higher costs, Athletics would have surplus of \$3.1M in FY 2014
- Tangible benefits: Despite higher costs, UH Athletics provides significant economic benefits to the State annually
 - \$66M in direct spending; \$7M in State Tax Collection; and \$3.1M in Tuition Payments for non-scholarship student-athletes
- Intangible benefits:
 - Branding , Marketing and Media exposure for State and University
 - Increased Applications and Fundraising for University
 - Hawai‘i’s Team, Aspiration of youth and Future Leaders
- Significant challenges on horizon impacting all of collegiate athletics (FY 2020 projections)
 - Cost of Attendance - \$1.3M
 - Evolving Collegiate Landscape - \$1.4M
 - Competitive Improvements - \$1.3M minimum
 - Baseline Expenses Increases (Tuition, Labor, Operating Costs) - \$8.2M



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MAHALO