## Notice of Meeting UNIVERSITY OF HAWAI'I BOARD OF REGENTS

Board business not completed on this day will be taken up on another day and time announced at the conclusion of the meeting.

Date: Thursday, November 19, 2020

**Time:** 8:30 a.m.

Place: Virtual Meeting

In light of the evolving COVID-19 situation, protecting the health and welfare of the community is of utmost concern. As such, this will be a virtual meeting and written testimony and oral testimony will be accepted in lieu of in-person testimony. Meetings may be monitored remotely via the livestream pilot project. See the Board of Regents website for information on accessing the livestream: <a href="www.hawaii.edu/bor">www.hawaii.edu/bor</a>. Mahalo for your consideration.

#### **AGENDA**

- I. Call Meeting to Order
- II. Approval of the Minutes of the October 15, 2020 Meeting
- III. Public Comment Period for Agenda Items:

All written testimony on agenda items received after posting of this agenda and up to 24 hours in advance of the meeting will be distributed to the board. Late testimony on agenda items will be distributed to the board within 24 hours of receipt. Written testimony may be submitted via the board's website through the testimony link provided on the <a href="Meeting Agendas">Meeting Agendas</a>, <a href="Minutes and Materials">Minutes and Materials</a> page. Testimony may also be submitted via email at <a href="bor.testimony@hawaii.edu">bor.testimony@hawaii.edu</a>, U.S. mail, or facsimile at (808) 956-5156. All written testimony submitted are public documents. Therefore, any testimony that is submitted for use in the public meeting process is public information and will be posted on the board's website.

Those wishing to provide oral testimony for the virtual meeting may register <a href="here">here</a>. Given constraints with the online format of our meetings, individuals wishing to orally testify must register no later than 7:00 a.m. on the day of the meeting in order to be accommodated. It is highly recommended that written testimony be submitted in addition to registering to provide oral testimony. Oral testimony will be limited to three (3) minutes per testifier.

- IV. Report of the President and COVID-19 Update
- V. Report of the University of Hawai'i Foundation
- VI. Committee Reports
  - A. Report from the Committee on Budget and Finance
  - B. Report from the Committee on Intercollegiate Athletics
  - C. Report from the Committee on Personnel Affairs and Board Governance
  - D. Report from the Committee on Planning and Facilities

For disability accommodations, contact the Board Office at 956-8213 or <a href="mailto:bor@hawaii.edu">bor@hawaii.edu</a>.

Advance notice requested five (5) days in advance of the meeting.

- E. Report from the Committee on Research and Innovation
- F. Affiliate Reports

## VII. Agenda Items

- A. Consent Agenda
  - 1. Approval of Fiscal Year (FY) 2020-2021 Operating Budget Plan for the University of Hawai'i
  - 2. Approval of FY 2020-2021 Operating Budget Plan for the Office of the Board of Regents and Office of Internal Audit
  - 3. Approval of Fiscal Biennium (FB) 2021-2023 Operating Budget Request for the University of Hawai'i for Submittal to the Governor and the Legislature

Link to FB21-23 Operating Budget Request

- 4. Approval of Temporary Salary Adjustments (Reductions) for Executive and Managerial Positions that Report to the Board of Regents
- 5. Approval of Use and Occupancy Agreement for Honolulu Authority for Rapid Transportation (HART) Stations on University of Hawai'i Property
- 6. Approval of Authorization and Delegation of Authority to Negotiate, Finalize, and Execute a Master Pre-Development Agreement, by and among UHF Atherton Student Housing LLC, University of Hawai'i Foundation, Hunt Development Group, LLC, and University of Hawai'i
- 7. Approval of Amendment to FY 2020 Capital Improvement Project (CIP) Expenditure Plan to include Komohana Research and Extension Center Project
- 8. Approval of the FB 2021-2023 CIP Budget Request for Submittal to the Governor and the Legislature

Link to FB21-23 CIP Budget Request

- B. Approval of Appointment of Shadd Keahi Warfield to the Maunakea Management Board
- C. Approval of the Establishment and Naming of the HMSA Distinguished Professorship at the School of Nursing and Dental Hygiene at the University of Hawai'i at Mānoa
- D. Enrollment Update

## VIII. Executive Session (closed to the public):

A. <u>Labor Negotiations and Legal Matters</u>: (To deliberate concerning the authority of persons designated by the board to conduct labor negotiations or to negotiate the acquisition of public property, or during the conduct of such negotiations, and to consult with the board's attorneys on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities, pursuant to Sections 92-5(a)(3) and 92-5(a)(4), HRS)

## University of Hawai'i, Board of Regents, 2444 Dole Street, Bachman 209, Honolulu, HI 96822 Telephone No. (808) 956-8213; Fax No. (808) 956-5156

- 1. Collective Bargaining Negotiations Update
- B. <u>Personnel</u>: (To consider the hire, evaluation, dismissal, or discipline of an officer or employee, where consideration of matters affecting privacy will be involved, pursuant to Section 92-5(a)(2), Hawai'i Revised Statutes (HRS))
  - 1. Evaluation of the President (continued from October 15, 2020)

## IX. Agenda Items (continued)

A. Evaluation of the President (continued from October 15, 2020)

#### X. Announcements

A. Next Meeting: January 21, 2021, at a location to be determined

## XI. Adjournment

Attachment A – Personnel actions posted for information only

Attachment A: Pursuant to §89C-4, Hawai'i Revised Statutes, the following proposed compensation actions for excluded Executive/Managerial are disclosed for purposes of public comment.

Executive/Managerial

Campus	Last Name	First Name & Middle Initial	Proposed Title	Unit	Nature of Action	Monthly Salary	Effective Date
UH Mānoa	Yamaguchi	Ryan	Interim Assistant Vice Chancellor	Office of Student Affairs, Enrollment Management	Appointment	\$9,584 unreduced  \$8,699 reduced	November 20, 2020 to November 19, 2021
Honolulu CC	Willets-Vaquilar	Preshess	Interim Dean	Academic Affairs, Transportation and Trades	Appointment	\$9,376 unreduced  \$8,511 reduced	January 1, 2021 to December 31, 2021

THE SIDENT'S OFFICE

## DISCLAIMER – THE FOLLOWING ARE DRAFT MINUTES AND ARE SUBJECT TO FURTHER REVIEW AND CHANGE UPON APPROVAL BY THE BOARD

## **MINUTES**

#### **BOARD OF REGENTS MEETING**

#### **OCTOBER 15, 2020**

**Note:** On January 30, 2020, the World Health Organization declared the outbreak of COVID-19 a public health emergency of international concern, subsequently declaring it a pandemic on March 11, 2020. On March 16, 2020, Governor David Y. Ige issued a supplementary proclamation that temporarily suspended Chapter 92, Hawai'i Revised Statutes, relating to public meetings and records, "to the extent necessary to enable boards to conduct business in person or through remote technology without holding meetings open to the public."

## I. CALL TO ORDER

Chair Benjamin Kudo called the meeting to order at 8:40 a.m. on Thursday, October 15, 2020. The meeting was conducted with regents participating from various locations.

Quorum (11): Chair Benjamin Kudo; Vice-Chair Randy Moore; Vice-Chair Alapaki Nahale-a; Regent Simeon Acoba; Regent Kelli Acopan; Regent Eugene Bal; Regent Wayne Higaki; Regent Jan Sullivan; Regent Michelle Tagorda; Regent Robert Westerman; and Regent Ernest Wilson.

Others in attendance: President David Lassner; Vice President (VP) for Administration Jan Gouveia; VP for Community Colleges Erika Lacro; VP for Legal Affairs/University General Counsel Carrie Okinaga; VP for Academic Planning and Policy Donald Straney; VP for Research and Innovation Vassilis Syrmos; VP for Information Technology/Chief Information Officer Garret Yoshimi; VP for Budget and Finance/Chief Financial Officer Kalbert Young; UH Mānoa (UHM) Provost Michael Bruno; UH Hilo (UHH) Chancellor Bonnie Irwin; UH West Oʻahu (UHWO) Chancellor Maenette Benham; Kauai Community College (KauCC) Chancellor Joseph Daisy; Executive Administrator and Secretary of the Board of Regents (Board Secretary) Kendra Oishi: and others as noted.

#### II. APPROVAL OF THE MINUTES

Vice-Chair Moore moved to approve the minutes of the September 17, 2020, meeting, seconded by Regent Higaki, and the motion carried, with all members present voting in the affirmative.

#### III. PUBLIC COMMENT PERIOD

Board Secretary Oishi announced that the Board Office received written comments as follows:

Written testimony in opposition to the approval of amendments to Regents Policy (RP) 8.203 was received from the Campus Center Board.

Written testimony providing comments on the Budget Policy Paper and offering alternative principles to guide the university was received from a Thriving University for a Thriving Hawai'i.

Written comments in support of the German program at UHM was received from the German Club at UHM and several individuals.

Written comments in support of the journalism program was received from the Asian-American Journalists Association – Hawai'i Chapter, Hawai'i Chapter of the Society of Professional Journalists, and several individuals.

Written comments regarding the Immigrations and Customs Enforcement Bureau and proposed restrictions that may impact international students was received from an individual.

Written comments regarding theatre and dance programs was received from Betsy Fisher on behalf of numerous individuals.

Late written comments on the future of academic programs at UHM was received from an individual.

Late written comments in support of the journalism program was received from an individual.

Written testimony and comments may be viewed at the Board of Regents website as follows:

#### Written Testimony Comment Received

#### Late Written Testimony Comment Received

Oral testimony regarding the university's budget process and various proposed program reductions and mergers was received from Markus Wessendorf, Laurel Mei-Singh, Vernadette Gonzalez, Candace Fujikane, and Kathy Ferguson.

#### IV. REPORT OF THE PRESIDENT

President Lassner began by thanking all of the individuals that provided comments on the university's budget process. He noted that discussions on the budget process with various university stakeholders are ongoing and that, to date, UHM Provost Bruno has held over 80 meetings with individual departments, deans, faculty, and staff to discuss the issues and possible fiscal solutions with notes of these meetings being posted online and regularly updated. He stated that the administration will continue in its efforts to work with the various stakeholders and better address the questions and concerns of the university community.

An update on the university's current state of affairs with regard to the COVID-19 pandemic was provided with President Lassner stating that the university continues to address personal safety practices; institutional safety practices; and the safety of facilities, office spaces, and staffing across its campuses to ensure the health and safety of students, faculty, and staff. While college campuses across the country are considered among the highest-risk entities for the spread of COVID-19, with many campuses experiencing significant health impacts attributed to the pandemic, the university has only reported a total of 40 confirmed COVID-19 positive cases across all ten campuses since April with no incidents of community spread on any campus. He credited the diligence of faculty, students, and staff, as well as adherence to public health and safety guidelines, for this remarkable achievement.

Although there was a possibility that on-campus, in-person instruction would occur in the spring of 2021, the continued dynamic nature and uncertainty of the pandemic has required a re-evaluation of the situation. Accordingly, the administration is currently planning to conduct the spring semester in a manner similar to the fall semester with course instruction expected to occur in a mainly online modality, with the exception of courses requiring in-person, classroom-based instruction, such as laboratory courses.

President Lassner announced that a collaborative effort between the university and City and County of Honolulu to develop a COVID-19 testing laboratory at the University of Hawaii John A. Burns School of Medicine (JABSOM) using federal Coronavirus Aid, Relief, and Economic Security Act funds has come to fruition with initial tests already scheduled to be conducted at the Clint Spencer Clinic at JABSOM.

The effect of COVID-19 on the scheduling of university athletics continues to be a topic of discussion among members of the community. While all fall sports were initially postponed, conversations and discussions occurred at both a regional and national level with modified and limited football schedules being approved by a number of athletic conferences. The university is a member of the Mountain West Conference (MWC) which has instituted testing regimes and requirements that members must abide by in order to compete in an approved, eight-game schedule. The university has supplemented the MWC testing regimes to meet additional State of Hawai'i requirements and has received clearance to play its eight football games from authorities in each jurisdiction where games will be held this season. The season is scheduled to begin on October 24, 2020.

The university has experienced stronger than anticipated headcount enrollment numbers which is in sharp contrast to the significant decreases in enrollment being felt by universities across the country during the pandemic. Even in areas where enrollment has declined, the declines are smaller than the national averages. Fall headcount enrollment is slightly better than anticipated with overall headcount enrollment down 0.8 percent as compared to the same period last year. To date, headcount enrollment at UHM, UHWO, and KauCC have experienced increases of 3.1, 3.9, and 6.4 percent respectively while all other campuses have experienced various degrees of decline. President Lassner cited data highlighting the successes enjoyed by the university in various enrollment demographics including the enrollment of local high school students, first-generation college students, first-time freshman students, and

Native Hawaiian students, all of which experienced noteworthy increases. The number of transfers among classified undergraduate students, both from the mainland and locally, also experienced significant increases. However, enrollment at the community colleges and UHH experienced decreases of 3.2 percent and 6.1 percent respectively. For UHH, one of the main factors contributing to the reduction in enrollment was the decrease of students in its early college program. While overall enrollment at the community colleges decreased, enrollment of underserved populations increased. He stated that, although enrollment in community colleges across the nation has decreased dramatically, it is unclear as to why this decrease is occurring as enrollment at community colleges typically increases during difficult economic conditions. Research and investigation into this issue is ongoing nationwide.

Extramural funding for research continues to witness steady growth with the year-todate receipt of funds increasing by approximately 3.7 percent over the same period last year. VP Syrmos and his staff continue to process the numerous contracts and grants being received and the university is cautiously optimistic that extramural research funding will experience another record year.

President Lassner also reported on the notable research achievements of two individuals with unique ties to the Island of Hawai'i and the university who each received a Nobel Prize in 2020. Dr. Andrea Ghez, who conducted her research at the W.M. Keck Observatory's twin telescopes on Maunakea, provided the conclusive experimental evidence of a supermassive black hole with the mass of four million suns residing at the center of the Milky Way galaxy for which she was awarded a Nobel Prize in Physics. Dr. Ghez also serves as a graduate advisor to the grandson of a former Chair of the Board of Regents. Dr. Jennifer Doudna, who grew up on Hawai'i Island, was awarded a Nobel Prize in Chemistry for her work on developing a "molecular scissors" to edit genes that offers the promise of one-day curing inherited diseases. Dr. Doudna, whose parents were both university faculty members, is a graduate of Hilo High School and has credited a UHH biology professor, as well as a university high school outreach program, for piquing her curiosity in, and encouraging her pursuit of, a career in science.

The university also celebrated the 50<sup>th</sup> anniversary of ALOHAnet with the receipt of an award from the Institute of Electrical and Electronics Engineers, the largest and most influential professional association for electronic engineering and electrical engineering in the world. ALOHAnet was developed at the university and was the first ever operational computer network that used simple random access protocols to demonstrate that communication channels could be effectively and efficiently shared on a large scale. This led directly to the development of Ethernet and personal wireless communication technologies and, as one of the critical enabling technologies for the Internet before it was called the Internet, changed the world.

The university successfully completed transactions to refinance \$208 million in currently existing revenue bond debt of the university associated with the construction of the University of Hawai'i Cancer Center and other construction projects at JABSOM. The university also sold \$10 million in new bonds to finance major and necessary renovations to existing parking facilities at UHM. While financial figures are still being

finalized, it appears that the bond refinancing transaction will achieve approximately \$3.3 million in debt service savings for fiscal year (FY) 2021 and \$2 million each year thereafter for the next 19 years amounting to a total savings of \$44 million over the next 20 years, through FY 2041. This amount of annual debt service savings is significant and should provide some budget relief to the university. As part of these bond transactions, the university also was required to obtain new bond ratings from the two credit rating agencies it utilizes, Fitch Ratings Inc. (Fitch) and Moody's Investors Service (Moody's). Moody's downgraded the university's bond rating slightly from Aa to Aa3 but maintained a stable outlook. Fitch affirmed the university's Aa rating and also maintained a stable outlook.

President Lassner acknowledged the work and dedication of two executives who would be leaving the university at the end of October. Donald Straney will be retiring after 10 years of service as both the Chancellor of UHH and VP for Academic Planning and Policy. Roxie Shabazz, who was instrumental in making tremendous improvements to enrollment management and who can be credited with UHM experiencing the enrollment increases mentioned earlier, will be continuing her career at the University of Baltimore. Both individuals have been tremendous assets to the university and, although they will be missed, the university wishes them well in their new endeavors.

## Report of the Host Campus

Chancellor Daisy provided an overview of KauCC's demographics and enrollment statistics, highlighting a number of successful achievements regarding enrollment metrics. KauCC realized an overall increase in enrollment of 6.4 percent as compared to the same period last year, a slight increase in early college enrollment, and an increase in fall to spring retention rates for all students served of approximately 5.9 percent. Of particular note was KauCC's success in increasing the fall-to-spring retention rates for students enrolled in the Wai'ale'ale Program and for first-time full-time freshmen by 12.5 and 10.1 percent respectively.

KauCC has met the majority of UHCC's performance measures, awarding an increased number of certificates of achievement and associate degrees to Native Hawaiian and Pell Grant students, as well as in the fields of science, technology, engineering, and mathematics, and experiencing the highest number of its students transferring to four-year institutions to date, which it considers metrics of its success. However, Chancellor Daisy noted that KauCC only awarded 280 certificates and degrees which was just below its overall goal of 291.

Chancellor Daisy espoused the success and importance of the University Center (Center), noting that KauCC has experienced a 90 percent course success rate over the 40 programs currently being offered through the Center, and that over 2,735 student credit hours, a majority of which was earned through distance learning, and 43 degrees were awarded through the Center.

In an effort to gauge the experiences and challenges its students are facing during the COVID-19 pandemic so as to provide appropriate support services and connect

students with suitable resources, KauCC conducted student surveys that gathered data on issues such as food and housing security, employment, life factors, childcare, and technology challenges. Through these surveys it was discovered that students face a wide range of issues including the inability to pay for food, rent, or utilities; a lack of employment opportunities; and access to affordable, reliable childcare. Chancellor Daisy stated that KauCC has taken measures to assist students with meeting some of the needs expressed in the survey, including establishing an on-campus foodbank, and will continue to search for additional ways to address any unmet needs of its students.

Noting that the COVID-19 pandemic has had significant economic impacts which have resulted in increased unemployment and have generated rapidly changing labor-market demands, Chancellor Daisy stated that KauCC is taking action to help meet the critical workforce development needs of the State. The Office of Continuing Education and Training (OCET) has been developing and implementing support, training, and retraining programs to meet some of the state's immediate workforce needs as identified by the Hawai'i Workforce Info Net, including increased demands for healthcare practitioners; office and administrative support personnel; leadership and management personnel; customer service personnel; and protective services. OCET has also been working with the Kaua'i Economic Recovery Strategy Team to convene an economic summit that will bring various stakeholders together to envision and plan for Kaua'i's economic recovery.

Chancellor Daisy stated that KauCC will continue its efforts on developing plans, goals, and initiatives that focus on achieving greater student success; continue to engage community stakeholders to meet educational and workforce needs; continue to be responsible stewards of its fiscal resources without limiting the quality of instruction; and work to strengthen its commitment to being a place-based and indigenous-serving institution.

Regent Westerman inquired about a creative method for teaching science lab classes which he was informed was occurring at KauCC. Chancellor Daisy replied that lab instructors at KauCC have developed lab kits which could be picked up by students at the KauCC library or sent to their homes thereby allowing them to conduct lab coursework experiments without actually working in an on-campus facility.

Regent Acoba asked for clarification on comparisons between fall and spring enrollment data for 2019 and 2020 noting that enrollment appeared to decrease in the spring. Chancellor Daisy replied that enrollment was higher in the fall semester of 2019 as opposed to the spring semester of 2020. Regent Acoba asked if there was an explanation for the decrease in spring enrollment. Chancellor Daisy responded that he would have to study the data in more detail to provide possible reasons for this decrease but he stated that in his experience at other institutions, spring semesters always appeared to reflect a decrease in enrollment numbers.

Regent Acoba inquired as to what the Wai'ale'ale Program encompassed and whether it led to a degree. Chancellor Daisy replied that, while the Wai'ale'ale Program did not directly lead to a college degree, it did provide high school graduates who might not have otherwise attended an institute of higher learning with the opportunity to enroll

in college courses and achieve a better understanding of the collegiate experience. He stated that, with the right guidance and support, students in this program will continue to take college courses that will eventually lead to earning a certificate or degree.

Noting that KauCC's presentation made mention of OCET's work on plans for developing digital badging of credentials for digital resumes, Regent Acoba asked for an explanation as to what this entailed. Chancellor Daisy replied that digital badging of credentials entailed the imbedding of links to certificates, degrees, or other credentials that are contained within an individual's resume that employers can utilize to verify that a prospective employee meets all the educational or certification requirements for a particular position. Regent Acoba inquired if this would occur with resumes transmitted over the internet. Chancellor Daisy responded in the affirmative.

#### **Faculty Report**

Jonathan Kalk, KauCC Faculty Senate Chair, provided a presentation on the work and success of the faculty at KauCC stating that during the COVID-19 pandemic, faculty strived to maintain and build upon the academic and teaching excellence that has been established at KauCC. He highlighted the faculty librarians who have worked diligently to reconfigure library space and create an on-campus hub for use by students who are attending necessary, in-person instruction as well as students who are taking online courses but need internet access. As such, the library not only serves as a facility for students to research issues and conduct related coursework but also serves as a location for students to collect course materials. Librarians have also worked with other faculty to pool together laptop devices that would normally be used for in-person instruction and maintain them at the library for borrowing, thereby providing students who do not have personal access to these devices with the opportunity to continue their education in an online format.

Dr. Kalk spoke on some of the efforts undertaken by faculty to improve student success and achievement including the increasing of professional development related to instructor engagement and best practices for online teaching; sharing of high-impact teaching strategies and other strategies for online coursework and instruction; establishing of a new set of time blocks for course schedules; and revising of general education core requirements for the Associate of Science (AS) and Associate of Applied Science (AAS) degree programs to normalize coursework requirements and provide a consistent framework for all programs to use. He called attention to the work of KauCC's business program faculty for their proactive efforts in reaching out to, and collaborating with, other business programs throughout the university system to make courses and curricula complementary thereby increasing the future efficiency of both inperson and online course offerings.

Emphasizing the importance of shared governance in creating and maintaining an environment of academic excellence at KauCC, Dr. Kalk spoke on several initiatives undertaken in collaboration with the administration including the establishment of a Campus Comeback Committee which developed physical and procedural parameters for campus operations and instruction for the fall; the organizing of virtual site-visits with the VP and Associate VP for Administrative Affairs for the community college system

which provided an avenue of communication to assist KauCC faculty and staff in understanding the fiscal challenges facing the university as a result of the COVID-19 pandemic, particularly with regard to the community colleges; the conducting of a survey to garner ideas on addressing the fiscal challenges specific to KauCC as well as those facing the community colleges in general; and the establishment of a blue ribbon committee to engage community and college leaders in visioning a path forward for KauCC so that it can meet both the current and future needs of the community. While progress has been made in meaningful collaboration between the faculty governance body and the administration at both the campus and community college system level, faculty have voiced concerns with regard to recent efforts to reach out to the university administration with requests to participate in planning and budget processes. He expressed the faculty's hope that the university administration will engage in good-faith efforts to increase meaningful collaboration with all university stakeholders.

Mentioning a statement made regarding work being conducted by faculty at KauCC to revise general education core requirements for AS and AAS degrees, Vice-Chair Moore stated that it was his understanding that all of the community colleges had the same general education requirements and asked if this was not the case. Dr. Kalk replied that, although accreditation standards which specify general education core curriculum requirements for all degree programs at the community colleges exists, campuses are allowed leeway in determining how to meet these requirements. Thus, uniformity in general education requirements does not exist among all of the community college campuses. He explained that there are also differences in the general education requirements for students who are liberal arts majors intending to transfer to a four-year institution and students who are enrolled in an AS or AAS degree program.

Vice-Chair Moore requested clarification on how students who were taking a course at KauCC via distance learning but who were enrolled at another campus of the university were counted in KauCC's statistical data. Chancellor Daisy replied that he did not have that information readily available but would check and report back.

Chair Kudo stated that he has expressed concerns regarding enrollment management for quite some time and wanted to thank the administration, faculty, and other staff members for working so diligently to achieve the current enrollment figures being witnessed by the university. He reiterated the enrollment figures mentioned earlier noting that, even though some of the campuses experienced decreases in overall headcount enrollment, in particular the community colleges and UHH, they still outperformed the majority of their peer institutions according to a national survey of enrollment managers at both the community college and four-year institution level. The survey also indicated that there was a general uncertainty with regard to the COVID-19 pandemic, that institutions believed the long-term effects of this public health crisis have not yet been fully-realized, and that the top two reasons for students not returning to campus this fall were financial insecurity and uncertainty and the need to care for family members, especially children. Chair Kudo opined that this may account for differences in enrollment statistics during this crisis as opposed to the last recession where economic decline led to large increases of enrollment at institutions of higher education. Addressing these variables through actions such as the establishment of a foodbank

noted in KauCC's report and the possible provision of childcare services for students of the university will be key to mitigating the effects of the concerns expressed and maintaining enrollment at the university.

#### V. COMMITTEE REPORTS

#### A. Report from the Committee on Budget and Finance

Committee Chair Sullivan summarized the committee report.

## B. Report from the Committee on Independent Audit

Committee Chair Moore summarized the committee report.

## C. Affiliate Reports

<u>UH Student Caucus</u>: Regent Acopan reported that the UH Student Caucus met, elected its executive committee, set its meeting schedule for the academic year, and established caucus priorities which include student voices and transparency, post-pandemic reorganization, and civic duty and social justice.

## VI. AGENDA ITEMS

## A. Consent Agenda

Prior to the board taking action on the consent agenda, Regent Acoba requested that both consent agenda items be placed on the regular agenda for discussion.

## 1. Approval of Amendments to Regents Policy (RP) 8.203, Reserve Policy

Regent Acoba noted that concerns were raised by the Campus Center Board (CC Board) regarding the effect the proposed amendments to RP 8.203 would have on its funding reserves and that this issue should be discussed further.

Regent Westerman stated that it was his understanding that there were three types of reserves established by the proposed amendments to RP 8.203 and that the concern of the CC Board was that the administration would be allowed to sweep all of the reserves of each major operating unit and use these funds for systemwide needs as determined by the President. However, it was his belief that this did not apply to mandatory reserves and therefore may not impact the CC Board in this manner.

Stating that it may help to clarify the issue, Regent Sullivan asked VP Young to address, in a broader context, the issue raised by the CC Board in its testimony. VP Young responded that the issue raised by the CC Board does not exactly apply to RP 8.203 because the funding for the CC Board's operating budget is derived from investment earnings received from the Associated Students of the University of Hawai'i at Mānoa Stadium Stock Fund (Stadium Stock Fund) and investment earnings do not appear to constitute a reserve per se under the proposed RP 8.203. Thus, he did not believe adoption of RP 8.203 would specifically change the status quo for the CC Board. Regent Sullivan added that RP 8.207 establishes the fiduciary responsibilities of

the board with regard to investments and specifically encompasses the Stadium Stock Fund. As such, she believed that the proposed RP 8.203 was not applicable to the funds derived from the Stadium Stock Fund, as they were not considered reserves, and that these funds were more properly governed by RP 8.207.

Regent Acoba noted that the CC Board's testimony stated that its funds would be swept if a fiscal emergency is declared and asked whether this statement was correct. VP Young replied that the President has the statutory authority to utilize all the funds of the university as deemed necessary and no RP exists addressing this authority. However, he reiterated that the source of funding for the CC Board is an investment fund that is similar to an endowment fund and that, in his opinion, these funds are not considered reserves governed by RP 8.203 but rather are investment funds governed under RP 8.207. Regent Acoba opined that RP 8.203 is subject to interpretation and may need to be clarified in the future but that he was somewhat reassured by the safeguards and checks and balances that were contained in the proposed amendments to RP 8.203.

Comments and brief discussions occurred on being mindful of concerns raised by chartered student organizations, as well as students themselves, in relation to funding reductions or the reallocation of funds associated with various fees collected from students and that the administration needs to ensure that these conversations and decisions occur and are made in the most transparent means possible.

President Lassner underscored that the proposed RP 8.203 clearly states that the President does not have sole authority to sweep emergency reserves for systemwide use and that expenditure of these reserves to cover expenses other than their intended purpose can only occur with board approval.

Regent Westerman again stated his belief that RP 8.203 did not allow for the sweeping of mandatory reserves when a fiscal emergency is declared but did allow for the automatic sweeping of operational and emergency reserves and asked if his understanding was correct. President Lassner replied that, under RP 8.203, funds are not automatically swept and that this action would require the concurrence of, and approval from, the board. He stated that the purpose of the policy was to ensure that the university had the ability to effectively use all of its financial resources on a systemwide basis should a need arise during a fiscal crisis. He also emphasized that the use of mandatory reserves is statutorily defined and therefore not discretionary.

Regent Sullivan moved to approve the amendments to RP 8.203, seconded by Vice-Chair Moore, and the motion carried with all members present voting in the affirmative.

## 2. Approval of Budget Policy Paper (Policy Paper)

Regent Acoba requested clarification on the connection between the operating budget reduction of \$100 million contained in the Policy Paper and the reduction targets contained in the Governor's instructions to departments to reduce operating budgets by ten, 15, and 20 percent; the status of submittal of the university's reduction target proposals to the Governor as the submittal deadline had already passed; and whether

the administration has the necessary information to begin distributing instructions to the units of the university on the submission of budget requests. VP Young replied that the administration began planning for budget reductions several months in advance of the Governor's proposed reduction requests. It was coincidence that the administration's estimates of experiencing approximately \$100 million in budget reductions, which was based upon anticipated reductions in both general fund appropriations and tuition and fee revenues, was similar to the fiscal effects the university would have expected to see with the Governor's tiered budget reduction percentages. He stated that while the administration has not submitted its budget reduction target proposals to the Governor or the Department of Budget and Finance (B&F), it has provided updates on the university's budget reduction process to the Governor's Office and B&F communicating that the process necessitates stakeholder engagement at various levels which will require additional time to identify specific reductions and the manner in which they will be accommodated by the university. The administration has notified the Governor's Office and B&F that it is working on achieving savings of between \$60 and \$70 million annually in general funds which appeared to satisfy both entities. VP Young also noted that the Policy Paper is the document from which the administration communicates budget instructions to the units of the university and once the Policy Paper is approved, this formal communication will proceed. However, the administration has already been communicating informally with the leadership of each campus with regard to anticipated budget reductions and budget formats and has notified campuses that, at least for this fiscal year, no new funding requests will be accepted.

Regent Acoba asked if the budget communications with units of the university were based on the Governor's tiered reduction request or the \$100 million target established in the Policy Paper. VP Young replied that the administration has already communicated that the university is anticipating \$100 million in reductions but that specific areas for reductions have not yet been identified as the administration continues to engage university stakeholders in the budget process and solicit suggestions on how to specifically address budget shortfalls.

Regent Higaki moved to approve the Policy Paper, seconded by Vice-Chair Moore, and the motion carried with all members present voting in the affirmative.

## B. Appointment of a Permitted Interaction Group to Investigate Issues and Make Findings and Recommendations to the Board Related to the Maunakea Master Plan and Comprehensive Management Plan

Chair Kudo proposed the creation of a permitted interaction group to be known as the Maunakea Planning Task Group (Task Group) whose scope would encompass reviewing and investigating proposed changes to the Maunakea Master Plan and Comprehensive Management Plan (collectively Plans) which are currently in the process of being revised and updated; following-up on the requested actions in Board of Regents Resolution 19-03; identifying critical issues pertaining to the Plans; and making findings and recommendations for presentation to the board. The composition of the Task Group includes Chair Kudo, Vice-Chair Nahale-a, Regent Bal, Regent Higaki, and Regent Wilson, with Vice-Chair Nahale-a serving as its chair.

Regent Sullivan moved to approve the appointment of the Task Group, seconded by Regent Westerman, and the motion carried with all members present voting in the affirmative.

## VII. EXECUTIVE SESSION (closed to the public)

Regent Higaki made a motion to convene in executive session, seconded by Regent Wilson, and with all members present voting in the affirmative, the board approved convening in executive session to carry out deliberations concerning the authority of persons designated by the board to conduct labor negotiations or to negotiate the acquisition of public property, or during the conduct of such negotiations pursuant to Section 92-5(a)(3), Hawai'i Revised Statutes (HRS); to consult with the board's attorneys on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities, pursuant to Sections 92-5(a)(4), HRS; and to consider the hire, evaluation, dismissal, or discipline of an officer or employee, where consideration of matters affecting privacy will be involved, pursuant to Section 92-5(a)(2), HRS.

The meeting recessed at 10:53 a.m.

Chair Kudo called the meeting back to order at 1:19 p.m. and announced that the board met in executive session to discuss legal matters, collective bargaining issues, and the evaluation of the President as stated on the agenda.

## VIII. Agenda Items (continued)

## A. Evaluation of the President

Chair Kudo stated that the board met in executive session to discuss the evaluation of the President noting the significance of the position as a community and State leader and the board's high expectations for the performance of the President. As this particular evaluation is more comprehensive in nature, occurring once every three years, and there is a large amount of information to digest, the board will resume with its evaluation of the President during the November board meeting.

#### IX. ANNOUNCEMENTS

Chair Kudo announced that the next board meeting was scheduled for November 19, 2020, at a location to be determined.

#### X. ADJOURNMENT

There being no further business, Regent Higaki moved to adjourn, seconded by Regent Wilson, and the motion carried, with all members present voting in the affirmative, and the meeting was adjourned at 1:20 p.m.

Respectfully Submitted,

Kendra Oishi

## Board of Regents Meeting Minutes of October 15, 2020 - Page 13 of 13 DRAFT

Executive Administrator and Secretary of the Board of Regents

## Item IV.

# Report of the President and COVID-19 Update

## NO MATERIALS ORAL REPORT

## Item IV.

# Report of the President UHH Chancellor & Faculty Senate Reports

## **MATERIALS**



# **University Update**

Chancellor Bonnie D. Irwin
UH Board of Regents
Nov. 19, 2020



# ALOHA & WELCOME





# The Mission



The purpose of our university 'ohana is to challenge students to reach their highest level of academic achievement by inspiring learning, discovery and creativity inside and outside the classroom.

Our kuleana is to improve the quality of life of the people of Hawai'i, the Pacific region and the world.



# 2020 Fall Enrollment

## Total: 3,165

Undergraduates: 2,671

Graduate students: 494

## **Ethnicity**

Pacific Island/Asian: 1,889

• Native Hawaiian: 1,070

Other Pacific Islander: 173

Asian: 646

Caucasian: 685

Mixed: 443

African American: 51

American Indian: 30

# **Most Ethnically Diverse National University in Country**



## Gender

• Male: 1,118

• Female: 2,014

(No data: 33)

## **Place of Origin**

• Hawai'i: 2,332

• Hawai'i Island: 1,634

• O'ahu: 493

• Maui County: 134

• Kaua'i: 71

U.S. Continent: 607

U.S. Related Areas: 126

International: 80



# 2020-2021 Entering Class

**CLASS SIZE** 



6,318 Applicants:

3,263 Accepted:

1,103 Enrolled:



## STUDENT TYPE

466 Freshmen:

314 Transfer:

69 Returning:

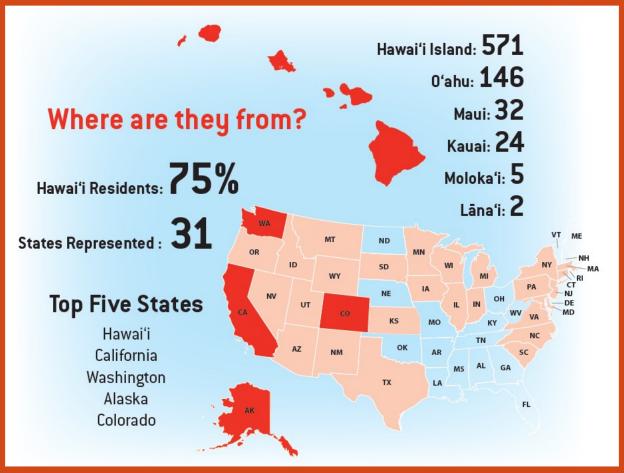
**Exchange Students:** 

85 Unclassified:

INTERNATIONAL STUDENTS:



41



HIGH SCHOOL GPA	(Mean)					
FEMALE:						
MALE:	36%					
RACE/ETHNICITY:						
Hawaiian/Pacific Islander	41%					
Caucasian	22%					
Asian	14%					
Mixed Race	<b>15</b> %					
Hispanic	2%					
African American	1%					
American Indian/ Alaska Native	1%					



# **Covid Preparation**







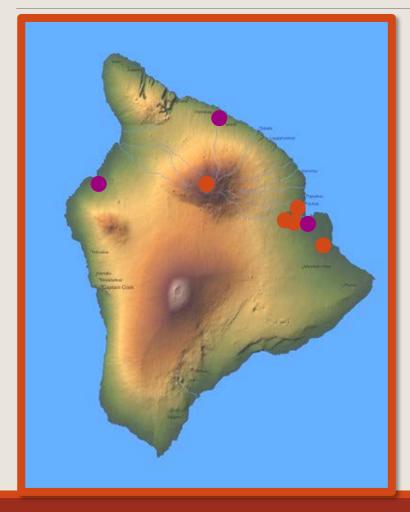


# Post-COVID UH Hilo

- Serve Our Island Focus on Our Strengths



# Serve Our Island



## **UH Hilo**

- University of Hawai'i at Hilo
- 'Imiloa Astronomy Center
- Hawai'i Small Business Development Center Network
- UH Hilo Agricultural Farm Laboratory
- Mauna Kea Observatories (UH Hilo/UH Mānoa)
- Online Learning

# Partner with Hawai'i Community College

- Hawai'i Community College
- Pālamanui
- Kō Education Center



# Focus on Our Strengths



Our UH Hilo 'ohana inspires learning, discovery, and innovation in unique environments that challenge each student to reach their academic, personal, and professional goals.

Our kuleana (shared responsibility) is to improve the quality of life of our diverse campus community, the people of Hawai'i, the Pacific region, and the world.



# Strategic Planning

- Relationships
- Importance of Place



# Relationships: Our Community



Student-athletes harvest corn for local food bank.



# Relationships: Our 'Ohana



"I treat the students like family and each time they make progress, I feel like a proud parent."

Assoc. Prof. of Biology Li Tao



# Importance of Place



UH Hilo geology majors measure vertical offset, Hawai'i Volcanoes National Park, Kīlauea eruption, 2018.



# **Core Values**



- Diversity
- Focus on Students
- Relationship Oriented



# Jan Ray

CHAIR OF THE FACULTY CONGRESS



# Faculty Congress

## **MEMBERSHIP**

## All Faculty Senate Chairs (7)

- 1. College of Agriculture, Forestry, and Natural Resource Management (CAFNRM)
- 2. College of Arts and Sciences (CAS)
- 3. College of Business and Economics (COBE)
- 4. College of Natural and Health Sciences (CNHS)
- 5. Daniel K. Inouye College of Pharmacy (DKICP)
- 6. Ka Haka 'Ula O Ke'elikolani (KHUOK)
- 7. Library

## Representatives (18)

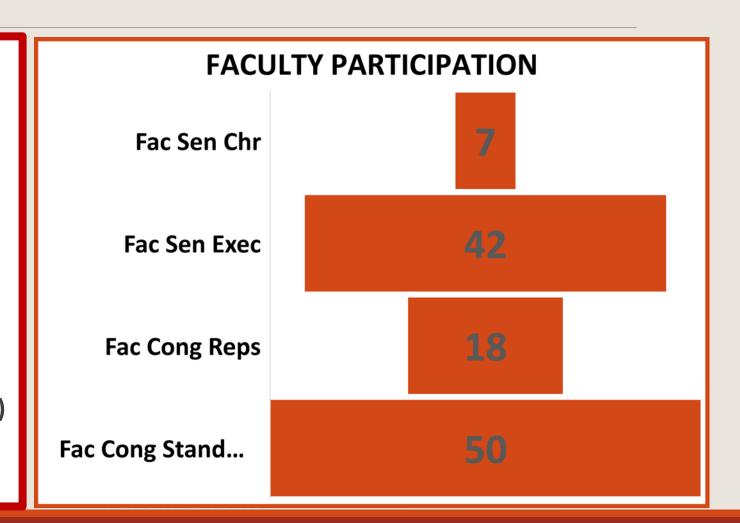
- CAFNRM (1 rep)
- CAS (6 reps)
- COBE (1 rep)
- CNHS (5 reps)
- KDICP (2 reps)
- LIB (1 rep)
- Student Affairs (1 rep)
- UH Hilo Student Association (1 rep)



# Faculty Congress

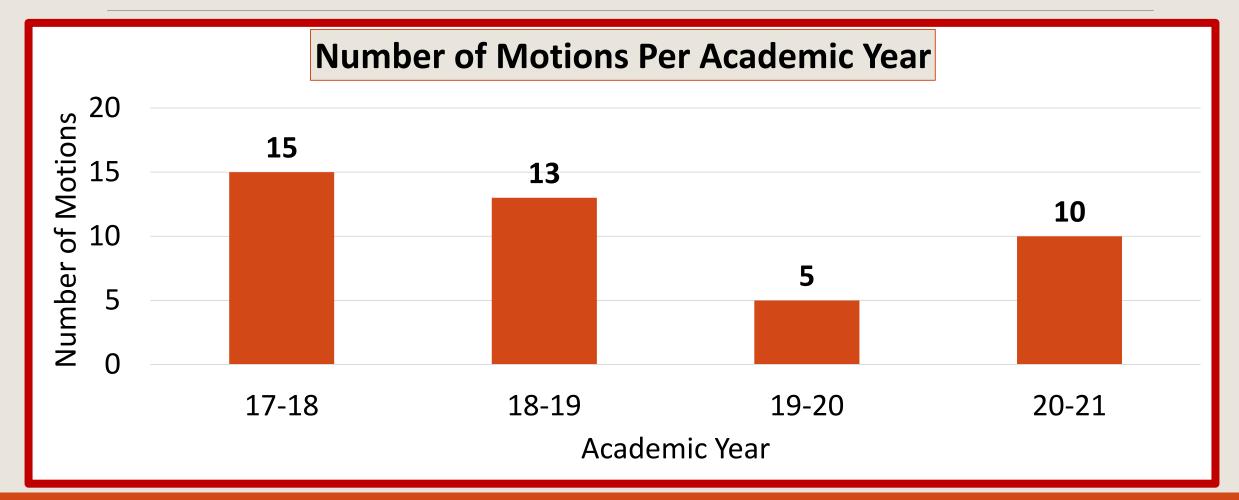
## **STANDING COMMITTEES**

- Academic Policy (7)
- Assessment Support (9)
- Curriculum Review (7)
- Faculty Development (6)
- General Education (7)
- Budget Review (5)
- Student Success and Admissions (9)
- Distance Learning Advisory Committee (7)





# Faculty Congress





# Mahalo





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UNIVERSITY OF HAWAII
PRESIDENT'S OFFICE

#### **MEMORANDUM**

David Laur

TO:

Ben Kudo

Chairperson, Board of Regents

VIA:

David Lassner, President

For University of Hawai'i System

FROM:

Tim Dolan, Vice President of Advancement

University of Hawai'i Foundation

SUBJECT:

**UH Foundation Report** 

DATE:

November 10, 2020

Please find information submitted by the Foundation for the November 19, 2020 Board of Regents' meeting:

- Funds Raised Leadership Report by Campus (FY 2014 through FY 2021, as of September 30)
- Development Operations Report Fiscal Year 2021 Progress (as of 09/30/20)
- Funds Raised by Source, Gift Type, Account Category and Purpose as of 9/30/2020
- University of Hawai'i Foundation Financial Overview

Thank you for your assistance and please let us know if anything further is needed or required.

Attachments



#### **Development Operations**

Fiscal Year 2021

As of 09/30/2020

Campus: All Unit: All

**Allocation Department: All** 

All dollars in thousands

Fiscal Year 2021 Goal: \$80 M

Fundraising Result (07/01/2020 - 09/30/2020): \$17.3 M

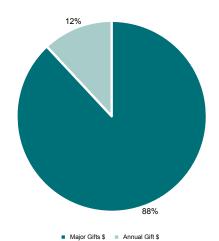
#### **Fundraising Result Summary**

Account Type	Gifts & Pledges	<b>Deferred Gifts</b>	Total
Endowment	\$1,350	\$0	\$1,350
Expendable	\$13,290	\$4	\$13,294
Revocable Deferred Gifts	\$0	\$579	\$579
Gifts-In-Kind	\$109	\$0	\$109
Grants Directly to UH	\$1,982	\$0	\$1,982
Total	\$16,732	\$583	\$17,314

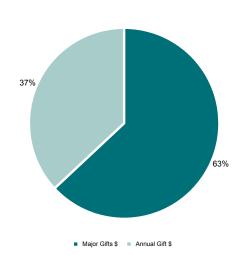
#### Comparison to Previous Fiscal Year

	Number of Major Gifts \$25k+	Major Gifts Total	Number of Annual Gift <\$25k	Annual Gift Total	Gift Total
Current Fiscal Year	80	\$15,256	5,206	\$2,059	\$17,314
Previous Fiscal Year	46	\$3,918	5,290	\$2,299	\$6,217
Comparison Favorable/(Unfavorable)	34	\$11,337	(84)	(\$240)	\$11,097

#### **Current Fiscal Year**



#### **Previous Fiscal Year**





#### Funds Raised Leadership Report Fiscal Years 2014-2021 As of September 30

All dollars in thousands (Gifts, Pledges, Matching Gifts, Gifts in Kind, Grants and Planned Gifts)

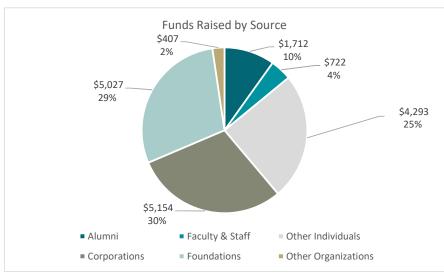
Unit	2014	2015	2016	2017	2018	2019	2020	2021
Manoa	\$9,623	\$8,075	\$4,492	\$4,310	\$5,729	\$6,323	\$4,157	\$11,012
Hilo	\$374	\$490	\$570	\$619	\$1,401	\$310	\$276	\$802
West Oahu	\$32	\$14	\$25	\$34	\$248	\$73	\$117	\$212
Hawaii CC	\$50	\$4	\$155	\$17	\$459	\$182	\$33	\$377
Honolulu CC	\$24	\$39	\$182	\$53	\$26	\$31	\$183	\$326
Kapiolani CC	\$172	\$529	\$187	\$295	\$351	\$1,141	\$64	\$335
Kauai CC	\$184	\$288	\$398	\$114	\$74	\$102	\$241	\$8
Leeward CC	\$676	\$22	\$17	\$32	\$17	\$12	\$85	\$7
Maui College	\$347	\$66	\$51	\$162	\$270	\$34	\$107	\$337
Windward CC	\$384	\$81	\$24	\$308	\$171	\$25	\$23	\$273
Multi-Campuses	\$470	\$2,744	\$1,379	\$7,405	\$618	\$2,648	\$931	\$3,627
Totals	\$12,336	\$12,352	\$7,478	\$13,348	\$9,365	\$10,880	\$6,217	\$17,314

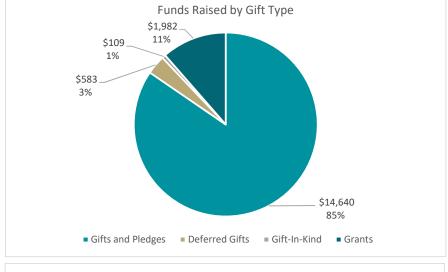
Beginning in FY2020, present value (PV) is used in funds raised calculations for deferred gifts. Prior to FY2020, face value (FV) is used.

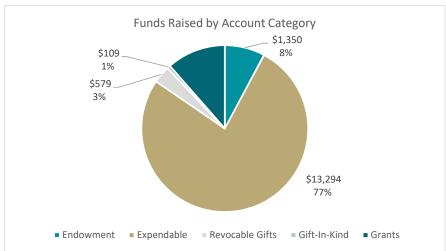


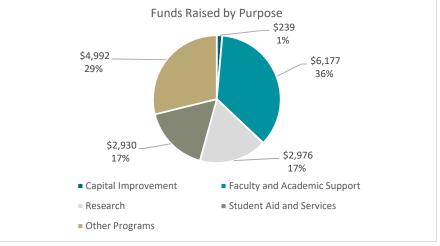
#### Funds Raised By Source, Gift Type, Account Category and Purpose

Fiscal Year 2020 As of 9/30/2020 All dollars in thousands





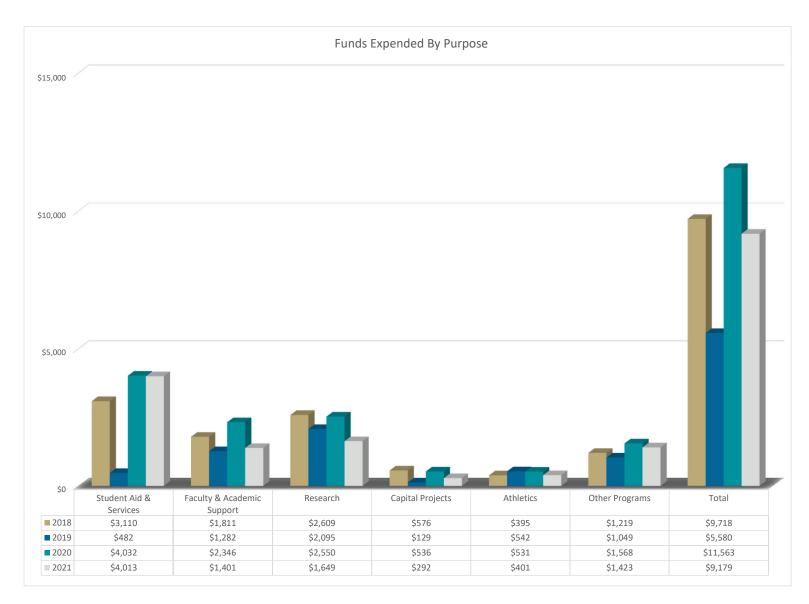






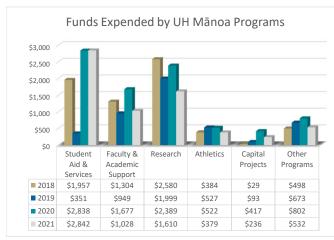
#### Funds Expended by UH Programs Fiscal Years 2018-2021

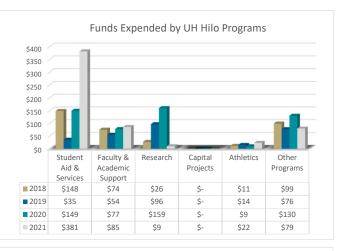
As of September 30 All dollars in thousands

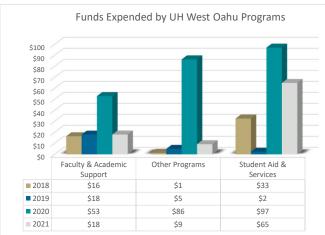


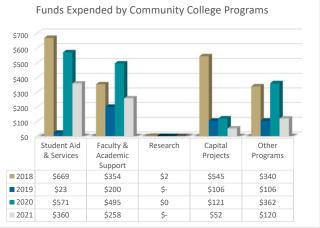
#### Funds Expended by UH Programs, continued Fiscal Years 2018-2021

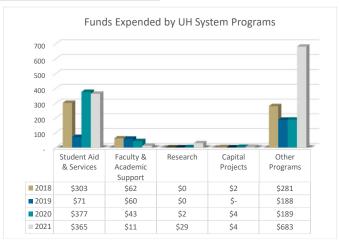
As of September 30 All dollars in thousands











# University of Hawai'i Foundation Financial & Endowment Overview As of September 30, 2020

#### UNIVERSITY OF HAWAII FOUNDATION Statement of Operations- Unaudited

For the Fiscal Period Ending September 30, 2020, 2019, 2018, and 2017

	Se	ptember 30, 2017	Se	ptember 30, 2018	Se	ptember 30, 2019	Se	ptember 30, 2020
REVENUES:								
Unrestricted gifts	\$	43,269	\$	229,131	\$	142,383	\$	522,947
Income from expendable accounts		607,218		784,236		879,954		245,483
Income from endowment accounts		948,236		1,005,240		1,043,647		1,077,456
Service fee on gifts and non-gifts		484,517		548,964		601,507		513,796
Alumni Relations revenue		6,783		8,347		-		-
UH contract for services		750,000		800,000		750,000		750,000
Other payments for services from		70,377		92,078		95,409		89,724
UH & UHAA								
Total Revenues	\$	2,910,401	\$	3,467,996	\$	3,512,901	\$	3,199,406
EXPENSES								
Development								
Personnel	\$	1,543,989	\$	1,330,819	\$	1,316,333	\$	1,293,941
Program		290,450		222,036		180,251		123,565
Campaign		46,529		9,840		3,200		-
Alumni Relations								
Personnel		136,153		113,293		129,771		138,386
Program		20,646		28,956		21,031		46,196
Service & Support								
Personnel		786,420		726,115		777,076		811,185
Program		165,235		227,338		182,854		415,412
UH Support Fund		37,500		37,500		37,500		37.500
··		37,500		37,500		,		,
King Street Office		-		-		139,434		139,124
Atherton	Ф.	2 026 022	Ф.	29,358	<u> </u>	17,277	Ф.	2,327
Total Expenses	\$	3,026,923	\$	2,725,254	\$	2,804,727	\$	3,007,636
Total Net Revenues Over(Under) Expenses	\$	(116,522)	\$	742,742	\$	708,174	\$	191,770



#### September 30, 2020 Preliminary Endowment Performance Report

Total assets of the UH Foundation stood at \$350.8M and generated a return of -1.4% in September. Risk assets declined in September. While global equities gained for the quarter, momentum stalled in September when equities experienced their first monthly decline since March.

US markets underperformed foreign, growth underperformed value, and large-caps trailed mid- and small-caps.

The US dollar continued its sell-off, despite a sharp rebound in September.

UHF's Global Equity holdings contracted by -2.8% in September, outperforming the MSCI ACWI Index by 0.4%. Hedge Funds protected with Marketable Alternative Assets returned -0.7%.

US Treasury yields touched record lows across the entire yield curve before finishing the quarter near where they began; the yield curve nudged slightly steeper. The ten-year yield advanced 3 basis points (bps) to 0.69%, and the five-year yield declined 1 bp to 0.28%.

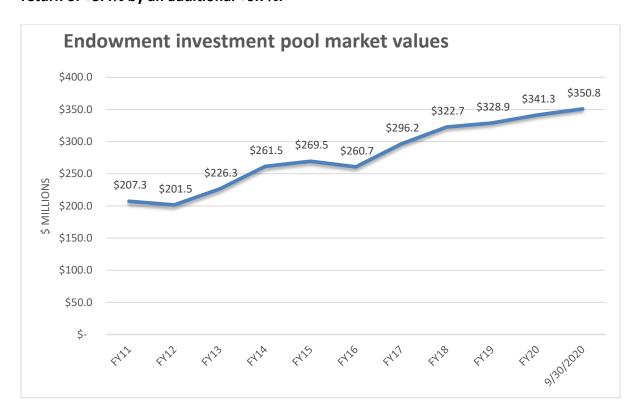
The risk rally showed signs of fading in September, as equities declined for the first month since March. Investors grew more cautious about the impacts of fading fiscal stimulus, a resurgence in global COVID-19 cases, and the US presidential election.

September contractions, however, have failed to undo the strong performance of the Foundation seen over the trailing one-year period which has matched its benchmark's return of +4.9%.

As of 9/30/2020	MONTH TO DATE	CUMULATIVE TRAILING 1 YEAR	ANNUALIZED SINCE INCEPTION	0.2	4.9 4.8	0.7
Total Assets*	-1.4	4.9	6.1	-1.4 -1.7		
				Month To Date	Cumulative Trailing 1 Year	Annualized Since Inception
Total Assets Portfolio Benchmark <sup>2</sup>	-1.7	4.8	5.4	■ Total Assets	■Total Assets Portfolio Benchmark	■Value Add
Value Add	0.2	0.2	0.7			

L.0

Since inception, UHF's performance of +6.1% has outperformed the benchmark's return of +5.4% by an additional +0.7%.



<sup>\*</sup>Preliminary estimated market value as of 9/30/20 and subject to change with valuation of illiquid assets

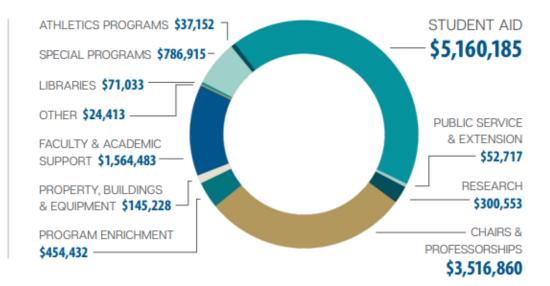
#### FY 2020 Endowment Report Preview

The UH Foundation just published the FY 2020 Endowment Report. And this past fiscal year, the UH Foundation endowment payout increased to \$12.1 million or 6.4% from the previous fiscal year.

TOTAL PAYOUT TO UH FROM ENDOWMENT

IN FY20:

\$12.1 MILLION



#### **Budget and Finance Committee Report** Summary of November 4, 2020 Meeting

#### Agenda Items:

#### A. Fiscal Year (FY) 2020-2021 First Quarter UBS Legacy Endowment Fund (Fund) Investment Performance Report

UBS representatives provided a report on the investment performance of the Fund. It was noted that the markets continue to experience volatility as a result of the COVID-19 pandemic but that overall, the asset allocation and financial performance of the Fund is on par with established benchmarks. UBS continues to advocate for the keeping the Fund's allocation in equities at its present level for the foreseeable future. It is anticipated that the markets will remain volatile particularly due to fears about the economic impacts of COVID-19, trade issues with China, and the recent elections in the United States. UBS will continue to closely monitor the financial markets and adjust its investment strategies as more information becomes available with the ultimate goal of maintaining long-term investment strategies.

#### B. FY 2020-2021 First Quarter Financial Report

VP Young provided the financial report for the first quarter of FY 2020-2021 stating that the report encompassed a progressive comparison of the university's present fiscal situation to its financial situation for the same time period during previous fiscal years. Data on revenues and expenditures was reviewed with VP Young noting that general fund revenues appear significantly less than previous years due to timing issues regarding the release of the funds by the State Department of Budget and Finance (B&F) and that tuition and fee revenues appear to be slightly higher although the figures presented did not account for the substantial amount of billed tuition that remains unpaid. Due to various factors including the implementation of cash preservation strategies by the administration, actual expenditures for all fund categories with the exception of the Research and Training Revolving Fund, were significantly lower. Concerns regarding the fiscal sustainability of a number of special and revolving funds due to substantial decreases in their revenue streams that far outpace decreases in expenditures were also noted.

#### C. Recommend Board Approval of FY 2020-2021 Operating Budget Plan for the University of Hawai'i

VP Young presented the university's operating budget for FY 2020-2021 explaining that, as a result of the economic downturn caused by the COVID-19 pandemic, revenues are projected to decrease by 5.8 percent compared to FY 2020 actuals, while expenditures are projected to decrease by 0.8 percent compared to FY 2020 actuals. Overall, the university is anticipating a net operating loss of \$14.2 million. He also provided an overview of budgeted, actual, and projected revenues and expenditures for various special funds as well as beginning reserve fund balances and the projected balances of these funds at the end of FY 2021. The university is still awaiting its budget allocation, as well as additional guidance from the Governor and B&F, for the last two quarters of FY 2021 and will refine and imbed more certainty into its operating budget once this occurs.

**Action:** The Committee unanimously recommended board approval of the university's operating budget.

#### D. Recommend Board Approval of FY 2020-2021 Operating Budget Plan for the Office of the Board of Regents (Board Office) and Office of Internal Audit (OIA)

Board Secretary Oishi and Glenn Shizumura, Director of OIA, presented the proposed operating budget plans for the Board Office and OIA for FY 2020 – 2021. It was noted that, to date, both the Board Office and OIA have been operating without a budget allocation, and that the budget plans for both offices were developed using certain assumptions and estimates, and presented anticipated operational expenditures for the current fiscal year. Both offices have been exercising fiscal prudence, expending funds on an as-needed basis due to this fiscal uncertainty.

**Action:** The Committee unanimously recommended board approval of the operating budgets for the Board Office and OIA.

### E. Recommend Board Approval of Fiscal Biennium (FB) 2021-2023 Operating Budget Request for the University of Hawai'i for Submittal to the Governor and the Legislature

VP Young presented the FB 2021 – 2023 operating budget request for the university that will be submitted to the Governor and Legislature upon approval by the board noting that that this request only reflected major budget additions or reductions to the university's appropriated budget and was not indicative of the university's overall operating budget. He reviewed the administration's requests which were mostly housekeeping in nature and consisted mainly of position transfers between campuses to more accurately reflect the university's organizational structure; inclusion of \$4 million in revenues to support athletics programs that were appropriated by the Legislature in 2019 in the base budget; a non-general fund ceiling transfer to reflect the reorganization of the Office of Research Compliance; and an increase in the expenditure ceiling for the Research and Training Revolving Fund (RTRF) to accommodate the projected increase in RTRF spending as a result of an increase in research awards.

**Action:** The Committee unanimously recommended board approval of the university's FB 2021-2023 operating budget request.

#### F. Status of Expenditures of Higher Education Emergency Relief Funds (HEERF) from the Coronavirus Aid, Relief, and Economic Security (CARES) Act

VP Young provided a report on the status of the expenditure of HEERF funds received by the university from the CARES Act. He noted that to date, the university expended about \$9 of the approximately \$12 million received for direct disbursement to students in the form of grants and about \$2.4 million of the approximately \$12 million received for institutional expenses related to the prevention of, preparation for, and response to the COVID-19 crisis. As it was also considered to be a minority-serving institution, the university received an additional \$20 million in HEERF funds, the majority of which remains unspent. VP Young also reviewed a breakdown of the use of HEERF funds for each campus. It was stated that the university has one year from the date of the award to expend these funds which would be roughly late-April 2021.

#### **Agenda Items:**

#### A. Impacts of COVID-19 on University of Hawai'i (UH) Athletics:

1. Update on the Health and Safety of Student Athletes, Coaches, and Staff (New information received since the September 3, 2020 meeting)

Jonathan Sladky, M.D, UH Mānoa (UHM) team physician, and UH Hilo (UHH) Athletic Director (AD) Guillen discussed the various health and safety issues involving their respective athletics departments in the context of COVID-19. They reported on each athletic department's established COVID-19 screening and testing protocols, as well as actions taken to protect and monitor the health and safety of student-athletes and staff. To date, UHM Athletics has conducted approximately 2,600 tests, ten of which were COVID-19 positive, and UHH has conducted 176 tests, three of which were COVID-19 positive. There remains no evidence that on-campus athletic activity has played a role in any of the positive cases attributed to either athletic department.

- 2. Financial Matters: UH Mānoa (continued from September 3, 2020) and UH Hilo:
  - (a) Review of the Annual Athletic Budget and Financial Integrity of the Athletic Department

AD Matlin provided a brief financial update for UHM Athletics stating that it is currently projecting a deficit of \$8.9 million which is a reduction of \$400,000 from its original deficit projection of \$9.3 million. He highlighted some of the fiscal impacts to UHM Athletics, including reductions in general fund appropriations, but stated that the factor with the most impact to the variable budget of UHM Athletics is the ability for the university to take part in athletic competition which affects multiple revenue streams for the department. AD Matlin briefly reviewed some of the efforts undertaken to try to blunt the loss of these revenues, such as offering an option for season ticket holders to donate a portion of their payments to UHM Athletics, and stated that UHM Athletics continues to work closely with corporate sponsors, boosters, donors, and other stakeholders to ensure the long-term economic viability and sustainability of athletics at the university.

Chair Acoba stated that, while UHM Athletics assumed a 16 percent reduction in general fund appropriations it was reported at the Committee on Budget and Finance meeting that general fund reductions are anticipated to be more in the range of ten percent and would apply to discretionary funds which should assist UHM Athletics with its fiscal situation. AD Matlin stated that this would assist UHM Athletics to a small degree as most of the fund for UHM Athletics is derived from external revenue streams. However, since some athletic monies are derived from general funds, he would analyze the impact a lower reduction of general fund revenues would have on UHM Athletics.

The work of a strategic visioning committee established to, among other things, provide strategic visioning advice for the future of athletics at UHM, assess actions that can be taken to bring revenues and expenses into alignment, and find ways to address current and future challenges and opportunities for UHM Athletics to achieve sustainability was also reviewed by AD Matlin who stated that committee meetings commenced on

Summary of November 5, 2020 Meeting

September 30, 2020. The committee anticipates completing its work and formulating a plan for UHM Athletics by the end of this calendar year.

UHH AD Patrick Guillen reported on the fiscal year (FY) 2021 fiscal projections for UHH athletics stating that UHH developed two budget projection scenarios. He briefly reviewed each scenario and their impacts to the UHH Athletics' budget and noted that the major difference between each scenario is anticipated travel-related expenses.

#### (b) Student Athletic Fees

AD Matlin reviewed the UHM student athletic fee and the amount of refunds provided to students for both the spring and fall semesters due to the cancellation of athletic activities as a result of the COVID-19 pandemic. He noted that partial refunds were provided to students for FY 2020 based on the suspension of sports in the middle of spring season and that a full refund of student athletic fees is anticipated for the fall semester as numerous athletics events have been postponed or cancelled and current policy does not allow for fan attendance at athletic events that are taking place. AD Matlin stated that UHM Athletics has refunded approximately \$300,000 in student athletic fees for the spring 2020 semester and anticipates refunding approximately \$750,000 for the fall 2020 semester. He also noted that plans to increase UHM student athletic fees remains on hold and that this issue is currently being discussed by the strategic visioning committee.

#### 3. Summary of Scheduling of Athletic Events

Updates on the status of athletic competition and activities for both UHM and UHH were provided. At UHM, the football season, which had initially been postponed, is now underway although the number of games being played has been reduced to eight. The men's and women's basketball seasons will move forward with schedules consisting of 20 games. Details of the basketball schedules are currently being worked out but it is anticipated that they will include back-to-back competition rather than the standard home-and-home competition thereby reducing a school's travel costs as well as reduce possible exposure to COVID-19. Scheduling for the remainder of UHM's athletic teams are also being reviewed in anticipation of the seasons for those sports being reinstated.

At UHH, conference schedules for any sports competitions have yet to be established although the frameworks for both fall and spring competitions is currently being worked on with a priority being placed on basketball schedules as this is the first sport expected to begin competition. Fall sports have been postponed until the spring and schedules will be adjusted accordingly. The schedules for spring sports are expected to be delayed by several weeks and it is anticipated that number of athletic contests will be reduced.

#### B. Committee Work Plan Discussion

1. Committee's Role in Monitoring and Overseeing the Athletics Program in the Context of COVID-19

#### 2. Committee Work Plan

Summary of November 5, 2020 Meeting

Vice-Chair Westerman, Regent Bal, and Regent Higaki engaged in a group discussion on these two items. Discussions entailed the importance of the committee's role in monitoring and overseeing the athletics program in the context of COVID-19 as well as the committee's obligations to ensure and safeguard the health and safety of the university's student athletes.

Discussions also occurred on the Committee Work Plan with committee members noting that the plan is sound, adequately encompasses all the issues that need to be addressed by the committee, and should continue to be used to establish the committee's goals, objectives, and agendas for the rest of the academic year.

#### C. Update on Legislation and NCAA Policies Related to Postsecondary Student Athlete Compensation for the Use of Name, Image, or Likeness (NIL)

An update and overview of the NCAA's proposed policies regarding NIL and activities that will be allowed and prohibited for both student athletes and their associated universities under these proposed policies was provided although it was stressed that discussions continue to occur and all of the proposals to date are subject to change. It was reported that the NCAA anticipates the policies to be finalized and voted on by the end of January 2021.

#### D. Booster Club Support and Fan Outreach at UHM

UHM Athletics reported on its efforts to connect with the community, increase fan support, generate interest in the athletic programs, strengthen and develop relationships with corporate sponsors, and create new revenue streams in conjunction with its booster clubs and provided an overview of the various approaches being used to achieve these goals, including the increased use of social media platforms to augment mainstream media efforts. Examples of the numerous outreach and fundraising efforts undertaken by UHM, as well as some of the successes of these efforts, were also shared. It was highlighted that according to skullsparks.com which measures and tracks various social media and internet interactions such as liking and following UHM Athletics web pages and commenting on other issues involving UHM Athletics on the internet, UHM Athletics ranks 41st out of the 130 schools participating in the Football Bowl Subdivision, ranks 7th out of the 62 institutions considered to be part of the Group of Five, and 2nd out of the 12 schools of the Mountain West Conference.

#### **Agenda Items:**

#### A. Office of Board of Regents Report on Regents Policies

Board Secretary Oishi provided an update on the plan for the Office of the Board of Regents (Board Office) to conduct a review and assessment of Regents Policies (RPs). She offered preliminary comments and findings as a result of a cursory assessment conducted to date of all RPs and briefly reviewed actions taken on RPs since January 2020. The Board Office will be conducting reviews of RPs in collaboration with the appropriate board committee and administration liaison and anticipates that its review of the full set of RPs will be completed by the end of December 2021. A report on the policy review will be provided to the committee no later than November 2021.

#### B. Executive and Managerial (EM) Compensation Update

VP Gouveia provided the administration's annual update on EM compensation to apprise the board on the guidelines and methodology used for annual salary adjustments for positions under the President's delegated authority, as well as meet several reporting requirements established in RP 9.212. She provided a summary of personnel and salary costs for the university noting that the university employs a total of 7,203 salaried individuals, 214 of which are EM personnel, and that the annual compensation for all salaried personnel is approximately \$584 million, with EM personnel salaries accounting for about \$36 million of this amount. The EM salary schedules and the methodology used for the temporary salary reductions imposed on all EM personnel to reduce expenses due to the economic impacts of the COVID-19 pandemic was reviewed, which is anticipated to achieve an estimated annual savings of \$3.4 million.

Chair Westerman acknowledged all EMs for understanding the gravity of the fiscal situation facing the university and demonstrating leadership by taking proactive and substantial salary reductions and offered his deepest thanks for their sacrifice. The minutes will reflect fuller discussion on the future implications of restoring these reductions.

#### C. Recommend Board Approval of Temporary Salary Adjustments (Reductions) for EM Positions that Report to the Board of Regents

VP Gouveia explained that RP 9.212 requires the board to approve any salary adjustments, including salary reductions, to EM personnel reporting directly to the board which include the President, Board Secretary, and Director of the Office of Internal Audit. As such, board action is necessary to temporarily reduce the compensation for the direct reports to the board in a manner consistent with the salary reductions being imposed on all other EM personnel of the university, although it was noted that the President will be taking a 20 percent reduction in salary.

**Action:** The Committee recommended board approval of the temporary salary adjustments for EM positions that report to the board.

#### Agenda Items:

#### A. Honolulu Rail Transit Update

Representatives of the Honolulu Authority for Rapid Transit (HART) provided an update on the status of construction of the rail transit system, including impacts on stations that would service students and staff of UH campuses, specifically, UH West Oʻahu, Leeward Community College, and Honolulu Community College (HonCC). It was noted that there are some challenges with the area around HonCC. The Committee engaged in vigorous discussion regarding the appraisal value and lease terms for UH property, security at transit stations and on the trains, whether the City and County (C&C) of Honolulu can commit to providing discounted fares to students, and financial resources for the rail project.

B. Recommend Board Approval of Use and Occupancy Agreement for HART Stations on University of Hawai'i Property

VP Young provided an overview of a proposed long-term use and occupancy agreement for the C&C of Honolulu to operate and maintain rail infrastructure on UH property. An agreement is necessary for rail to begin interim service operations which is anticipated as early as April 2021. VP Young also highlighted the project history, agreement terms, benefits to the UH community, and contingency provisions. The committee raised questions regarding the appraised value of the property along the rail line. Administration agreed to do its best to address the comments and concerns raised by Regents.

**Action:** The committee recommended board approval of the use and occupancy agreement for HART stations on UH property, with one member excused and one member abstaining.

C. Recommend Board Approval of Authorization and Delegation of Authority to Negotiate, Finalize, and Execute a Master Pre-Development Agreement by and among UHF Atherton Student Housing LLC, University of Hawai'i Foundation, Hunt Development Group, LLC, and University of Hawai'i

VP Young provided an overview of a proposed authorization and delegation of authority to negotiate, finalize, and execute a master pre-development agreement relating to the Atherton project. VP Young highlighted the major terms of the agreement and benefits to UH. Part of the agreement would include eventual termination of the existing UH lease and sub-leases of the property although UH would still be involved in activities relating to the development and eventual use of the property.

**Action:** The committee recommended board approval of authorization and delegation of authority to negotiate, finalize, and execute a master pre-development agreement among the various parties related to the Atherton property, with one member excused.

D. Recommend Board Approval of Amendment to Fiscal Year (FY) 2020 Capital Improvement Project (CIP) Expenditure Plan to include Komohana Research and Extension Center (Komohana Center) Project

Summary of November 5, 2020 Meeting

VP Gouveia provided background on the Komohana Center in Hilo. Following previous renovations, a number of deficiencies caused roof leakage resulting in damage to the buildings and its contents and have caused some mold growth. As a result, reroofing and interior repairs were sought and the cost was initially under the threshold for board approval. However, additional work was required that increased the scope and proposed cost of the project in excess of the authority delegated to Administration, requiring a change in the FY 2020 CIP expenditure plan to include the Komohana Center project.

**Action:** The committee recommended board approval of the amendment to the FY 2020 CIP expenditure plan to include the Komohana Center project.

#### E. Recommend Board Approval of the Fiscal Biennium (FB) 2021-2023 CIP Budget:

1. Recommend Board Approval of the FB 2021-2023 CIP Budget Request for Submittal to the Governor and Legislature

#### 2. 6-Year CIP Plan Update

VP Gouveia provided an overview of the update to the 6-year CIP plan and CIP biennium budget request, highlighting historical appropriations compared to the deferred maintenance backlog and challenges in predicting future space utilization given current reduction in campus presence due to the pandemic and the need to right-size programs in the future because of the anticipated budget crisis. The CIP biennium budget request is intended to prioritize health and safety and strategic projects that align with UH's mission and priorities and being cognizant of fiscal constraints. VP Gouveia briefly outlined the projects included in the request.

**Action:** The committee recommended board approval of the FB 2021-2023 CIP biennium budget request, with two members excused.

- F. University of Hawai'i Space Utilization Update
- G. FY 2020-2021 1st Quarter CIP Status Report as of September 30, 2020
- H. University Land-Related Strategic Initiatives and Partnerships Program FY 2020-2021 1st Quarter Update

These items were deferred due to time constraints.

#### Agenda Items:

### A. University of Hawai'i Research: Overview of Ocean Sciences by Dr. David Karl, Director of the Center for Microbial Oceanography Research and Education (C-MORE)

Dr. David Karl provided a historical perspective on the evolution and growth of the discipline of ocean sciences and research at the university, highlighting the origins of the oceanography program and its establishment as a major research theme of the university, as well as the evolution of the university into the premier authority on oceanography and ocean and marine research in the world. He noted some of the major benchmarks in the development of oceanography as a field of study at the university including the creation of a marine council, which lead to the establishment of the School of Ocean and Earth Science and Technology (SOEST) in 1988, the founding of C-MORE in 2006, and the building of C-MORE Hale, which is a state-of-the-art science and technology center that houses world-class laboratories and supports comprehensive ocean research. The economic benefits of research were also touted with Dr. Karl stating that hundreds of millions in extramural funding are received by the university annually for its research related activities.

#### B. Research Corporation of the University of Hawai'i (RCUH): A Historical Overview

VP Syrmos provided a historical overview of RCUH, the rationale for its creation in 1965, its organizational structure, the work it has performed over the years, and its importance with regard to extramural funding at the university. He noted that the establishment of RCUH was intended to facilitate the university's rapid and extensive entry into basic and applied research efforts and programs by providing greater financial flexibility and streamlining operational and procurement processes to allow for research activities to be conducted in a timely fashion.

Vice-Chair Sullivan requested follow-up information regarding RCUH software expenditures, retirement benefits, and salary. RCUH Executive Director Leonard Gouveia, Jr. agreed to provide the requested information.

#### C. Fiscal Year (FY) 2020-2021 1st Quarter Extramural Awards Update

Due to time constraints, Regent Bal requested VP Syrmos to provide an update on extramural awards received by the university for both the 1st and 2nd quarters of FY 2020–2021 at the committee's next meeting. However, it was noted that, to date, the university has received \$250 million in extramural awards, which is approximately 10 percent higher than the same period last year.

# Item VI.F. Affiliate Reports

## NO MATERIALS ORAL REPORTS



# University of Hawai'i Operating Budget for Fiscal Year 2020-2021

November 4, 2020 Committee on Budget and Finance



- As a result of the COVID-19 global pandemic and economic downturn, total revenues for all fund types are projected to decrease by -\$60.7 million (-5.8%) as compared to FY20 actual revenues.
- Projected expenditures and transfers decrease by -\$7.8 million (-0.8%) as compared to FY20 actual expenditures.
- The result is a Net Operating Income (Revenues less Expenditures) of -\$14.2 million (loss) as compared to a \$38.7 million gain for FY20. The operating loss is primarily in Other Special Funds (-\$38.2 million).



- Budget execution instructions put forth by the Governor in Executive Memorandum No. 20-08 (dated Sept. 14) restrict 10% of the discretionary budget of UH for the first two quarters of FY21. Annualizing this assumption represents a large shift from the earlier presentation:
  - -10% -16% Restriction on discretionary General Fund appropriations by State B&F/Governor
  - -5% Reduction in Tuition & Fees Special Fund (TFSF) Revenues with a few exceptions (Hilo DKICP and Community Colleges)
  - Flat revenue for Research and Training Revolving Fund (RTRF)
- No use of TFSF reserves.
- Only Executive/Managerial (EM) pay reduction in this spending plan. No furloughs or other salary reductions.



# Total FY21 Operating Budget Request

Revenues	<u>Mānoa</u>		<u>Hilo</u>	<u>West Oʻahu</u>		<u>CCs</u>	Sys Support	<u>Total</u>
General Fund	\$ 252,839,614	\$	38,021,457	\$	18,047,872	\$ 150,468,316	\$ 55,771,102	\$ 515,148,361
TFSF	\$ 206,107,415	\$	30,888,533	\$	16,560,000	\$ 54,585,497	\$ 1,178,928	\$ 309,320,373
RTRF	\$ 32,513,608	\$	2,388,217	\$	367,653	\$ 1,504,078	\$ 15,343,692	\$ 52,117,248
Other Special Funds	\$ 62,478,697	\$	4,915,977	\$	54,558	\$ 14,524,272	\$ 4,638,500	\$ 86,612,004
Other Revolving Funds	\$ 15,938,528	\$	1,500,047	\$	717,911	\$ 987,426	\$ 1,338,172	\$ 20,482,084
Appropriated Federal	\$ 4,954,277	\$	291,557	\$	100,000	\$ 2,867,849	\$ 656,000	\$ 8,869,683
Total	\$ 574,832,139	\$	78,005,788	\$	35,847,994	\$ 224,937,438	\$ 78,926,394	\$ 992,549,753
Expenditures + Xfers	<u>Mānoa</u>		<u>Hilo</u>		<u>West Oʻahu</u>	<u>CCs</u>	Sys Support	Total
General Fund	\$ 252,839,614	\$	38,021,457	\$	18,047,872	\$ 150,468,316	\$ 55,771,102	\$ 515,148,361
TFSF	\$ 197,540,802	\$	30,888,533	\$	16,134,638	\$ 45,545,266	\$ 922,129	\$ 291,031,368
RTRF	\$ 29,452,859	\$	2,669,755	\$	367,653	\$ 1,504,078	\$ 11,581,142	\$ 45,575,487
Other Special Funds	\$ 99,321,308	\$	7,055,471	\$	608,673	\$ 14,524,272	\$ 3,319,263	\$ 124,828,987
Other Revolving Funds	\$ 15,980,922	\$	2,320,299	\$	787,210	\$ 987,426	\$ 1,251,849	\$ 21,327,706
Appropriated Federal	\$ 4,954,277	\$	291,557	\$	100,000	\$ 2,867,849	\$ 656,000	\$ 8,869,683
Total	\$ 600,089,782	\$	81,247,072	\$	36,046,046	\$ 215,897,207	\$ 73,501,485	\$ 1,006,781,592



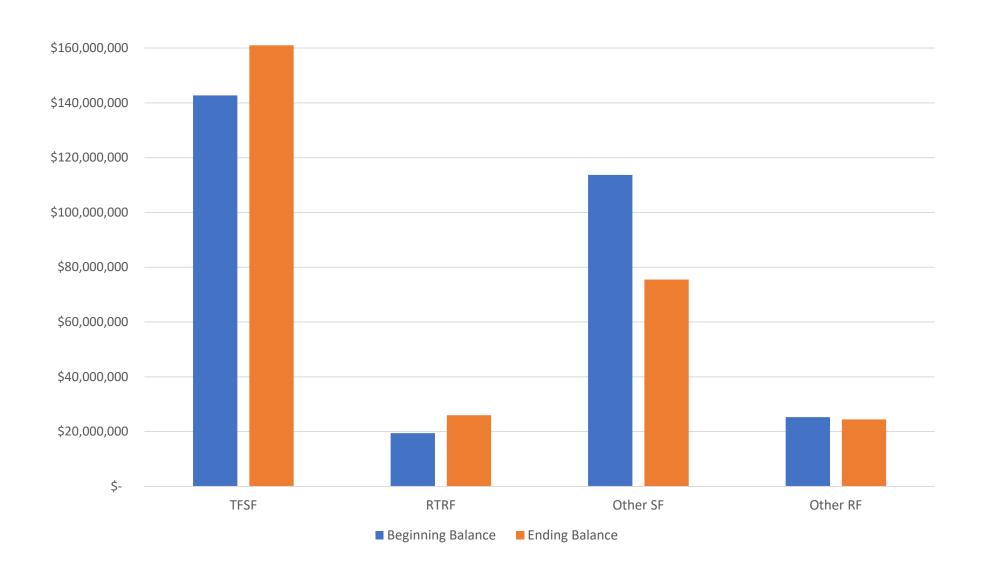
# Reserve Balances and Net Operating Income

	GF	TFSF	RTRF	Other SF	Other RF	Fed Funds	Total
Beginning Balance	\$ -	\$ 142,717,876	\$ 19,433,763	\$ 113,699,572	\$ 25,299,136	\$ (208,308)	\$ 300,942,039
Rev less Exp (recur)	\$ -	\$ 23,703,640	\$ 6,855,970	\$ (35,098,475)	\$ 647,525	\$ -	\$ (3,891,340)
One-Time Exp	\$ -	\$ 5,414,635	\$ 314,210	\$ 3,118,507	\$ 1,493,147	\$ -	\$ 10,340,499
<b>Ending Balance</b>	\$ -	\$ 161,006,881	\$ 25,975,523	\$ 75,482,590	\$ 24,453,514	\$ (208,308)	\$ 286,710,200
16% Target	n/a	\$ 128,245,420	\$ 7,292,078	\$ 19,972,638	\$ 3,412,433	n/a	\$ 158,922,569

- Total Net Operating Income (Revenues less Expenditures) shows a loss of -\$3.9 million across all funds, in addition to \$10.3 million of one-time expenditures.
- Despite the sizable operating loss in Other Special Funds, there is still a sufficient fund balance above the -16% target.



# Fund Balances: Beginning and Forecasted Ending, FY21



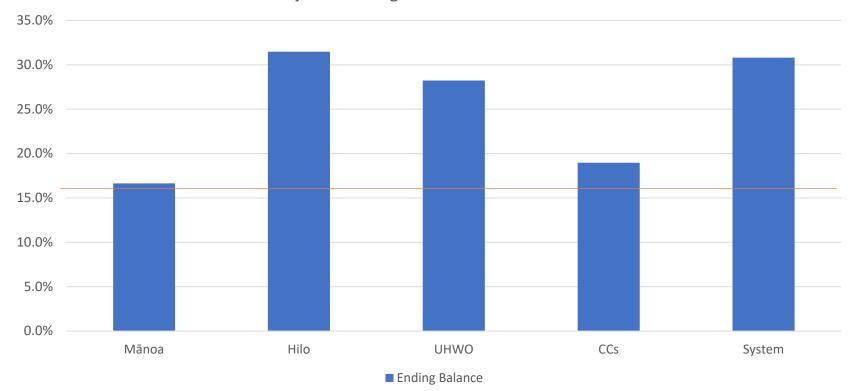


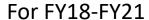
## TFSF Gains and Fund Balances

Campus	Mānoa	Hilo		We	est Oʻahu	CCs	Sys	Support	Total
TFSF Gain (Loss)	\$ 8,566,613	\$	0	\$	425,362	\$ 9,040,231	\$	256,799	\$ 18,289,005

No campuses are currently projected to use TFSF reserves this fiscal year.

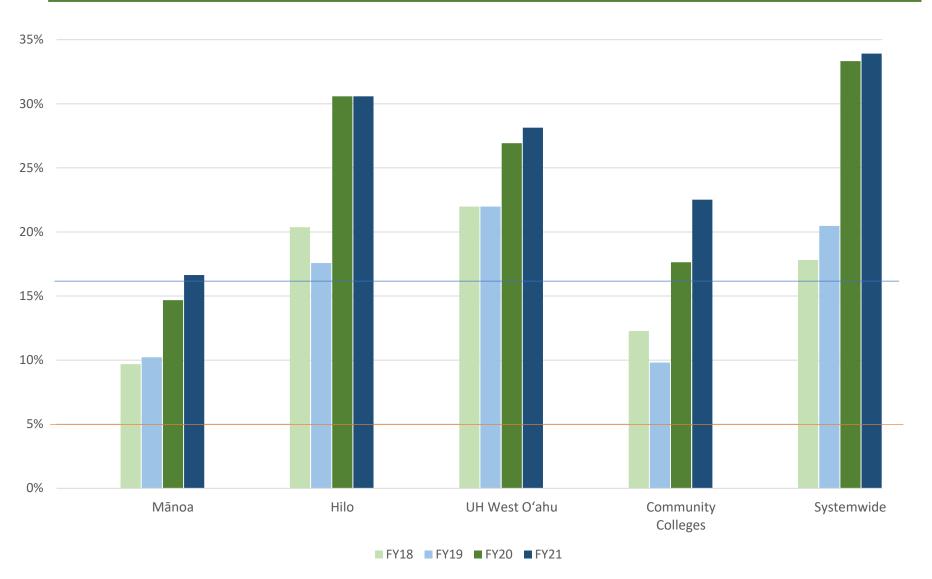








## TFSF Reserve Levels by Campus





## FY21 Budget vs. FY20 Actual

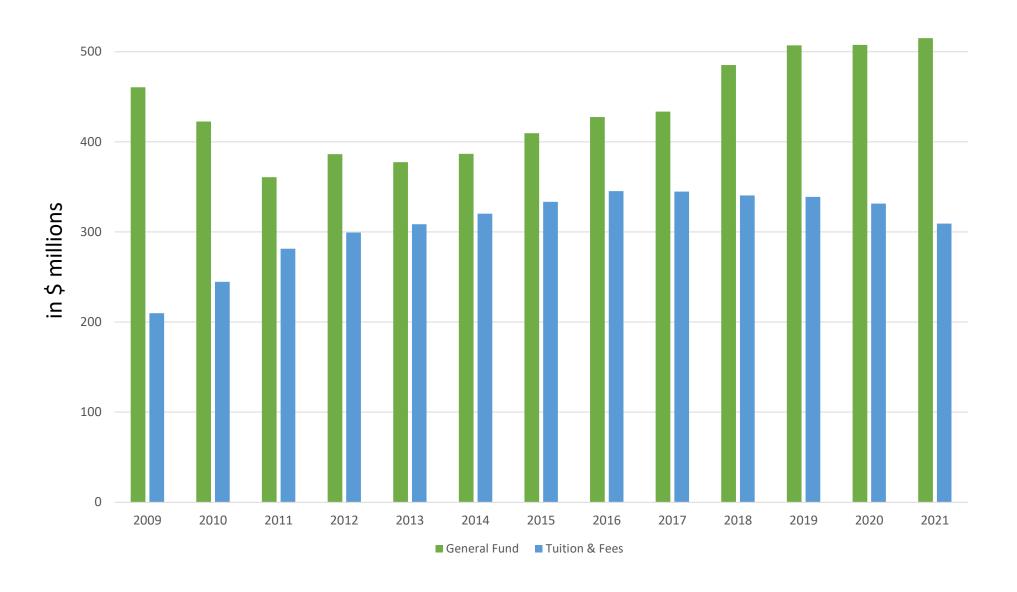
		Revenues		Expendit	ures & Net T	ransfers	Rev less	Exp/Trf
Type of Fund	FY21 Proj.	FY20 Act.	Diff	FY21 Proj.	FY20 Act.	Diff	FY21 Proj.	FY20 Act.
General Funds	\$515.1	\$507.6	\$7.5	\$515.1	\$507.6	\$7.6	\$0.0	\$0.1
Tuition & Fees	\$309.3	\$331.4	(\$22.0)	\$291.0	\$295.0	(\$3.9)	\$18.3	\$36.4
RTRF	\$52.1	\$51.9	\$0.2	\$45.6	\$53.6	(\$8.0)	\$6.5	(\$1.6)
Other Special Funds	\$86.6	\$120.9	(\$34.3)	\$124.8	\$117.5	\$7.3	(\$38.2)	\$3.4
Other Revolving Funds	\$20.5	\$31.9	(\$11.4)	\$21.3	\$31.5	(\$10.2)	(\$0.8)	\$0.4
<b>Appropriated Federal Funds</b>	\$8.9	\$9.6	(\$0.7)	\$8.9	\$9.5	(\$0.6)	\$0.0	\$0.1
Total	\$992.5	\$1,053.3	(\$60.7)	\$1,006.8	\$1,014.6	(\$7.8)	(\$14.2)	\$38.7

in \$ millions

- Projected FY21 revenues are significantly lower than actual FY20 in nearly all fund types.
- Projected FY21 expenditures are lower than actual FY20 expenditures, but not of the same magnitude as the revenue decline.
- FY21 projects a loss of -\$14.2 million across all fund types, compared to the \$38.7 million gain in FY20.



# General Fund and TFSF Revenues for FY09-FY21





	General Fund	<u>TFSF</u>	<u>RTRF</u>	Other Special	0	ther Revolving	<u>Fed Funds</u>	<u>Total</u>
Revenues	\$ 252,839,614	\$ 206,107,415	\$ 32,513,608	\$ 62,478,697	\$	15,938,528	\$ 4,954,277	\$ 574,832,139
Expenditures	\$ 252,839,614	\$ 145,560,880	\$ 26,352,727	\$ 134,637,834	\$	15,649,752	\$ 4,954,277	\$ 579,995,084
Net Transfers	\$ -	\$ 51,979,922	\$ 3,100,132	\$ (35,316,526)	\$	331,170	\$ -	\$ 20,094,698
Rev less Exp/Trf	\$ -	\$ 11,645,778	\$ 3,374,959	\$ (35,392,715)	\$	530,501	\$ -	\$ (19,841,476)
One-Time Exp		\$ 3,079,165	\$ 314,210	\$ 1,449,896	\$	572,895		\$ 5,416,166

- TFSF projected to have a \$11.6 million gain (including \$3.1 million in one-time expenditures).
- Other Special and Revolving Fund operations such as Bookstore, Parking, Student Activities, Athletics, and Student Housing will see significant revenue decreases but must maintain services.
  - Reserves are adequate for the current FY but continued revenue shortfalls are not sustainable for the long term.



	General Fund	<u>TFSF</u>	<u>RTRF</u>	Other Special	Other Revolving	<u>Fed Funds</u>	<u>Total</u>
Revenues	\$ 38,021,457	\$ 30,888,533	\$ 2,388,217	\$ 4,915,977	\$ 1,500,047	\$ 291,557	\$ 78,005,788
Expenditures	\$ 37,343,067	\$ 22,924,524	\$ 2,730,855	\$ 12,519,456	\$ 2,320,299	\$ 291,557	\$ 78,129,758
Net Transfers	\$ 678,390	\$ 7,964,009	\$ (61,100)	\$ (5,463,985)	\$ -	\$ -	\$ 3,117,314
Rev less Exp/Trf	\$ -	\$ 2,335,470	\$ (281,538)	\$ (800,883)	\$ -	\$ -	\$ 1,253,049
One-Time Exp	\$ -	\$ 2,335,470		\$ 1,338,611	\$ 820,252	\$ -	\$ 4,494,333

- TFSF projected to operate at break-even for FY21 although this includes \$2.3 million of one-time expenditures.
- Other Special Funds revenue decrease primarily due to Student Housing decline, although theater ticket sales, athletic events, food concessions, and facilities use are also declining.



	General	Fund	<u>TFSF</u>	RTRF	Other Special	_C	ther Revolving	F	ed Funds	<u>Total</u>
Revenues	\$ 18,047	7,872	\$ 16,560,000	\$ 367,653	\$ 54,558	\$	717,911	\$	100,000	\$ 35,847,994
Expenditures	\$ 18,348	3,857	\$ 9,513,414	\$ 367,653	\$ 2,968,673	\$	787,210	\$	100,000	\$ 32,085,807
Net Transfers	\$ (300	,985)	\$ 6,621,224	\$ -	\$ (2,360,000)	\$	-	\$	-	\$ 3,960,239
Rev less Exp/Trf	\$	-	\$ 425,362	\$ -	\$ (224,115)	\$	30,701	\$	-	\$ 231,948
One-Time Exp					\$ 330,000	\$	100,000			\$ 430,000

- TFSF Revenue projected to decrease by
   -\$1.1 million (-6.5%) as a result of higher than usual uncollected balances.
- Other Special Funds revenue is projected to decline by -\$252,355 (-82%) as a result of decreased utilization. Additionally, there are one-time expenditures for urgent repair, replacement, and maintenance projects.



## Community Colleges

	General Fund	<u>TFSF</u>	RTRF	_(	Other Special	_(	Other Revolving	Fed	<u>Funds</u>		<u>Total</u>
Revenues	\$ 150,468,316	\$ 54,585,497	\$ 1,504,078	\$	14,524,272	\$	987,426	\$ 2,8	67,849	\$ 2	24,937,438
Expenditures	\$ 151,477,974	\$ 40,342,753	\$ 1,470,078	\$	13,935,285	\$	987,426	\$ 2,8	67,849	\$ 2	11,081,365
Net Transfers	\$ (1,009,658)	\$ 5,202,513	\$ 34,000	\$	588,987	\$	-	\$	-	\$	4,815,842
Rev less Exp/Trf	\$ -	\$ 9,040,231	\$ -	\$	-	\$	-	\$	-	\$	9,040,231
One-Time Exp	\$ -	\$ -	\$ -	\$	-	\$	-	\$	-	\$	-

- TFSF Revenues are projected to decline by
   -\$5.7 million (-9.5%) due to declines in enrollment, especially non-residents.
- Other Special Fund Revenues projected to decrease by -\$2.4 million (-14.1%) as a result of decline in non-credit instruction, summer, and other auxiliary services.



# Systemwide Administration

	<u>_G</u>	ieneral Fund	<u>TFSF</u>	<u>RTRF</u>	_(	Other Special	<u>_C</u>	Other Revolving	_F	ed Funds	<u>Total</u>
Revenues	\$	55,771,102	\$ 1,178,928	\$ 15,343,692	\$	4,638,500	\$	1,338,172	\$	656,000	\$ 78,926,394
Expenditures	\$	50,492,997	\$ 8,640,076	\$ 16,867,854	\$	8,692,987	\$	1,526,451	\$	656,000	\$ 86,876,365
Net Transfers	\$	5,278,105	\$ (7,717,947)	\$ (5,286,712)	\$	(5,373,724)	\$	(274,602)	\$	-	\$ (13,374,880)
Rev less Exp/Trf	\$	-	\$ 256,799	\$ 3,762,550	\$	1,319,237	\$	86,323	\$	-	\$ 5,424,909
One-Time Exp	\$	-	\$ -	\$ -	\$	-	\$	-	\$	-	\$ -

• TFSF Revenues for Systemwide are projected to decline by -\$1 million (-46%) as a result of decreased interest income due to low market interest rates.



- Review and Acceptance today, pursuant to Committee input
- Review and Acceptance by full Board at its November 19<sup>th</sup> meeting
- Quarterly Financial Reports to monitor revenues and expenditures
- Additional guidance from Governor and State B&F for the last two quarters of FY21



# Fiscal Year 2020-2021 Operating Budget

November 2020

#### **Introduction and Context**

University of Hawai'i (UH) Board of Regents (BOR) Policy 8.204 requires the UH Administration to present an operating budget, or expenditure plan, each year for approval. Recognizing the extraordinary situations currently facing UH, this spending plan contains the framework, assumptions, and actions being taken to respond to and prepare for these unprecedented circumstances and the expectation of more changes 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 remainder is in other special and revolving funds, such as auxiliaries. The State appropriation for General Funds for Fiscal Year 2020-21 (FY21) is slightly more than for FY20, primarily to account for negotiated and appropriated collective bargaining increases.

The expenditure plan is based on the following key assumptions:

- A 10% restriction on the <u>discretionary</u> 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 assumption is based on the budget execution instructions put forth by the Governor and State B&F in Executive Memorandum No. 20-08 which placed a 10% restriction on discretionary General Funds for the first two quarters of the fiscal year.
- A 5% reduction in Tuition and Fees Special Fund (TFSF) Revenue. This follows a
  general but modest downward trend in enrollment and is a conservative
  approach that recognizes the higher than usual outstanding balance on tuition
  billed
- No use of TFSF reserves. Every campus is currently projected to end FY21 with a TFSF fund balance equal or greater than what the balance was at the beginning of the fiscal year.
- No furloughs or pay reductions, outside of a planned reduction of at least 9.23% for all executive-managerial (EM) employees. It is assumed that if additional furloughs are implemented, the savings will be "swept back" by the State.
- At this time, we assume that the CARES Higher Education Emergency Relief
  Funds (HEERF) have no impact on the fundamental operating budget. We also
  assume that they are sufficient to address all direct costs associated with the
  COVID-19 pandemic such as physical distancing modifications, cleaning supplies,
  PPE, additional health care costs, and technology costs for virtual education.
- Although both the U.S. Senate and House proposed stimulus bills include substantial additional funding for higher education, we make no assumption that the two chambers and the White House will come to agreement and appropriate additional funds beyond the CARES Act.

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# **OVERVIEW**

In aggregate across the entire UH System, the FY21 Budget operating budget is forecasted to include \$992,549,753 in revenues against \$1,006,781,592 in expenditures and transfers. As a result, a net fiscal operating deficit of \$14,231,839 across all fund types for FY21 is projected across the UH System of campuses.

As a result of the ongoing COVID-19 pandemic and the economic downturn, FY21 revenues across all fund types are projected to decline by \$60.7 million, or 5.8%, as compared to actual FY20 collections. Interim budget execution policies have been issued by the Governor and State Department of Budget and Finance (State B&F) and impose a 10% restriction on *discretionary* spending from the General Fund for Quarters 1 and 2 of the current fiscal year. This spending plan annualizes this, resulting in a 10% restriction on the discretionary General Fund appropriation to UH. As compared to actual FY20 General Fund allocations received by the UH, this represents a \$7.5 million increase, primarily due to collective bargaining.

Additionally, revenues for the Tuition and Fees Special Fund (TFSF) are projected to decline by \$22.0 million, or 6.7% of actual FY20 collections. This decrease is not correlative with enrollment, but is a conservative estimate given the uncertainty caused by a larger than usual outstanding balance on collections. Other Special Funds and Other Revolving Funds are also seeing declines of 28.4% and 35.7%, respectively, primarily due to reduced utilization of oncampus facilities and other activities as a direct result of the pandemic.

FY21 operating expenditures, transfers, and one-time expenditures are projected to decrease by \$7.8 million, or 0.8%, as compared to FY20 actual expenditures.

A net operating loss of \$14.2 million across all fund types is projected for FY21. Of that amount, \$10.3 million is attributable to one-time expenditures, leaving \$3.9 million as an ongoing deficit. TFSF is projected to have a \$18.3 million gain (of which \$5.4 million is one-time expenditures) and Other Special Funds will have a \$38.2 million loss (of which \$3.1 million is one-time).

Despite these losses, fund balances are still above or near target levels (16% of expenditures) pursuant to Board Policy (BP) 8.203. However, these losses are not sustainable for the expected duration of the economic downturn. Additionally, there is considerable uncertainty in the General Fund allocation, the UH's largest source of revenue.

#### MANAGING EXPENDITURES

Recognizing the direction of the economy early in the pandemic crisis, UH was the first State organization to implement a freeze on significant expenditures. That freeze has been extended and currently applies to the following expenditure using non-extramural funding:

- Freeze on hiring in regular positions (Exception allowable by only the President)
- Freeze on faculty Special Salary Adjustments (SSAs) and staff Special Compensation Adjustments (SCAs) (Exceptions only by President)
- Freeze of significant non-personnel spending: out-of-state travel, major equipment, service contracts (Exceptions allowable by only the President)
- Freeze on interisland travel (Exceptions allowable by a UH Officer)

Other key actions taken to reduce expenditures during FY21 include:

- Reduction in hiring of lecturers an non-permanent personnel
- Work to develop a retirement incentive program for employees
- Pay reductions of at least 9.23% for Executive/Managerial (E/M) employees effective November 1, 2020

All units have operating reserves in their TFSF funds that by the end of FY21 are projected to exceed the 16% target set forth in current Regents Policy. Although this may change as greater clarity about the release of General Funds continues through the fiscal year, at this time UH plans to not use TFSF reserves during FY21 so that they may remain available to help UH through the even more difficult years expected ahead. They must also be available to address the possibility of additional unanticipated emergencies.

The primary goals of this FY21 expenditure plan are to:

- Reduce the "burn rate" tactically in a manner that maintains critical services and supports health and safety while work is underway for strategic rightsizing in FY22 and beyond.
- Preserve or increase TFSF operating reserves for the increasingly challenging fiscal years ahead when reserves may be an essential bridge through the rightsizing process.
- To the extent possible, continue to make investments in programs underway to generate new and additional revenue including strategic enrollment management, new online learning programs, and targets of opportunity for increasing research productivity, and monetization of real estate.
- Stabilize as much as possible those auxiliary and similar self-funded programs for pandemic-reduced levels of revenue and position them for return to a post-pandemic "new normal."

#### **BUDGET HIGHLIGHTS BY CAMPUS**

# <u>Mānoa</u>

TFSF is projecting a \$11.6 million gain. Campus auxiliary operations such as bookstore, parking, athletics, student activities, and student and faculty housing will be negatively affected due to the anticipation of fewer people on campus (students, employees, and visitors), and the revenues from customer facing operations are expected to decline. The largest decreases are projected to occur in Athletics and Student Housing.

#### Hilo

TFSF is projected to break even this year, although there are one-time expenditures totaling \$2.3 million which will not be ongoing. Other Special Fund revenue is projected to decrease by 40% and Revolving Fund revenue is projected to decrease by 21% when compared with actual FY20 revenue. These declines are due to a projected decrease in hall capacity and the decline in the number of students being physically on campus and overall decrease in enrollment, resulting in fewer customers being served.

# West O'ahu (UHWO)

TFSF revenue is projected to decrease by \$1.1 million (6.5%) this fiscal year although after expenditures are accounted for, UHWO is projecting a gain of \$425,362. Revenues for Other Special Funds and Other Revolving Funds are also projected to decrease.

# **Community Colleges**

Although enrollment is currently declining, it is expected that as the economic downturn continues, unemployed adults will retrain to meet the needs of the new economy and that enrollment and TFSF revenue will rebound in the near future. Additionally, Other Special Fund revenue projections show a decrease of \$2.4 million, or 14.1%, primarily as a result of the challenge of providing short-term workforce training and community enrichment programs that are traditionally hands-on and provided face-to-face as well as the dramatic decrease in services provided to students and the community at-large, like food service and facilities use programs.

# Systemwide Administration (System)

System's TFSF revenue does not come from student tuition but rather from various fees and interest income and is considerably smaller than campus TFSF revenue. Additionally, \$7.9 million (14.2%) of System's General Fund appropriations are either transferred to or spent on behalf of the campuses.

#### **SYSTEMWIDE REVENUES**

Type of Fund	FY21 Projected	FY20 Actual	FY21 Proj. vs. FY20 Actual	%age
General Funds	\$515,148,361	\$507,642,005	\$7,506,356	1.5%
Tuition & Fees	\$309,320,373	\$331,369,372	(\$22,048,999)	-6.7%
RTRF	\$52,117,248	\$51,935,969	\$181,279	0.3%
Other Special Funds	\$86,612,004	\$120,909,630	(\$34,297,626)	-28.4%
Other Revolving Funds	\$20,482,084	\$31,851,742	(\$11,369,658)	-35.7%
Appropriated Federal Funds	\$8,869,683	\$9,588,626	(\$718,943)	-7.5%
Total Revenues	\$992,549,753	\$1,053,297,344	(\$60,747,591)	-5.8%

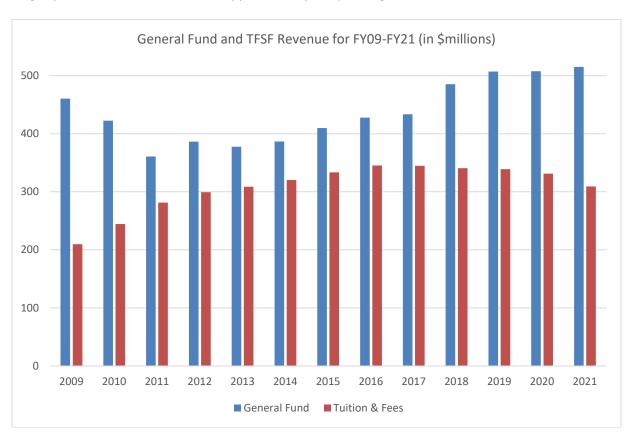
Type of Fund	FY20 Actual	FY20 Projected	FY20 Actual vs. FY20 Proj.	%age
General Funds	\$507,642,005	\$511,792,777	(\$4,150,772)	-0.8%
Tuition & Fees	\$331,369,372	\$333,619,992	(\$2,250,620)	-0.7%
RTRF	\$51,935,969	\$52,091,267	(\$155,298)	-0.3%
Other Special Funds	\$120,909,630	\$127,126,152	(\$6,216,522)	-4.9%
Other Revolving Funds	\$31,851,742	\$33,737,349	(\$1,885,607)	-5.6%
Appropriated Federal Funds	\$9,588,626	\$9,093,952	\$494,674	5.4%
Total Revenues	\$1,053,297,344	\$1,067,461,489	(\$14,164,145)	-1.3%

Compared to FY20 actual revenues, FY21 revenues are projected to decline by \$60.8 million, or 5.8%. Other Special and Other Revolving Funds have the largest percentage declines, a result of declining utilization.

TFSF revenues are projected to decline by \$22.0 million, or 6.7%, as compared to FY20 actual collections. The Research and Training Revolving Fund (RTRF) is showing a very modest increase in revenues of 0.3%.

# **Historic Revenues for General Fund and Tuition**

The following chart shows historic revenues for FY09 through FY20 and projected revenues for FY21 for General Fund and TFSF. The range was selected to show the previous "high" prior to the Great Recession approximately ten years ago:



There is considerable uncertainty in the General Fund appropriation level. However, this was the best estimate that could be made at the time of the preparation of this spending plan. Significant changes to the General Fund revenue will necessitate a revision of this plan.

## SYSTEMWIDE EXPENDITURES

Expenditures	FY21 Projected	FY20 Actual	FY21 Proj. vs. FY20 Actual	%age
General Funds	\$510,502,509	\$507,573,095	\$2,929,414	0.6%
Tuition & Fees	\$226,981,647	\$240,341,858	(\$13,360,211)	-5.6%
RTRF	\$47,789,168	\$50,692,293	(\$2,903,125)	-5.7%
Other Special Funds	\$172,754,235	\$166,321,236	\$6,432,999	3.9%
Other Revolving Funds	\$21,271,138	\$31,307,686	(\$10,036,548)	-32.1%
Appropriated Federal Funds	\$8,869,683	\$9,452,213	(\$582,530)	-6.2%
Total Expenditures	\$988,168,380	\$1,005,688,381	(\$17,520,001)	<b>-1.7</b> %

Expenditures	FY20 Actual	FY20 Projected	FY20 Actual vs. FY20 Proj.	%age
General Funds	\$507,573,095	\$508,792,777	(\$1,219,682)	-0.2%
Tuition & Fees	\$240,341,858	\$281,732,359	(\$41,390,501)	-17.2%
RTRF	\$50,692,293	\$50,396,965	\$295,328	0.6%
Other Special Funds	\$166,321,236	\$203,338,817	(\$37,017,581)	-22.3%
Other Revolving Funds	\$31,307,686	\$38,673,086	(\$7,365,400)	-23.5%
Appropriated Federal Funds	\$9,452,213	\$8,624,485	\$827,728	8.8%
Total Expenditures	\$1,005,688,381	\$1,091,558,489	(\$85,870,108)	-8.5%

FY21 operating expenditures are projected to decrease by \$17.5 million, or 1.7% as compared to actual FY20 expenditures. The decline is the result of decreasing expenditures in most fund types. General Fund expenditures increase to match the allocation, as there is no "carry forward" for unspent General Funds. Other Special Fund expenditures are increasing primarily due to one-time expenditures.

It is important to note that these reductions do not assume any furloughs or salary decreases, outside of a planned reduction in the salaries for Executive/Managerial (EM) positions. Outside of this, personnel expenditures are assumed to continue at the rates most recently negotiated through the collective bargaining process.

# **SYSTEMWIDE NET OPERATING INCOME**

Revenues less expenditures produce the Net Operating Income for the UH. For FY21, there is a projected total loss of \$14.2 million across all fund types. These amounts include one-time expenditures totaling \$10,340,499 for the entire System.

Net Operating Income	FY21 Projected
General Funds	\$0
Tuition & Fees	\$18,289,005
RTRF	\$6,541,760
Other Special Funds	(\$38,216,982)
Other Revolving Funds	(\$845,622)
Appropriated Federal Funds	\$0
Total NOI	(\$14,231,839)

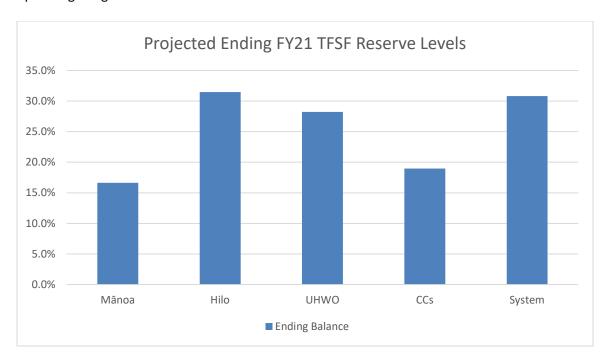
One-Time Expenditures	FY21 Projected
Tuition & Fees	\$5,414,635
RTRF	\$314,210
Other Special Funds	\$3,118,507
Other Revolving Funds	\$1,493,147
Total One-Time Expenditures	\$10,340,499

Even with the large operating loss, fund balances across the UH are sufficient in the short-term to continue services. However, without serious curtailment of this operating loss, fund balances will run out in a few years.

Net Operating Income (All)	FY21 Projected
Net Operating Income	(\$14,231,839)
Beginning Balance	\$300,942,039
Ending Balance	\$286,710,200
Other Reserve Requirements (R&R, Bond, RTRF Commitments)	\$ 30,079,944
Revised Ending Balance	\$256,630,256
Reserve Requirement (5% Minimum)	\$49,663,303
Balance Above Minimum Reserve After Adjustments	\$206,966,953

#### TFSF RESERVE LEVELS

TFSF reserve levels remain relatively healthy, with all campuses projected to finish FY21 above the 16% target. However, it is important to note that these fund balances are the result of cash preservation strategies taken in the latter part of FY20 and that even with these cost reductions, reserve levels will deplete rapidly if current spending continues for several more years. Additionally, TFSF reserve levels are highly dependent on the availability of General Fund resources, as these two fund (General Fund and TFSF) make up a significant majority of UH's operating budget.



Campus	FY21 Ending	Held at System		
Mānoa	\$ 72,915,578	\$	-	
Hilo	\$ 21,464,143	\$	3,409,435	
UHWO	\$ 9,881,813	\$	1,750,292	
CCs	\$ 41,729,595	\$	11,006,261	
System	\$ 15,015,751	\$	2,436,177	
Total	\$ 161,006,880	\$	18,602,165	

# **ENROLLMENT**

Across all UH campuses, Fall 2020 enrollment appears to be 0.8% below Fall 2019 numbers. The trend is mixed, however with Mānoa and West Oʻahu showing gains while Hilo and the Community Colleges have declines. In prior economic downturns, enrollment would increase as job opportunities became scarce or newly unemployed would seek retraining. Although still early in this economic cycle, this trend bears watching.

Additionally, the mix of students appears to be changing as there are fewer international and non-resident students and more resident students. As a result, even with

enrollment increases at certain campuses, that may not translate to increased tuition revenues at those campuses.

Finally, there is uncertainty with TFSF revenues as the amount uncollected at this point in the year is considerably larger than in prior years. Currently there is approximately \$15 outstanding, whereas in a typical year, there is less than \$1 million. This balance will be monitored throughout the fiscal year.

<u>Campus</u>	<u>Mānoa</u>	<u>Hilo</u>	West Oʻahu	<u>CCs</u>	<u>Total</u>
% change	3.1%	-6.1%	3.9%	-3.2%	-0.8%

# **CARES ACT**

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, was signed into law by President Donald Trump in March 2020. The UH received this funding in three tranches as indicated below:

Campus	Tranche 1	Tranche 2	Tranche 3	Total	
UH Mānoa	\$ 5,504,934	\$ 5,504,933	\$ 9,566,804	\$ 20,576,671	
UH Hilo	\$ 1,497,363	\$ 1,497,362	\$ 2,691,303	\$ 5,686,028	
UH West Oʻahu	\$ 697,500	\$ 697,500	\$ 1,238,257	\$ 2,633,257	
Community Colleges	\$ 4,310,068	\$ 4,310,064	\$ 7,414,443	\$ 16,034,575	
Total	\$ 12,009,865	\$ 12,009,859	\$ 20,910,807	\$ 44,930,531	

Tranche 1 funds are 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 does not use CARES funding to address revenue shortfalls. UH is required by the federal government to complete spending by Spring 2021 and will use the funds appropriately and thoughtfully as clarity on UH's fiscal conditions increases throughout FY21.

#### CONCLUSION

Although this spending plan is considerably better than the one presented to the Board in September, there is also considerable uncertainty. The Governor and State B&F have only released the first half of the fiscal year's general fund allocations. Additionally, although enrollment is slightly below the prior year, there is also uncertainty because the balance outstanding is higher than in prior years.

While the current situation looks manageable, UH Administration will continue to monitor and will make changes to expenditures as may be necessary by revenue shifts. Additionally, quarterly financial reports to the Board will continue throughout the year.

# University of Hawai'i at Mānoa

# Introduction

The University of Hawai'i at Mānoa (UHM or "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. FY21 is positioned as a year of triage to get through crisis and uncertainty leaving the campus well-positioned for an implementation process beginning in FY22. This 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 \$574.8 million with projected expenditures of \$580.0 million. Discussion of the projected net operating loss follows presentation of the summary tables below. The TFSF is covered in a separate section following the discussion of all funds.

#### **ALL FUNDS**

# Revenues

Type of Fund	FY21 Projected	FY20 Actual	FY21 Proj. vs. FY20 Actual	%age
General Funds	\$252,839,614	\$252,633,991	\$205,623	0.08%
Tuition & Fees	\$206,107,415	\$217,655,124	(\$11,547,709)	-5.31%
RTRF	\$32,513,608	\$33,156,124	(\$642,516)	-1.94%
Other Special Funds	\$62,478,697	\$90,528,599	(\$28,049,902)	-30.98%
Other Revolving Funds	\$15,938,528	\$25,463,322	(\$9,524,794)	-37.41%
Appropriated Federal Funds	\$4,954,277	\$5,776,853	(\$822,576)	-14.24%
Total Revenues	\$574,832,139	\$625,214,013	(\$50,381,874)	-8.06%

Type of Fund	FY20 Actual	FY20 Projected	FY20 Actual vs. FY20 Proj.	%age
General Funds	\$252,633,991	\$252,615,982	\$18,009	0.0%
Tuition & Fees	\$217,655,124	\$220,228,416	(\$2,573,292)	(1.2%)
RTRF	\$33,156,124	\$31,593,816	\$1,562,308	4.9%
Other Special Funds	\$90,528,599	\$96,322,767	(\$5,794,168)	(1.1%)
Other Revolving Funds	\$25,463,322	\$28,014,441	(\$2,551,119)	(9.1%)
Appropriated Federal Funds	\$5,776,853	\$5,242,760	\$534,093	10.2%
Total Revenues	\$625,214,013	\$634,018,182	(\$8,804,169)	(1.4%)

When comparing the projected FY21 budget against FY20 actuals, revenue is expected to decrease by \$50.4 million. This is a result of reduced levels of tuition revenue and less revenue from special and revolving fund operations.

Tuition and fees are currently projected to decline approximately 5% from the prior year. Enrollment is up by approximately 3% for Fall 2020, and tuition charged for Fall has increased over the previous year. However, significant uncertainties regarding how much tuition will actually be collected remain to be resolved. First, the uncollected tuition amount for Fall is higher than in previous years; and second, the assumptions usually used to project Spring enrollment as a percentage of Fall enrollment may not hold true this academic year. The annual tuition revenue projection has therefore been held at 5% lower than FY20 until more information is available.

Other special and revolving operations include campus auxiliary operations such as bookstore, parking, athletics, student activities, and student and faculty housing. Due to the

anticipation of fewer people on campus (students, employees, and visitors), revenues from customer facing operations are expected to decline. The largest decreases are projected to occur in Athletics and Student Housing. Revenues for student activities are expected to decline in line with a potentially smaller student base. Lower revenues are also expected for associated functions such as division food services because of reduced traffic to food offerings. In addition, a change in the contract for food service causes other revolving revenues to appear significantly lower. In the past, food services collected revenue and recorded related operating expenditures. Under the new contract, they are moving to a proceeds basis which will cause the revenues (and concomitantly the expenditures) to seemingly decline.

# **Expenditures by Fund Type**

Expenditures	FY21 Projected	FY20 Actual	FY21 Proj. vs. FY20 Actual	%age
General Funds	\$252,839,614	\$252,579,965	\$259,649	0.1%
Tuition & Fees	\$145,560,880	\$156,202,324	(\$10,641,445)	-6.8%
RTRF	\$26,352,727	\$29,513,981	(\$3,161,254)	-10.7%
Other Special Funds	\$134,637,834	\$125,660,219	\$8,977,615	7.1%
Other Revolving Funds	\$15,649,752	\$25,661,645	(\$10,011,893)	-39.0%
Appropriated Federal Funds	\$4,954,277	\$5,633,645	(\$679,368)	-12.1%
Total Expenditures	\$579,995,084	\$595,251,779	(\$15,256,696)	-2.6%

Expenditures	FY20 Actual	FY20 Projected	FY20 Actual vs. FY20 Proj.	%age
General Funds	\$252,579,965	\$253,207,306	(\$627,341)	-0.2%
Tuition & Fees	\$156,202,324	\$173,361,289	(\$17,158,965)	-9.9%
RTRF	\$29,513,981	\$28,157,343	\$1,356,638	4.8%
Other Special Funds	\$125,660,219	\$158,904,785	(\$33,244,566)	-20.9%
Other Revolving Funds	\$25,661,645	\$31,841,092	(\$6,179,447)	-19.4%
Appropriated Federal Funds	\$5,633,645	\$4,773,293	\$860,352	18.0%
Total Expenditures	\$595,251,779	\$650,245,108	(\$54,993,329)	-8.5%

In comparison to FY20 actual expenditures, FY21 expenditures are projected to decrease by about 2.6%. While this appears to be a flat expenditure plan, in actuality there are adjustments to the spend plan in comparison to the prior year.

For General Funds, expenditures remain essentially flat in accordance with the projected general fund revenue amount. Built into the General Fund and TFSF personnel expenditure projections in this plan are the assumptions that: (1) current salaries will be augmented by negotiated collective bargaining increases; and (2) will not be reduced via Statenegotiated furloughs or other salary reductions. Neither of these assumptions are known to be valid at this time. EM salary reductions are included in the projected expenditure amounts.

TFSF expenditures on personnel will increase to cover projected collective bargaining increases that may not be fully funded (if at all) by the State. These personnel expenditure increases are offset in part by cost saving measures including the following:

- A strict freeze on all hiring across the Mānoa campus. This freeze will produce a
  savings to the campus of approximately \$10 million over all sources of funds. The
  freeze is producing significant disruption to many units, as it includes several senior
  executive positions (two deans, four major ORU directors, and at least one chaired
  professor) as well as numerous faculty and staff hires. The units have performed
  admirably in adjusting to the freeze, with faculty and staff stepping up to fill gaps in
  capacity in many management, instruction, and service activities.
- A 42% reduction in the budget for lecturers. This has been accomplished through a
  change in focus of teaching load assignments so that Mānoa can ensure that early
  year courses and courses required for graduation are given the highest priority.
  Again, the Deans, Chairs, and faculty have stepped up to contribute to success in
  this effort. This is projected to produce a savings to the Mānoa campus of
  approximately \$4.5 million primarily in tuition fund savings.
- A 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 VCAFO. It is estimated that over the course of
  FY21, the combination of the freeze plus identification of additional operating cost
  reductions will produce a savings to the Mānoa campus of approximately
  \$20 million across all fund sources.
- UHM leadership is continuing to work with the campus units to identify additional opportunities for cost savings during FY21.

Other Special Fund expenditures are expected to increase due to one-time repair and replacement costs. Some of these costs are spilled over from FY20 which were delayed due to the onset of the pandemic. Units are hopeful that these repair and replacement (R&R) costs can be executed during FY21. These represent planned expenditures from reserves for which the units have saved over a multi-year period via contributions to a repair and replacement reserve.

Other revolving expenditures are expected to decrease primarily due to the change in how division food services will receive revenues. In the past, revenue was collected and recorded as related operating expenditures. Under the new contract, movement to a proceeds basis will cause the expenditures to seemingly decline.

# **Expenditures by Category**

Expenditure Category	FY21 Projected	FY20 Actual	FY21 Proj. vs. FY20 Actual	%age
Regular Employee Payroll	\$383,703,863	\$375,611,577	\$8,092,286	2.2%
Lecturer Payroll	\$6,285,511	\$10,743,514	(\$4,458,003)	-41.5%
Student Help Payroll	\$9,245,759	\$10,513,169	(\$1,267,409)	-12.1%
Other Personnel	\$3,079,156	\$3,119,070	(\$39,913)	-1.3%
Subtotal Personnel	\$402,314,290	\$399,987,330	\$2,326,960	0.6%
Utilities	\$46,630,768	\$46,088,050	\$542,718	1.2%
Scholarships, Tuition	\$41,608,377	\$39,712,728	\$1,895,649	4.8%
Other Operating Expenses	\$89,441,649	\$109,463,671	(\$20,022,022)	-18.3%
Subtotal Other	\$177,680,794	\$195,264,449	(\$17,583,655)	-9.0%
Total Expenditures	\$579,995,084	\$595,251,779	(\$15,256,695)	-2.6%

<b>Expenditure Category</b>	FY20 Actual	FY20 Projected	FY20 Actual vs. FY20 Projected	%age
Regular Employee Payroll	\$375,611,577	\$384,401,964	(\$8,790,387)	-2.3%
Lecturer Payroll	\$10,743,514	\$10,228,016	\$515,498	5.0%
Student Help Payroll	\$10,513,169	\$11,946,299	(\$1,433,130)	-12.0%
Other Personnel	\$3,119,070	\$5,654,828	(\$2,535,758)	-44.8%
Subtotal Personnel	\$399,987,330	\$412,231,107	(\$12,243,777)	-3.0%
Utilities	\$46,088,050	\$51,166,908	(\$5,078,858)	-9.9%
Scholarships, Tuition	\$39,712,728	\$41,847,062	(\$2,134,334)	-5.1%
Other Operating Expenses	\$109,463,671	\$145,000,031	(\$35,536,360)	-24.5%
Subtotal Other	\$195,264,449	\$238,014,001	(\$42,749,552)	-18.0%
Total Expenditures	\$595,251,779	\$650,245,108	(\$54,993,329)	-8.5%

# Net Operating Gain (Loss)

Net Operating Income	FY21 Projected	FY20 Actual	FY20 Proj. vs. FY20 Actual	%age
General Funds	\$0	\$54,026	(\$54,026)	-100.0%
Tuition & Fees	\$8,566,613	\$20,393,628	(\$11,827,015)	-58.0%
RTRF	\$3,060,749	\$1,777,187	\$1,283,562	72.2%
Other Special Funds	(\$36,842,611)	\$1,289,933	(\$38,132,544)	-2956.2%
Other Revolving Funds	(\$42,394)	(\$210,010)	\$167,616	-79.8%
Appropriated Federal Funds	\$0	\$143,208	(\$143,208)	-100.0%
Total NOI	(\$25,257,643)	\$23,447,972	(\$48,705,615)	-207.7%

Net Operating Income	FY20 Actual (est.)	FY20 Projected		%age
General Funds	\$54,026	\$0	\$54,026	n/a
Tuition & Fees	\$20,393,628	(\$1,876,220)	\$22,269,848	-1187.0%
RTRF	\$1,777,187	\$3,795,118	(\$2,017,931)	-53.2%
Other Special Funds	\$1,289,933	(\$23,965,185)	\$25,255,118	-105.4%
Other Revolving Funds	(\$210,010)	(\$4,190,651)	\$3,980,641	-95.0%
Appropriated Federal Funds	\$143,208	\$469,467	(\$326,259)	-69.5%
Total NOI	\$23,447,972	(\$25,767,471)	\$49,215,443	-191.0%

Net Operating 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 declining revenues and projected collective bargaining increases without known levels of funding, resulting in a negative net operating income balance. While there is a current operating balance, this amount will be used as a cushion for anticipated shortfalls in the upcoming years.

RTRF net operating income appears to increase due to units conservatively projecting costs for the upcoming year. With hiring controls and restrictions on purchasing in place, projected expenditures are expected to be flat while the revenue may increase due to higher levels of spending in the prior year.

Other Special Funds are projected to have declining net operating income from the prior year. In general, the amount of revenue on special funds are expected to be less than the prior year since these operations deal with the general public as well as the university community. At the same time, the level of expenditure is expected to be about the same. Reserves will need to be used to provided continued levels of service. There are healthy reserves available for this fiscal year to accommodate these impacts across all Other Special Funds but continued revenue shortfalls will not be sustainable for the long term. COVID-related challenges to specific Other Special Funds are discussed below.

The Athletics Special Fund is projecting a \$9.3 million loss in FY21. This projection is based on a set of assumptions including many that are unknown. At this time it is not known if the postponement of all Fall sports will become cancellation. Winter and Spring sports are assumed to begin competing in January 2021, with the exception of basketball which is anticipated to begin competition in November 2020. Based on these assumptions, revenue reductions are expected in the areas of ticket sales, premium seat contributions, concessions, and corporate partnership revenues. Expenditure reductions associated with cancelled Fall competion include game travel (team travel and guarantees/travel subsidies) and game day expenses such as officials. These projections were prepared under the assumption that the football season was decreased to eight games against conference opponents only with no fans allowed at home games. Athletics continues to identify areas of potential cost savings to mitigate additional anticipated losses. UH Mānoa Athletics has been severely challenged financially for over a decade and this pandemic has exacerbated what was becoming unsustainable. A Blue Ribbon Commisson composed of various stakeholders has been formed and is in the process of developing recommendations to help address the financial sustainability of UHM Athletics.

The <u>Student Housing Special Fund</u> is projecting a \$10.9 million drop in revenues from \$18.8 million in FY 20 to \$7.9 million in FY 21 due to COVID-19 restrictions on occupancy. Associated revenues for conference housing and food services are projected to decline by \$1 million due to reduced housing occupancy and the closure of the 2020 Summer Conference program. Since fixed operating costs, debt service, and contributions to mandatory reserves cannot be reduced, the projection anticipates using a portion of voluntary reserves to fund current year operations. Projects originally planned to occur in FY20 will be postponed.

# Net Operating Gain (Loss)

Net Operating Income (All Funds)	FY21 Projected
Net Operating Income	(\$25,257,643)
Beginning Balance	\$167,382,221
Ending Balance	\$142,124,578
Other Reserve Requirements (R&R, Bond, RTRF Commitments)	\$17,703,099
Revised Ending Balance	\$124,421,479
Reserve Requirement (5% Minimum)	\$29,152,626
Balance Above Minimum Reserve After Adjustments	\$95,268,853

After the projected net operating loss of \$25.3 million, Mānoa is projected to have an ending balance of \$142.1 million. Much of this balance is already committed in the form of bond covenant and requirements (\$953K) and RTRF commitments (\$16.7 million). The total of those adjustments is projected to be \$17.7 million in FY21. This revises the projected ending

balance to be \$95.3 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 \$206.1 million, expenditures of \$145.6 million and net transfers of \$52.0 million. After one-time expenditures totaling \$3.1 million, this results in a projected net operating gain of \$8.6 million.

# Revenues

FY21 Projected	FY20 Actual	FY21 Proj. vs. FY20 Actual	%age	FY20 Actual	FY20 Projected	FY20 Actual vs. FY20 Proj.	%age
\$206,107,415	\$217,655,124	(\$11,547,709)	-5.3%	\$217,655,124	\$220,228,416	(\$2,573,292)	-1.2%

FY21 tuition is projected to be \$11.5 million less than what was estimated in FY20 due to a conservative estimate for enrollment mostly due to the pandemic. Due to travel restrictions, quarantine requirements and potential visa issues, a conservative decline of about 5% was assumed. Changes in the revenue mix are expected whereby enrollments may increase but the actual dollars received may decline. Particularly, non-resident students pay higher tuition rates and their declining enrollments have a more significant impact on revenues.

# **Expenditures**

FY21 expenditures are projected to decrease by about 5.3% in comparison to FY20 actuals.

- Personnel Expenses: Personnel expenditures are expected to be about the same as they
  were last fiscal year. This is accounting for potentially unfunded collective bargaining
  agreement amounts as well as cost savings from EM salary adjustments and retirement
  savings.
- Utilities: Expenditures for utilities on tuition funds are projected to be higher than in FY20, since only 11 months of expenditures were paid out in FY20. Some additional savings in utilities costs are projected due to cost saving measures.
- Other Operating Expenses: The combination of the freeze on travel, equipment purchases, and purchases over \$25,000 plus identification of additional operating cost reductions is projected to result in a savings of \$6.3 million (15.9%) on tuition funds.

Expenditure Category	FY21 Projected	FY20 Actual	FY21 Proj. vs. FY20 Actual	%age
Regular Employee Payroll	\$68,424,602	\$68,416,973	\$7,629	0.0%
Lecturer Payroll	\$5,845,700	\$10,207,963	(\$4,362,263)	-42.7%
Student Help Payroll	\$4,173,738	\$4,842,923	(\$669,185)	-13.8%
Other Personnel	\$1,988,107	\$1,708,955	\$279,152	16.3%
Subtotal Personnel	\$80,432,147	\$85,176,814	(\$4,744,667)	-5.6%
Utilities	\$30,484,127	\$29,268,818	\$1,215,309	4.2%
Scholarships, Tuition	\$1,224,659	\$2,028,602	(\$803,943)	-39.6%
Other Operating Expenses	\$33,419,947	\$39,728,090	(\$6,308,143)	-15.9%
Subtotal Other	\$65,128,733	\$71,025,510	(\$5,896,778)	-8.3%
Total Expenditures	\$145,560,880	\$156,202,324	(\$10,641,445)	-6.8%

			FY20 Actual	
Expenditure Category	FY20 Actual	FY20 Projected	vs. FY20	%age
			Projected	
Regular Employee Payroll	\$68,416,973	\$78,377,987	(\$9,961,014)	-12.7%
Lecturer Payroll	\$10,207,963	\$9,719,245	\$488,718	5.0%
Student Help Payroll	\$4,842,923	\$5,066,254	(\$223,331)	-4.4%
Other Personnel	\$1,708,955	\$2,570,512	(\$861,557)	-33.5%
Subtotal Personnel	\$85,176,814	\$95,733,998	(\$10,557,184)	-11.0%
Utilities	\$29,268,818	\$30,856,650	(\$1,587,832)	-5.1%
Scholarships, Tuition	\$2,028,602	\$2,144,549	(\$115,947)	-5.4%
Other Operating Expenses	\$39,728,090	\$44,626,092	(\$4,898,002)	-11.0%
Subtotal Other	\$71,025,510	\$77,627,291	(\$6,601,781)	-8.5%
Total Expenditures	\$156,202,324	\$173,361,289	(\$17,158,965)	-9.9%

# Net Operating Gain (Loss)

Net Operating Income (TFSF)	FY21 Projected
Net Operating Income	\$8,566,613
Beginning Balance Ending Balance	\$64,348,965 \$72,915,578
Reserve Requirement (5% Minimum)  Balance Above Minimum Reserve After Adjustments	\$21,914,872 <b>\$43,749,845</b>

In FY21, TFSF is projected to have a net operating gain of \$8.6 million, which still places the ending balance above the 5% minimum reserve requirement of \$21.9 million outlined in Executive Policy. It is slightly above the 16% reserve target of \$70.1 million. The net operating income from this fiscal year will be used to pay off prior year campus deficits and the balance will be used for anticipated shortfalls in future fiscal years.

# University of Hawai'i at Hilo

UH Hilo is a comprehensive, regional university serving over 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 36 undergraduate degrees, 7 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.

The COVID-19 pandemic will result in a decline in revenue across all fund types with the exception of RTRF. In response to this decline, UH Hilo is planning to reduce both personnel and operational expenditures across instructional, student support, academic support, institutional support and public service units.

## **ALL FUNDS**

# Revenues

Type of Fund	FY 21 Projected	FY 20 Actual	FY21 Proj. vs. FY20 Actual	%age
General Funds	\$38,021,457	\$37,004,559	\$1,016,898	2.75%
Tuition & Fees	\$30,888,533	\$33,526,950	(\$2,638,417)	-7.87%
RTRF	\$2,388,217	\$2,388,217	\$0	0.00%
Other Special Funds	\$4,915,977	\$8,196,412	(\$3,280,435)	-40.02%
Other Revolving Funds	\$1,500,047	\$1,906,304	(\$406,257)	-21.31%
Appropriated Federal Funds	\$291,557	\$225,103	\$66,454	29.52%
Total Revenues	\$78,005,788	\$83,247,545	(\$5,241,757)	-6.3%

Type of Fund	FY 20 Actual	FY20 Projected	FY20 Actual vs. FY20 Projected	%age
General Funds	\$37,004,559	\$37,977,733	(\$973,174)	-2.6%
Tuition & Fees	\$33,526,950	\$32,153,039	\$1,373,911	4.1%
RTRF	\$2,388,217	\$2,559,140	(\$170,923)	<b>-7.2</b> %
Other Special Funds	\$8,196,412	\$8,903,807	(\$707,395)	-8.6%
Other Revolving Funds	\$1,906,304	\$2,009,896	(\$103,592)	-5.4%
Appropriated Federal Funds	\$225,103	\$291,557	(\$66,454)	-29.5%
Total Revenues	\$83,247,545	\$83,895,172	(\$647,627)	-0.8%

Across all funds, revenues are projected to decrease by 6.3% when compared to actual FY20 collections. Tuition and Fees revenue is planned to be \$2.6 million less than FY20 actuals due to enrollment decline. RTRF is projected to remain constant. Other Special Fund revenue is projected to decrease by 40.0% and Revolving Fund revenue is projected to decrease by 21.3% when compared with actual FY20 revenue.

The decrease in Other Special Fund revenue is primarily due to a projected decline in hall occupancy due to the COVID-19 pandemic. For Fall 2020, with 85% of UH Hilo's courses fully online, students opted to return home rather than reside on campus. Revenue from theater ticket sales, athletic events, food concession rebates and facility use is also projected to decrease.

The decrease in Other Revolving Fund revenue is due to the projected decrease in the number of students being physically on campus and overall decline in enrollment. Revenue from student fees and parking permits and citations is projected to decrease.

# Expenditures

Expenditure Category	FY21 Budget	FY20 Actual	FY21 Projected vs. FY20 Actual	%age
Regular Employee Payroll	\$44,467,544	\$43,202,969	\$1,264,575	2.9%
Lecturer Payroll	\$1,377,521	\$1,927,909	(\$550,388)	-28.5%
Student Help Payroll	\$1,715,981	\$2,070,579	(\$354,598)	-17.1%
Other Personnel	\$1,034,777	\$1,851,548	(\$816,771)	-44.1%
Subtotal Personnel	\$48,595,823	\$49,053,005	(\$457,182)	-0.9%
Utilities	\$5,317,087	\$4,897,014	\$420,073	8.6%
Scholarships, Tuition	\$6,985,100	\$6,966,552	\$18,548	0.3%
Repairs & Maintenance	\$3,012,564	\$1,731,656	\$1,280,908	74.0%
Other Operating Expenses	\$14,219,184	\$15,654,502	(\$1,435,318)	-9.2%
Subtotal Other	\$29,533,935	\$29,249,724	\$284,211	1.0%
Total Expenditures	\$78,129,758	\$78,302,729	(\$172,971)	-0.2%

Expenditure Category	FY20 Actual	FY20 Projected	FY20 Actual vs. FY20 Projected	%age
Regular Employee Payroll	\$43,202,969	\$45,376,103	(\$2,173,134)	-4.8%
Lecturer Payroll	\$1,927,909	\$2,384,571	(\$456,662)	-19.2%
Student Help Payroll	\$2,070,579	\$2,530,071	(\$459,492)	-18.2%
Other Personnel	\$1,851,548	\$1,695,998	\$155,550	9.2%
Subtotal Personnel	\$49,053,005	\$51,986,743	(\$2,933,738)	-5.6%
Utilities	\$4,897,014	\$5,756,110	(\$859,096)	-14.9%
Scholarships, Tuition	\$6,966,552	\$7,269,055	(\$302,503)	-4.2%
Repairs & Maintenance	\$1,731,656	\$1,441,670	\$289,986	20.1%
Other Operating Expenses	\$15,654,502	\$18,331,972	(\$2,677,470)	-14.6%
Subtotal Other	\$29,249,724	\$32,798,807	(\$3,549,083)	-10.8%
Total Expenditures	\$78,302,729	\$84,785,550	(\$6,482,821)	-7.6%

Overall, expenditures are projected to be 0.2% less compared to actual FY20 expenditures. Regular employee payroll is projected to increase by 2.9% due to collective bargaining and increase in fringe costs, however all other personnel categories are projected to decline. The projected FY21 utilities budget is 8.6% more than actual in FY20 because the budgeted amount includes potential rate increases and the opening of the Daniel K. Inouye College of Pharmacy (DKICP) building. Repairs and Maintenance and Other Operating Expenses projected for FY21 include carryover commitments and one-time expenditures such as R&R projects for student housing and the Student Life Center as well as items listed below under TFSF.

In response to the projected decrease in revenue, UH Hilo implemented 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. Projected cost savings is a little more than \$800,000.
- A freeze on out-of-state travel was implemented in FY 2020 and continues into FY 2021.
   A travel freeze was also placed on inter-island travel.
- A freeze on equipment purchases and new contracts exceeding \$25,000 continues into FY 2021. All contract renewals are being carefully scrutinized and approved only if it is determined that they are absolutely necessary at this time.
- Faculty sabbaticals are being postponed which will help to reduce the cost of hiring lecturer replacements. Lecturer cost is projected to decrease by 28.5%.
- Pcard use has been reduced by limiting the number of employees authorized to make purchases. The Chancellor and Vice Chancellors provided approvals for one to two cardholders from each major department. The remaining cardholders have been instructed not to utilize their Pcards.
- Reduce other operational costs such as supplies, subscriptions, memberships, repairs and maintenance and printing.

# **Net Operating Gain (Loss)**

Net Operating Income (including one-time expenditures) (All Funds Summary)	FY21 Projected
Net Operating Income	(\$3,241,284)
Beginning Balance	\$31,220,166
Ending Balance	\$27,978,882
Other Reserve Requirements (R&R, Bond, RTRF Commitments)	\$6,100,000
Revised Ending Balance	\$21,878,882
Reserve Requirement (5% Minimum)	\$4,013,856
Balance Above Minimum Reserve After Adjustments	\$17,865,026

Pursuant to Executive Policy (EP) 2.212, a cash balance is maintained by the Revenue Undertaking Special Fund for a repair and replacement 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 \$6.1 million.

Although UH Hilo proposes to spend \$3.2 million more than its revenues for FY21 to cover planned expenditures and to fund one-time expenses, the remaining balance of \$21.9 million is still above the minimum threshold.

# **TUITION AND FEES SPECIAL FUND**

# Revenues

FY21 Projected	FY20 Actual	FY21 Proj. vs. FY20 Actual	%age	FY20 Actual	FY20 Projected	FY20 Actual vs. FY20 Proj.	%age
\$30,888,533	\$33,526,950	(\$2,638,417)	-7.87%	\$33,526,950	\$32,153,039	\$1,373,911	4.27%

Tuition and Fee revenues are planned to be 7.9% less than the FY20 actual amount due to a projected enrollment decline, especially in non-resident students.

# **Expenditures**

Expenditure Category	FY21 Budget	FY20 Actual	FY21 Projected vs. FY20 Actual	%age
Regular Employee Payroll	\$6,046,579	\$5,363,905	\$682,674	12.7%
Lecturer Payroll	\$1,362,521	\$1,842,314	(\$479,793)	-26.0%
Student Help Payroll	\$704,030	\$906,511	(\$202,481)	-22.3%
Other Personnel	\$860,000	\$1,538,394	(\$678,394)	-44.1%
Subtotal Personnel	\$8,973,130	\$9,651,124	(\$677,994)	-7.0%
Utilities	\$4,685,850	\$4,117,108	\$568,742	13.8%
Scholarships, Tuition	\$200,000	\$293,221	(\$93,221)	-31.8%
Repairs & Maintenance	\$1,400,000	\$885,982	\$514,018	58.0%
Other Operating Expenses	\$7,665,544	\$8,278,524	(\$612,980)	-7.4%
Subtotal Other	\$13,951,394	\$13,574,835	\$376,559	2.8%
Total Expenditures	\$22,924,524	\$23,225,959	(\$301,435)	-1.3%

Expenditure Category	FY20 Actual	FY20 Projected	FY20 Actual vs. FY20 Projected	%age
Regular Employee Payroll	\$5,363,905	\$6,847,756	(\$1,483,851)	-21.7%
Lecturer Payroll	\$1,842,314	\$2,295,848	(\$453,534)	-19.8%
Student Help Payroll	\$906,511	\$994,365	(\$87,854)	-8.8%
Other Personnel	\$1,538,394	\$1,210,000	\$328,394	27.1%
Subtotal Personnel	\$9,651,124	\$11,347,969	(\$1,696,845)	-15.0%
Utilities	\$4,117,108	\$4,810,850	(\$693,742)	-14.4%
Scholarships, Tuition	\$293,221	\$545,000	(\$251,779)	-46.2%
Repairs & Maintenance	\$885,982	\$1,000,000	(\$114,018)	-11.4%
Other Operating Expenses	\$8,278,524	\$9,210,702	(\$932,178)	-10.1%
Subtotal Other	\$13,574,835	\$15,566,552	(\$1,991,717)	-12.8%
Total Expenditures	\$23,225,959	\$26,914,521	(\$3,688,562)	-13.7%

Regular employee payroll is planned to be more in FY21 compared to actual expenditures in FY20 due to collective bargaining and fringe benefit increases. The projected

FY21 utilities budget is 13.8% more than actual in FY20 because the budgeted amount includes potential rate increases and the opening of the DKICP building. Repairs and Maintenance is projected to increase due to carry-over and one-time commitments as listed below.

# Net Operating Gain (Loss)

Net Operating Income (including one-time expenditures) (TFSF)	FY21 Budget
Net Operating Income	\$0
Beginning Balance	\$21,464,143
Ending Balance	\$21,464,143
Other Reserve Requirements (R&R, Bond, RTRF Commitments)	
Revised Ending Balance	\$21,464,143
Reserve Requirement (5% Minimum)	\$3,411,580
Balance Above Minimum Reserve After Adjustments	\$18,052,563

UH Hilo's TFSF ending balance is \$21.5 million, which represents approximately 31.5% of its annual expenditures.

# **Carry-over Commitments:**

# \$300,000 - renew, improve and modernize (RIM)

The Facilities Planning and Construction Management Office will continue to complete capital renewal, improvement and modernization projects. This amount of \$300,000 represents funds that were carried forward from FY20 and will be used for projects that were planned for FY20 but delayed to this year. Projects include the replacement of three 75-gallon gas water heaters located in the campus center kitchen facility and design work for the farm improvements, gutter replacement and improvements to the Kilohana Center.

# \$264,938 - energy efficiency reinvestment

UH Hilo has established a special energy reinvestment account. \$264,938 is the remaining balance from funds that were budgeted in FY20. It is earmarked for projects that will result in lowering energy costs.

# \$14,000 – electronic health record system (EHR)

UH Hilo's Student Medical Service (SMS) planned to purchase an electronic health record system in FY20 with grant funds and tuition. Due to the complexity of the data involved, it took some time for the review process to be completed and the purchase could not be completed in FY20. The EHR system will help to enhance patient flow, patient privacy, accessibility, and necessary HIPAA compliance updates. This will help reduce institutional risk and liability.

# One-time expenses:

# \$400,000 – repair and replace air conditioning systems

The air conditioning systems in the College of Forestry and Natural Resource Management building is inoperable. One unit requires repairs and the other unit is beyond repair and needs to be replaced.

# \$498,532 - student recruitment

UH Hilo plans to partially fund the contracted services of EAB to provide:

- 1) Year-Round Search program that includes communication with high school sophomores and juniors whose characteristics make them a strong potential match for UH Hilo;
- 2) Senior Marketing Program that includes communication with high school seniors who are desirable candidates for admission and enrollment; and
- 3) Yield Enhancement Program that includes increased communication with admitted students.

EAB's offerings are comprehensive, targeting key challenges at each stage of the recruitment process from inquiry to yield management. This level of comprehensiveness ensures close coordination between different recruitment activities, minimizes wasted time and labor, and enables shared learning across the different phases of recruitment.

# \$858,000 – decommissioning of the Hōkū Ke'a educational telescope

UH Hilo plans to fund the deconstruction of the educational telescope facility and restoration of the site at the summit of Maunakea.

# 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 UHWO become 21<sup>st</sup> Century leaders and career creators.

As a growing campus, the slightest of deviations in General and/or TFSF can have significant impacts on UHWO. To address the anticipated fiscal crises, UHWO's action strategy during the last quarter of FY20 was "cash preservation." This theme continues into FY21 as UHWO continues 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 all procurement transactions, temporary 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 critical, continued financial monitoring through monthly reporting and analyses, and utilized CARES funding strategically to reduce operational costs.

Over the course of this fiscal year, UHWO will continue to explore and implement cost-saving measures to enhance its budget through increased enrollment (tuition revenues) and continually seek opportunities for further savings, while attempting to limit the use of and/or strategically utilize cash reserves. This short-term plan serves as a bridge affording the campus community an opportunity to define strategic actions that will reposition UHWO academically and financially for success in FY22 and beyond.

# BUDGET SUMMARY ALL FUNDS

# Revenues

Type of Fund	FY21 Projected	FY 20 Actual	FY21 Proj. vs. FY20 Actual	%age
General Funds	\$18,047,872	\$18,105,636	(\$57,764)	-0.3%
Tuition & Fees	\$16,560,000	\$17,702,735	(\$1,142,735)	-6.5%
RTRF	\$367,653	\$367,653	\$0	0.0%
Other Special Funds	\$54,558	\$306,913	(\$252,355)	-82.2%
Other Revolving Funds	\$717,911	\$794,841	(\$76,930)	-9.7%
Appropriated Federal Funds	\$100,000	\$96,331	\$3,669	29.5%
Total Revenues	\$35,847,994	\$37,374,109	(\$1,526,115)	-4.1%

Type of Fund	FY 20 Actual	FY20 Projected	FY20 Actual vs. FY20 Projected	%age
General Funds	\$18,105,636	\$18,291,413	(\$185,777)	-1.0%
Tuition & Fees	\$17,702,735	\$18,291,214	(\$588,479)	-3.2%
RTRF	\$367,653	\$254,520	\$113,133	44.4%
Other Special Funds	\$306,913	\$286,700	\$20,213	7.1%
Other Revolving Funds	\$794,841	\$879,500	(\$84,659)	-9.6%
Appropriated Federal Funds	\$96,331	\$100,000	(\$3,669)	-3.7%
Total Revenues	\$37,374,109	\$38,103,347	(\$729,238)	-1.9%

UHWO is projecting a 10% General Fund restriction on the discretionary part of its budget due to the State's economy during the pandemic. Although Fall enrollment numbers are projected to increase, UHWO is anticipating a higher amount of accounts receivable due to the state of the economy and hardships experienced by its students, thus assuming a 6.5% decrease in tuition revenue in FY21 as compared to the actual tuition revenue collected in FY20.

Other Special Funds revenue is projected to decrease in FY21 by 82% compared to FY20 actual collections due to a planned decrease in revenue as stated in the signed agreement for the 'Ulu 'Ulu Program and a decrease in international programs due to the strains caused by the pandemic. Similarly, Other Revolving Funds will also experience a decrease in revenue as facility rentals are on pause during the pandemic.

## Expenditures

Expenditure Category	FY21 Projected	FY20 Actual	FY21 Proj. vs. FY20 Actual	%age
Regular Employee Payroll	\$21,070,548	\$20,972,016	\$98,532	0.5%
Lecturer Payroll	\$2,818,259	\$2,720,692	\$97,567	3.6%
Student Help Payroll	\$448,826	\$626,814	(\$177,988)	-28.4%
Other Personnel	\$304,878	\$377,114	(\$72,236)	-19.2%
Subtotal Personnel	\$24,642,511	\$24,696,636	(\$54,125)	-0.2%
Utilities	\$2,003,000	\$2,299,653	(\$296,653)	-12.9%
Scholarships, Tuition	\$2,390,000	\$2,280,153	\$109,847	4.8%
Other Operating Expenses	\$3,050,296	\$2,691,553	\$358,743	13.3%
Subtotal Other	\$7,443,296	\$7,271,359	\$171,937	2.4%
Total Expenditures	\$32,085,807	\$31,967,995	\$117,812	0.4%

Expenditure Category	FY20 Actual	FY20 Projected	FY20 Actual vs. FY20 Projected	%age
Regular Employee Payroll	\$20,972,016	\$21,373,696	(\$401,680)	-1.9%
Lecturer Payroll	\$2,720,692	\$2,726,973	(\$6,281)	-0.2%
Student Help Payroll	\$626,814	\$641,500	(\$14,686)	-2.3%
Other Personnel	\$377,114	\$437,200	(\$60,086)	-13.7%
Subtotal Personnel	\$24,696,636	\$25,179,369	(\$482,733)	-1.9%
Utilities	\$2,299,653	\$5,740,606	(\$3,440,953)	-59.9%
Scholarships, Tuition	\$2,280,153	\$2,591,500	(\$311,347)	-12.0%
Other Operating Expenses	\$2,691,553	\$4,309,157	(\$1,617,604)	-37.5%
Subtotal Other	\$7,271,359	\$12,641,263	(\$5,369,904)	-42.5%
Total Expenditures	\$31,967,995	\$37,820,632	(\$5,852,637)	-15.5%

Overall, expenditures are projected to increase by .4% compared to FY20 actual expenditures, but significantly less than what was budgeted in FY20. In compliance with EP 6.204 Student Financial Assistance Program, UHWO has budgeted \$2.36 million of its AY19-20 tuition revenue for student scholarships in FY21, a 4.8% increase from the actual FY20 scholarships issued across all funds. RTRF expenditures are projected to increase in FY21 to support grant initiatives, faculty scholarly opportunities, utilities, and to provide seed funds to obtain additional grants. Other Special and Other Revolving Fund expenditures are expected to increase to support one-time costs for campus repair, replacement, and maintenance projects totaling \$430,000.

In FY20, UHWO experienced a significant 15.5% variance, or \$5.9 million less than budgeted. Contributing to the variance was the actual retroactive sewer cost which was \$2.6 million below the projected \$3.8 million. In addition, as the fiscal uncertainties due to the pandemic became apparent, campus administrators implemented means to preserve its cash while adhering to the Governor and President's imposed restrictions. As a whole, the coronavirus halted many plans during the fourth quarter of FY20 which resulted in a decrease in expenditures that were projected across most fund types.

# **Net Operating Gain (Loss)**

Net Operating Income (All Funds)	FY21 Projected	
Net Operating Income (including one-time expenditures)	(\$198,052)	
Beginning Balance	\$14,501,907	
Ending Balance	\$14,303,855	
Other Reserve Requirements (R&R, Bond, RTRF Commitments)	\$1,256,845	
Revised Ending Balance	\$13,047,010	
Reserve Requirement (5% Minimum)	\$1,812,352	
Balance Above Minimum Reserve After Adjustments	\$11,234,658	

The projected net operating loss of \$198,052 includes one-time expenditures totaling \$430,000 for three urgent repair, replacement, and maintenance projects. Across all funds, UHWO is projected to have an ending balance of \$14.3 million. Of this amount, \$1.3 million is held in the repair and replacement reserve per Executive Policy EP2.212. The revised ending balance of \$13 million remains above the 5% and 16% minimum reserve requirements.

# **TUITION AND FEES SPECIAL FUND**

# Revenues

FY21 Projected	FY20 Actual	FY21 Proj. vs. FY20 Actual	%age	FY20 Actual	FY20 Projected	FY20 Actual vs. FY20 Proj.	%age
\$16,560,000	\$17,702,735	(\$1,142,735)	-6.5%	\$17,702,735	\$18,291,214	(\$588,479)	-3.2%

In FY21, the 6.5% revenue decrease compared to FY20 actual revenue is based on a projected 5% decrease in tuition revenue for AY20-21 using IRAO projections. While UHWO is projecting an increase in enrollment, there are also a higher rate of accounts receivable as the State's economy suffers from the pandemic. Despite the economic challenges, UHWO will continue to focus on aggressive student recruitment efforts. To aid in this effort, UHWO has contracted services with EAB Global, Inc., to assist with recruitment efforts targeting the high school senior population.

# **Expenditures**

<b>Expenditure Category</b>	FY21 Budget	FY20 Actual	FY21 Projected vs. FY20 Actual	%age
Regular Employee Payroll	\$5,019,728	\$5,015,043	\$4,685	0.1%
Lecturer Payroll	\$167,319	\$223,304	(\$55,985)	-25.1%
Student Help Payroll	\$226,076	\$390,543	(\$164,467)	-42.1%
Other Personnel	\$26,320	\$276,396	(\$250,076)	-90.5%
Subtotal Personnel	\$5,439,443	\$5,905,286	(\$465,843)	-7.9%
Utilities	\$1,977,500	\$2,269,324	(\$291,824)	-12.9%
Scholarships, Tuition	\$0	\$0	\$0	
Other Operating Expenses	\$2,096,471	\$2,210,809	(\$114,338)	-5.2%
Subtotal Other	\$4,073,971	\$4,480,133	(\$406,162)	-9.1%
Total Expenditures	\$9,513,414	\$10,385,419	(\$872,005)	-8.4%

Expenditure Category	FY20 Actual	FY20 Projected	FY20 Actual vs. FY20 Projected	%age
Regular Employee Payroll	\$5,015,043	\$5,096,864	(\$81,821)	-1.6%
Lecturer Payroll	\$223,304	\$292,000	(\$68,696)	-23.5%
Student Help Payroll	\$390,543	\$322,000	\$68,543	21.3%
Other Personnel	\$276,396	\$187,000	\$89,396	47.8%
Subtotal Personnel	\$5,905,286	\$5,897,864	\$7,422	0.1%
Utilities	\$2,269,324	\$5,713,606	(\$3,444,282)	-60.3%
Scholarships, Tuition	\$0	\$0	\$0	
Other Operating Expenses	\$2,210,809	\$3,270,000	(\$1,059,191)	-32.4%
Subtotal Other	\$4,480,133	\$8,983,606	(\$4,503,473)	-50.1%
Total Expenditures	\$10,385,419	\$14,881,470	(\$4,496,051)	-30.2%

FY21 TFSF expenditures are projected to decrease by 8.4% or \$872,005 over the actual amount expended in FY20. Extramural funds to include the CARES Act were secured to support student employment, temporary and casual hires, and other operating expenses in FY21.

In the final quarter of FY20 when the COVID-19 pandemic realities hit the State, campus administrators assessed its financial situation and implemented means to preserve its cash and adhered to the Governor and President's imposed restrictions which resulted in a 30.2% decrease in planned expenditures. This cautious and conservative approach was applied to the FY21 budget structuring. Also contributing to the variance in FY20 was the actual retroactive sewer cost which was \$2.59 million below the projected \$3.75 million.

# **Transfers**

In FY21, UHWO will transfer approximately \$6.6 million, or 40% of its estimated tuition revenue, for debt service commitments (\$4.14 million), UHWO scholarships (\$2.36 million) as mandated in EP 6.204, and system assessments (\$125K).

# Net Operating Gain (Loss)

Net Operating Income	FY21
(TFSF)	Projected
Net Operating Income (including one-time expenditures)	\$425,362
Beginning Balance	\$9,456,451
Ending Balance	\$9,881,813
Other Reserve Requirements (R&R, Bond, RTRF Commitments)	\$0
Revised Ending Balance	\$9,881,813
Reserve Requirement (5% Minimum)	\$1,724,175
Balance Above Minimum Reserve After Adjustments	\$8,157,638

With a cautious approach to its spending plan in FY21, the campus is projecting to have an ending balance of \$9.9 million and sufficient funds 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

	FY21	FY20	FY21 Proj vs	
Type of Fund	Projected	Actual	FY20 Actual	%age
General	150,468,316	149,720,977	747,339	0.5%
Tuition & Fees	54,585,497	60,290,230	(5,704,733)	-9.5%
RTRF	1,504,078	1,664,868	(160,790)	-9.7%
Other Special Funds	14,524,272	16,902,888	(2,378,616)	-14.1%
Other Revolving Funds	987,426	1,634,096	(646,670)	-39.6%
Appropriated Federal	2,867,849	2,981,603	(113,754)	-3.8%
Total	224,937,438	233,194,662	(8,257,224)	-3.5%

	FY20	FY20	FY20 Proj vs	
Type of Fund	Actual	Projected	FY20 Actual	%age
General	149,720,977	149,964,185	(243,208)	-0.2%
Tuition & Fees	60,290,230	59,894,074	396,156	0.7%
RTRF	1,664,868	1,998,835	(333,967)	-16.7%
Other Special Funds	16,902,888	16,832,493	70,395	0.4%
Other Revolving Funds	1,634,096	1,742,347	(108,251)	-6.2%
Appropriated Federal	2,981,603	2,749,635	231,968	8.4%
Total	233,194,662	233,181,569	13,093	0.0%

General Fund revenues show a slight increase of \$0.7 million, or 0.5%. It is an estimated annual allocation based on what was actually provided in the first half of the fiscal year.

Tuition revenue projections show a \$5.7 million decrease, or 9.5%. While overall Student Semester Hour (SSH) enrollment fell by approximately 6%, the drop in total revenue is higher due to reductions in non-resident enrollment. 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 revenue projections show a decrease of \$2.4 million, or 14.1%. This fund includes a wide variety of revenue generating activities that include non-credit instruction, Summer session and various auxiliary type services. The decrease in revenue reflects the challenge of providing short-term workforce training and community enrichment programs that are traditionally hands-on and provided face-to face. It also reflects a decrease in services provided to students and the community at-large, like food services and facilities use that are impacted by a student body receiving instructional services online and a community adhering to social distancing requirements. These programs exist on a largely self-sustaining basis so that any reductions in revenue will be met by corresponding decreases in expenses.

Other Revolving Fund revenue projections show a decrease of \$0.6 million, or 39.6%. This is primarily due to the waiving of Student Activity fees for students receiving instruction online. It is also reflective of a decrease in Conference Center activities that are funded through Other Revolving Funds.

# **Expenses**

	FY21	FY20	FY21 Proj vs	
Exp Category	Projected	Actual	FY20 Actual	%age
Regular Employee Payroll	136,412,696	136,634,866	(222,170)	-0.2%
Lecturer Payroll	21,944,216	22,158,409	(214,193)	-1.0%
Student Help Payroll	2,978,788	3,673,669	(694,881)	-18.9%
Other Personnel	1,291,415	2,238,432	(947,017)	-42.3%
Subtotal	162,627,115	164,705,376	(2,078,261)	-1.3%
Utilities	9,507,050	11,333,110	(1,826,060)	-16.1%
Scholarships, Tuition	7,960,417	8,141,537	(181,120)	-2.2%
Other Operating Exp	30,986,783	29,816,332	1,170,451	3.9%
Subtotal	48,454,250	49,290,979	(836,729)	-1.7%
Total	211,081,365	213,996,355	(2,914,990)	-1.4%

	FY20	FY20	FY20 Proj vs	
Type of Fund	Actual	Projected	FY20 Actual	%age
Regular Employee Payroll	136,634,866	141,360,024	(4,725,158)	-3.3%
Lecturer Payroll	22,158,409	22,079,042	79,367	0.4%
Student Help Payroll	3,673,669	4,539,575	(865,906)	-19.1%
Other Personnel	2,238,432	2,581,086	(342,654)	-13.3%
Subtotal	164,705,376	170,559,727	(5,854,351)	-3.4%
Utilities	11,333,110	11,644,982	(311,872)	-2.7%
Scholarships, Tuition	8,141,537	8,169,421	(27,884)	-0.3%
Other Operating Exp	29,816,332	38,769,133	(8,952,801)	-23.1%
Subtotal	49,290,979	58,583,536	(9,292,557)	-15.9%
Total	213,996,355	229,143,263	(15,146,908)	-6.6%

# Expenditure reductions:

- Regular employee payroll projections show a net decrease due to the elimination of vacant general funded positions and reductions in Executive Managerial salaries. These decreases are offset by increases in negotiated collective bargaining requirements.
- Student Help and Other Personnel expenses show a decrease due to efforts to conserve funds because of the financial uncertainty created by the COVID-19 Pandemic.
- Utilities show a decrease due to renewable energy projects and reduced consumption associated with online instruction.

# Net Operating Gain (Loss)

Net Operating Income	FY21
(All)	Projected
Net Operating Income	9,040,231
Beginning Balance	54,592,041
Ending Balance	63,632,272
Other Reserve Requirements (R&R, Bond, RTRF Commitments)	3,200,000
Revised Ending Balance	60,432,272
Reserve Requirement (5% Minimum)	10,701,951
Balance Above Minimum Reserve After Adjustments	49,730,321

Projected revenues exceed the projected expenditures by \$9 million. The funding will be carried over into the next fiscal year to mitigate anticipated revenue reductions in upcoming years.

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 a repair and replacement reserve fund that is required pursuant to EP2.212.

# **TUITION AND FEES SPECIAL FUND**

# Revenues

FY21	FY20	FY21 Proj. vs.		FY20	FY20	FY20 Actual vs.	
Projected	Actual	FY20 Actual	%age	Actual	Projected	FY20 Proj.	%age
54,585,497	60,290,230	(5,704,733)	-9.5%	60,290,230	59,894,074	396,156	0.7%

Tuition revenue projections show a \$5.7 million decrease, or 9.5%. While overall Student Semester Hour (SSH) enrollment fell by approximately 6%, the drop in total revenue is higher due to reductions in non-resident enrollment. 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.

# **Expenditures**

	FY21	FY20	FY21 Proj vs	
Exp Category	Projected	Actual	FY20 Actual	%age
Regular Employee Payroll	5,821,891	7,892,633	(2,070,742)	-26.2%
Lecturer Payroll	0	487,656	(487,656)	-100.0%
Student Help Payroll	1,826,182	2,434,907	(608,725)	-25.0%
Other Personnel	295,958	1,140,895	(844,937)	-74.1%
Subtotal	7,944,031	11,956,091	(4,012,060)	-33.6%
Utilities	6,001,705	4,776,609	1,225,096	25.6%
Scholarships, Tuition	5,386,474	5,679,850	(293,376)	-5.2%
Other Operating Exp	21,010,543	20,354,349	656,194	3.2%
Subtotal	32,398,722	30,810,808	1,587,914	5.2%
Total	40,342,753	42,766,899	(2,424,146)	-5.7%

	FY20	FY20	FY20 Proj vs	
Type of Fund	Actual	Projected	FY20 Actual	%age
Regular Employee Payroll	7,892,633	10,956,739	(3,064,106)	-28.0%
Lecturer Payroll	487,656	804,648	(316,992)	-39.4%
Student Help Payroll	2,434,907	2,902,890	(467,983)	-16.1%
Other Personnel	1,140,895	1,328,124	(187,229)	-14.1%
Subtotal	11,956,091	15,992,401	(4,036,310)	-25.2%
Utilities	4,776,609	4,691,003	85,606	1.8%
Scholarships, Tuition	5,679,850	5,538,346	141,504	2.6%
Other Operating Exp	20,354,349	29,038,789	(8,684,440)	-29.9%
Subtotal	30,810,808	39,268,138	(8,457,330)	-21.5%
Total	42,766,899	55,260,539	(12,493,640)	-22.6%

- Regular Payroll and Lecturers show a reduction primarily due to the transfer of expenses between the GF and the TFSF.
- Conversely, the increase in utilities is due to expenditure transfers in the opposite direction. When combined with the GF, Utilities costs were reduced by an estimated 20% due to renewable energy projects and reduced consumption associated with online instruction.
- Student Help and Other Personnel show reductions to accommodate the overall projected drop in revenues.
- Scholarships show a reduction due to declining tuition revenue in preceding years.
   Scholarships to be awarded in any given year are calculated based on tuition revenues collected in the prior year.

# Net Operating Gain (Loss)

Net Operating Income	FY21
(All)	Projected
Net Operating Income	9,040,231
Beginning Balance	32,689,364
Ending Balance	41,729,595
Other Reserve Requirements (R&R, Bond, RTRF Commitments)	2,500,000
Revised Ending Balance	39,229,595
Reserve Requirement (5% Minimum)	9,851,162
Balance Above Minimum Reserve After Adjustments	29,378,433

Projected revenues exceed the projected expenditures by \$9 million. The funding will be carried over into the next fiscal year to mitigate anticipated revenue reductions in upcoming years.

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 a repair and replacement reserve fund that is required pursuant to EP2.212.

# **Systemwide Administration**

### Introduction

The University of Hawai'i (UH) Systemwide Administration (System) is committed to providing the vision, leadership, and stewardship needed to enable the ten UH 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 Planning and Policy, 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 includes 409 appropriated General Fund, 20 Special Fund, 4 Federal Fund, and 15 Revolving Fund permanent Full Time Equivalent (FTE) positions.

The impact of COVID-19 to the UH's budget in FY21 is still uncertain as the full budget allocation from the State has not yet been provided. With one of the highest unemployment rates in the nation, and tourism at a standstill, there is uncertainty of the time to recover Hawai'i's economy. In FY21, the System's operative budget will focus on minimizing adverse impact to core central functions that support all ten campuses, while containing costs to position ourselves for the next several fiscal years.

# BUDGET SUMMARY ALL FUNDS

### Revenues

Type of Fund	FY21 Projected	FY20 Actual	FY21 Proj. vs. FY20 Actual	%age
General Funds	\$55,771,102	\$50,176,842	\$5,594,260	11.10%
Tuition & Fees	\$1,178,928	\$2,194,333	(\$1,015,405)	-46.30%
RTRF	\$15,343,692	\$14,359,107	\$984,585	6.90%
Other Special Funds	\$4,638,500	\$4,974,818	(\$336,318)	-6.80%
Other Revolving Funds	\$1,338,172	\$2,053,179	(\$715,007)	-34.80%
Appropriated Federal Funds	\$656,000	\$508,736	\$147,264	28.90%
Total Revenues	\$78,926,394	\$74,267,014	\$4,659,380	6.30%

Type of Fund	FY20 Actual	FY20 Projected	FY21 Actual vs. FY20 Proj.	%age
General Funds	\$50,176,842	\$54,072,839	(\$3,895,997)	-7.20%
Tuition & Fees	\$2,194,333	\$3,053,249	(\$858,916)	-28.10%
RTRF	\$14,359,107	\$15,684,956	(\$1,325,849)	-8.50%
Other Special Funds	\$4,974,818	\$4,780,385	\$194,433	4.10%
Other Revolving Funds	\$2,053,179	\$1,091,165	\$962,014	88.20%
Appropriated Federal Funds	\$508,736	\$656,000	(\$147,264)	-22.40%
Total Revenues	\$74,267,014	\$79,338,594	(\$5,071,580)	-6.40%

The State has released two quarters of FY21 general funds allocation. This budget was derived annualizing the State's current allocation to the UH. All other funds were projected based on actual estimated revenue and expenditures.

Actual General Fund revenue in FY20 does not include \$3.4 million in transfers from System to various UH campuses. Among the most significant transfers were \$2.5 million for Performance Funding and \$1.1 for Academy for Creative Media (ACM). Additionally, the System budget expends \$3 million for B Plus scholarships and \$1.4 million for WICHE scholarships from its general funds revenue for the campuses. Projected General Fund transfers in FY21 total \$6.48 million, which again include transfers for Performance Funding, and the continued commitment of B Plus scholarships of \$3 million and WICHE of \$1.47 million. General Fund transfers are reported as changes in revenue because they represent a change in allocation from the State rather than actual cash moving between UH campuses.

Actual Other Special Funds revenue in FY20 increased slightly with the collection of payment for the Information Technology Services (ITS) co-location charge that was initially budgeted in FY19, coupled with a reimbursement to UH Ventures LLC from the Innovation and Commercialization Initiative Special Fund. FY21 Other Special Funds revenue is forecasted to decrease slightly as a conservative measure from the effects of COVID-19 on program revenues.

Actual Other Revolving Funds revenue in FY20 was higher than budgeted due to land

development investment. Similar to Other Specials Funds, Other Revolving Funds revenue in FY21 is forecasted to decrease slightly as a conservative measure from the effects of COVID-19 on program revenues.

# **Expenditures**

Expenditure Category	FY21 Projected	FY20 Actual	FY21 Proj. vs. FY20 Actual	%age
Regular Employee Payroll	\$45,098,994	\$45,019,439	\$79,555	0.20%
Lecturer Payroll	\$0	\$58,787	(\$58,787)	-100.00%
Student Help Payroll	\$974,407	\$1,231,888	(\$257,481)	-20.90%
Other Personnel	\$1,280,536	\$489,880	\$790,656	161.40%
Subtotal Personnel	\$47,353,937	\$46,799,994	\$553,943	1.20%
Utilities	\$1,919,901	\$1,456,462	\$463,439	31.80%
Scholarships, Tuition	\$3,000,000	\$3,067,315	(\$67,315)	-2.20%
Other Operating Expenses	\$34,602,527	\$34,845,753	(\$243,226)	-0.70%
Subtotal Other	\$39,522,428	\$39,369,530	\$152,898	0.40%
Total Expenditures	\$86,876,365	\$86,169,524	\$706,841	0.80%

Expenditure Category	FY20 Actual	FY20 Projected	FY19 Actual vs. FY19 Projected	%age
Regular Employee Payroll	\$45,019,439	\$48,967,287	(\$3,947,848)	-8.10%
Lecturer Payroll	\$58 <i>,</i> 787	\$0	\$58,787	100.00%
Student Help Payroll	\$1,231,888	\$1,104,972	\$126,916	11.50%
Other Personnel	\$489,880	\$405,068	\$84,812	20.90%
Subtotal Personnel	\$46,799,994	\$50,477,327	(\$3,677,333)	-7.30%
Utilities	\$1,456,462	\$1,262,590	\$193,872	15.40%
Scholarships, Tuition	\$3,067,315	\$4,438,914	(\$1,371,599)	-30.90%
Other Operating Expenses	\$34,845,753	\$33,385,105	\$1,460,648	4.40%
Subtotal Other	\$39,369,530	\$39,086,609	\$282,921	0.70%
Total Expenditures	\$86,169,524	\$89,563,936	(\$3,394,412)	-3.80%

In FY20, projected payroll and other operating expenditures were less than budgeted. FY21 expenditures are projected to increase slightly in Regular Employee Payroll due to the collective bargaining increase approved by the Legislature. Collective bargaining augmentation has not been given to State departments yet, and was not included in this budget. Other Operating Expenses are projected to decrease due to implemented freezes on hiring, travel, equipment purchases and new contracts.

### Net Operating Gain (Loss)

Net Operating Income (All Funds)	FY21 Projected
Net Operating Income	\$5,424,909
Beginning Balance Ending Balance	\$33,245,703 \$38,670,612
Other Reserve Requirements (R&R, Bond, RTRF Commitments)	15,500,000
Revised Ending Balance	\$23,170,612
Reserve Requirement (5% Minimum)	\$3,378,369
Balance Above Minimum Reserve After Adjustments	\$19,792,243

Net operating income is projected to be positive as a strategic measure to keep operating expenditures in check for this fiscal year, so to maximize carryover cash balances for the next couple of fiscal years as the economy recovers.

Other reserve requirements include \$1.5 million for IT building debt service, \$3 million UH 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 Plus 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, there is little change in the forecasted FY21 General Fund as compared to last year. Mitigative measure to allow maximum spending on general funds to preserve non-general funds cash balances is being implemented. Freeze on travel and equipment, and reduction to operating expenses such as memberships and office supplies as well as a freeze on hiring should also bring salary savings through attrition.

Legislative appropriation for specific initiatives in the System budget, will continue to be disseminated to the campuses. In FY21, 11.62% or \$6.48 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 \$1.42 million is managed by System, the scholarships directly support higher education options for students at the campuses. Consequently, a total of 14.18% or \$7.91 million of the General Fund budget is in fact spent by the campuses rather than System operations.

General Fund Transfers	FY21 Budget	FY20 Actual	FY21 Budget vs. FY20 Actual	%age
Performance Funding	\$2,209,315	\$2,509,951	(\$300,636)	-12.00%
B Plus Scholarships	\$3,000,000	\$3,000,000	\$0	0.00%
Academy for Creative Media	\$0	\$1,170,000	(\$1,170,000)	-100.00%
Workers Comp/UI	\$800,000	\$800,000	\$0	0.00%
Nā Pua No'eau	\$322,242	\$322,242	\$0	0.00%
Student Affairs	\$144,500	\$187,000	(\$42,500)	-22.70%
Diversity & Equity	\$6,607	\$5,697	\$910	16.00%
Other Support	\$0	\$147,200	(\$147,200)	-100.00%
Total Transfers	\$6,482,664	\$8,142,090	(\$1,659,426)	-20.40%
WICHE	\$1,427,952	\$1,422,123	\$5,829	0.40%
<b>Grand Total</b>	\$7,910,616	\$9,564,213	(\$1,653,597)	-17.30%

### **TUITION AND FEES SPECIAL FUND**

### Revenues

FY21 Projected	FY20 Actual	FY21 Proj. vs. FY20 Actual	%age	FY20 Actual	FY20 Projected	FY20 Actual vs. FY20 Proj.	%age
\$1,178,928	\$2,194,333	(\$1,015,405)	-46.30%	\$2,194,333	\$3,053,249	(\$858,916)	-28.10%

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. Interest income has been rising since FY15 and experienced significant growth in FY18 and FY19 due to increased interest rates, notably on CD investments, and investments in new government obligations yielding higher interest rates. The FY21 variance is due to a significant decrease in interest income revenue projection. Impact to the interest income is twofold; decrease in interest rates and anticipated decrease in unencumbered cash balance. Projections were adjusted down by 46.6%.

# **Expenditures**

Expenditure Category	FY21 Projected	FY20 Actual	FY21 Proj. vs. FY20 Actual	%age
Regular Employee Payroll	\$352,553	\$1,779,915	(\$1,427,362)	-80.20%
Lecturer Payroll	\$0	\$0	\$0	0.00%
Student Help Payroll	\$78,239	\$416	\$77,823	18707.50%
Other Personnel	\$700	\$0	\$700	0.00%
Subtotal Personnel	\$431,492	\$1,780,331	(\$1,348,839)	-75.80%
Utilities	\$19,200	\$119,824	(\$100,624)	-84.00%
Scholarships, Tuition	\$0	\$0	\$0	0.00%
Other Operating Expenses	\$8,189,384	\$5,861,104	\$2,328,280	39.70%
Subtotal Other	\$8,208,584	\$5,980,928	\$2,227,656	37.20%
Total Expenditures	\$8,640,076	\$7,761,259	\$878,817	11.30%

Expenditure Category	FY20 Actual	FY20 Projected	FY20 Actual vs. FY20 Projected	%age
Regular Employee Payroll	\$1,779,915	\$2,222,315	(\$442,400)	-19.90%
Lecturer Payroll	\$0	\$0	\$0	0.00%
Student Help Payroll	\$416	\$0	\$416	0.00%
Other Personnel	\$0	\$0	\$0	0.00%
Subtotal Personnel	\$1,780,331	\$2,222,315	(\$441,984)	-19.90%
Utilities	\$119,824	\$133,737	(\$13,913)	-10.40%
Scholarships, Tuition	\$0	\$0	\$0	0.00%
Other Operating Expenses	\$5,861,104	\$8,958,488	(\$3,097,384)	-34.60%
Subtotal Other	\$5,980,928	\$9,092,225	(\$3,111,297)	-34.20%
Total Expenditures	\$7,761,259	\$11,314,540	(\$3,553,281)	-31.40%

Personnel expense is anticipated to decrease significantly. The strategy to maximize charging employees in permanent general funds position to the general funds is being implemented this year. In other operating expense, the projected expenditure budget is actually less than FY20 projected budget. While Other Operating Expenses outpace Revenues, the majority of TFSF expenses are payments towards existing UH commitments that are covered by a direct assessment from the campuses. Such commitments represent shared investments in services that are jointly funded by the campuses to achieve economies of scale and consistency that would not be available through individual action. These include the UH Foundation contract for private fundraising, stewardship and alumni relations, eBuilder, and NeoGov.

# **Net Operating Income**

Net Operating Income (TFSF)	FY21 Projected
Net Operating Income	\$256,799
Beginning Balance	\$14,758,952
Ending Balance	\$15,015,751
Other Reserve Requirements (IT debt service, UHF payment)	4,500,000
Revised Ending Balance	\$10,515,751
Reserve Requirement (5% Minimum)	\$2,570,756
Balance Above Minimum Reserve After Adjustments	\$7,944,995

### **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 FY21 with an unencumbered cash balance of \$85.94 million after \$167.24 million in FY20 unencumbered cash balances were swept from the campuses. Of this amount, \$18.60 million is held centrally by System as the 5% TFSF reserve requirement for Hilo, West Oʻahu, the Community Colleges, and System itself. A total of \$167.34 million was returned to the campuses for inclusion in their FY21 campus operating budgets.

# **APPENDIX**

# University of Hawai'i System Fiscal Year 2020-21 Operating Budget Proposal



**BUDGET WORKSHEETS** 

# UH System Operating Budget FY 2021 (07/01/20 to 06/30/21)

FY21	Revenues over Expenditures	GF	TFSF	RTRF	Other Special	Other Revolving	Approp Federal	TOTAL
	ated Ending Cash FY20	-	212,225,270	24,745,932	149,966,584	29,492,843	(208,308)	416,222,321
Less I	Estimated Encumbrances FY20	-	(29,963,695)	(5,312,169)	(23,271,756)	(2,866,804)	-	(61,414,424)
	Estimated Unencumbered Ending Cash FY20	-	182,261,575	19,433,763	126,694,828	26,626,039	(208,308)	354,807,897
Act 23	86 Transfer		(0)					
Less (	Campus Reserves Held Centrally		(18,602,165)					(18,602,165)
	Estimated Deferred Revenue (FYE20)		(20,941,534)	-	(12,995,256)	(1,326,903)		(35,263,693)
	Estimated Beginning Balance FY21	_	142,717,876	19,433,763	113,699,572	25,299,136	(208,308)	300,942,039
			,,	,	,	20,211,110	(200,000)	555)2,550
Rever	nue/Appropriation Projection	515,148,361	309,320,373	52,117,248	86,612,004	20,482,084	8,869,683	992,549,753
Trans	I fer Projections (Transfer-Ins)							
	Performance Based Funding	882,885						882,885
	Debt Service		-	-	10,565,690	-		10,565,690
	Assessments		9.082.638	-	1,905,924	356,400		11,344,962
	Tuition Scholarships		.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	_	47,668,319	-		47,668,319
	Other Transfers	18,702,440	224,797,810	38,728,136	54,590,143	111,730		336,930,259
Total	Transfer Projection	19,585,325	233,880,448	38,728,136	114,730,076	468,130		407,392,115
Total	Tansia Projection			24,734,733	,			,
	nditure Projections							
Perso								
	Regular Employee Payroll	467,856,196	85,665,353	17,330,494	46,055,975	8,490,615	5,355,012	630,753,645
	Lecturer Payroll	21,937,451	7,375,540	25,910	2,943,225	22,478	120,903	32,425,507
	Student Help Payroll	906,148	7,008,265	208,476	4,370,951	1,149,101	1,720,820	15,363,761
	Other Personnel (Non-Regular Payroll)	308,177	3,171,085	638,327	2,159,294	574,465	139,415	6,990,763
	Subtotal Personnel	491,007,972	103,220,243	18,203,207	55,529,445	10,236,659	7,336,150	685,533,676
Other	Expenditures							
	Utilities & Communication *	3,127,026	43,168,382	7,704,109	11,068,317	309,973	-	65,377,807
	Scholarships, Tuition, Stipends & Allowances	2,500,000	6,811,133	502,289	51,388,208	742,264	-	61,943,894
	Repairs & Maintenance	1,106,584	19,463,087	1,691,857	8,467,449	531,644	811	31,261,432
	Other Operating Expenses	12,760,927	54,318,802	19,687,706	46,300,816	9,450,598	1,532,722	144,051,571
	Subtotal Other	19,494,537	123,761,404	29,585,961	117,224,790	11,034,479	1,533,533	302,634,704
Total	Expenditure Projection	510,502,509	226,981,647	47,789,168	172,754,235	21,271,138	8,869,683	988,168,380
Trans	fer Projections (Transfer-Outs)							
	Performance Based Funding	2,209,315						2,209,315
	Debt Service	, , , , ,	8,091,663	-	41,173,518	-		49,265,181
	Assessments		23,390,554	363,288	-	-		23,753,842
	Tuition Scholarships	3,000,000	44,668,319	-	-	-		47,668,319
	Other Transfers	19,021,862	221,779,633	36,151,168	25,631,309	524,698		303,108,670
Total	Transfer Projection	24,231,177	297,930,169	36,514,456	66,804,827	524,698	-	426,005,327
	Projected Net Operating Income w/out One-Time							
	Expenditures	-	23,703,640	6,855,970	(35,098,475)	647,525	-	(3,891,340)
	Projected One-Time Expenditures **	-	5,414,635	314,210	3,118,507	1,493,147	-	10,340,499
	Estimated Ending Balance	-	161,006,881	25,975,523	75.482.590	24.453.514	(208,308)	286,710,200
	Reserve Held Centrally	-	18,602,165	20,710,020	10,102,070	F10,00F,F3	(200,300)	18,602,165
E0/ D-	conto Target for EV 2022 (Eventive Delia)	n/o	40.077.704	2 270 774	4 041 440	10// 205	n/o	40 //2 202
	serve Target for FY 2022 (Executive Policy)	n/a	40,076,694	2,278,774	6,241,449	1,066,385	n/a	49,663,303
16% R	eserve Target for FY 2022 (BOR Policy)	n/a	128,245,420	7,292,078	19,972,638	3,412,433	n/a	158,922,569

GF = General Funds

Appendix: Page 2 of 16 FY21 Operating Budget UOH (10-27-20)/UOH System

TFSF = Tuition & Fee Special Fund

RTRF = Research & Training Revolving Fund

<sup>\*</sup> Includes electricity, water, sewer, gas, telecom, postage
\*\* Included in expenditure budgets, but backed out to calculate projected NOI

# UH Manoa Operating Budget (UOH-100/110/881) FY 2021 (07/01/20 to 06/30/21)

FY21	Revenues over Expenditures	GF	TFSF	RTRF	Other Special	Other Revolving	Approp Federal	TOTAL
	ated Ending Cash FY20		10,226,409	18,535,416	101,038,685	18,400,164	(208,308)	147,992,366
	Estimated Encumbrances FY20	-	(10,006,934)	(1,785,601)	(19,199,283)	(2,227,725)	-	(33,219,543)
	Estimated Unencumbered Ending Cash FY20		219,475	16,749,815	81,839,402	16,172,439	(208,308)	114,772,823
Act 23	36 Transfer		80,806,701					80,806,701
Less E	Estimated Deferred Revenue (FYE20)		(16,677,210)	-	(10,301,198)	(1,218,893)	-	(28,197,301)
	Estimated Beginning Balance FY21	-	64,348,966	16,749,815	71,538,204	14,953,546	(208,308)	167,382,223
	, ,							
Dovos	L nue/Appropriation Projection	252,839,614	206,107,415	32,513,608	62,478,697	15,938,528	4,954,277	574,832,139
Revei	пиет Арргорпацоп Ртојесцоп	232,039,014	208,107,415	32,313,006	02,478,897	15,936,526	4,954,277	3/4,032,139
Trans	I fer Projections (Transfer-Ins)							-
IIIalis	Performance Based Funding							
	Debt Service	-	-		7,578,033			7,578,033
	Assessments		-		7,576,055	-		1,570,033
	Tuition Scholarships		-		35,758,319	-		35,758,319
	Other Transfers	7,560,585	208,680,553	33,017,036	53,461,087	111,730		302,830,991
Total	Transfer Projection	7,560,585	208,680,553	33,017,036	96,797,439	111,730		346,167,343
Total	Transici i rojection	7,300,303	200,000,000	33,017,030	70,171,437	111,730	-	340,107,343
	nditure Projections							
Perso								
	Regular Employee Payroll	252,839,614	68,424,602	11,260,504	39,993,151	7,282,908	3,903,084	383,703,863
	Lecturer Payroll	-	5,845,700	7,040	430,271	2,500	-	6,285,511
	Student Help Payroll	-	4,173,738	135,769	3,416,765	633,294	886,193	9,245,759
	Other Personnel (Non-Regular Payroll)	-	1,988,107	45,096	730,638	315,316	-	3,079,157
	Subtotal Personnel	252,839,614	80,432,147	11,448,409	44,570,825	8,234,018	4,789,277	402,314,290
Other	Expenditures							
	Utilities & Communication *		30,484,127	6,001,474	9,905,019	240,149	-	46,630,769
	Scholarships, Tuition, Stipends & Allowances		1,224,659	472,987	39,442,804	467,927	-	41,608,377
	Repairs & Maintenance	-	5,864,372	820,958	5,128,914	48,198	-	11,862,442
	Other Operating Expenses	-	27,555,575	7,608,900	35,590,272	6,659,460	165,000	77,579,207
	Subtotal Other	-	65,128,733	14,904,319	90,067,009	7,415,734	165,000	177,680,795
Total	Expenditure Projection	252,839,614	145,560,880	26,352,728	134,637,834	15,649,752	4,954,277	579,995,085
Trans	fer Projections (Transfer-Outs)							
	Performance Based Funding							-
	Debt Service		-	-	35,969,604	-		35,969,604
	Assessments		19,719,240	-	•	-		19,719,240
	Tuition Scholarships		35,758,319		•	-		35,758,319
	Other Transfers	7,560,585	205,182,916	36,117,168	25,511,309	442,900		274,814,878
Total	Transfer Projection	7,560,585	260,660,475	36,117,168	61,480,913	442,900	-	366,262,041
	Projected Net Operating Income w/out One-Time							
	Expenditures	_	11,645,778	3,374,958	(35,392,715)	530.501		(19,841,478)
	,		11,040,110	3,377,700	(00,072,110)	330,301	-	(17,071,470)
	Projected One-Time Expenditures **		3,079,165	314,210	1,449,896	572,895		5,416,166
	1 Tojostou Sile Time Experiatures		3,017,103	314,210	1,447,070	312,073		3,410,100
<u></u>	Estimated Ending Balance		72,915,579	19,810,563	34,695,593	14,911,152	(208,308)	142,124,579
	Reserve Held Centrally		12,713,317	17,010,000	5-1 <sub>0</sub> 75 <sub>1</sub> 575	14,711,132	(230,300)	172,124,017
<b>—</b>	noon to ficial octioning		-					
5% Ro	serve Target for FY 2022 (Executive Policy)	n/a	22,519,021	1,472,643	4,966,065	799,046	n/a	29,756,775
	deserve Target for FY 2022 (EXECUTIVE POLICY)	n/a	72,060,867	4,712,458	15,891,409	2,556,948	n/a	95,221,681
	COUNTY THE PROPERTY OF THE PRO	IIId	12,000,807	4,712,408	10,091,409	2,000,948	IIId	180,122,07

GF = General Funds

Appendix: Page 3 of 16

TFSF = Tuition & Fee Special Fund

RTRF = Research & Training Revolving Fund

 $<sup>^\</sup>star$  Includes electricity, water, sewer, gas, telecom, postage

<sup>\*\*</sup> Included in expenditure budgets, but backed out to calculate projected NOI

# University of Hawaii at Hilo Operating Budget (UOH-210) FY 2021 (07/01/20 to 06/30/21)

FY21 Revenues over Expenditures	GF	TFSF	RTRF	Other Special	Other Revolving	Approp Federal	TOTAL
Estimated Ending Cash FY20		4,586,155	530,255	7,878,493	2,898,662		15,893,565
Less Estimated Encumbrances FY20	-	(4,605,635)	(31,855)	(1,062,506)	(210,177)	-	(5,910,173)
Estimated Unencumbered Ending Cash FY20	-	(19,480)	498,400	6,815,987	2,688,485	-	9,983,392
Act 236 Transfer		23,141,294		.,	,,		23,141,294
Less Estimated Deferred Revenue (FYE20)		(1,657,671)	-	(174,531)	(72,317)	-	(1,904,519
Estimated Beginning Balance FY21		21,464,143	498,400	6,641,456	2,616,168	_	31,220,167
Estimated Boginning Balance 1 121		21,101,110	170,100	5,511,155	2,010,100		01/220/107
Revenue/Appropriation Projection	38,021,457	30,888,533	2,388,217	4,915,977	1,500,047	291,557	78,005,788
no vonado appropriación a rojection	00/021/107	00,000,000	2,000,217	1,710,777	1,000,011	271,007	70,000,700
Transfer Projections (Transfer-Ins)							
Performance Based Funding	48,547						48,547
Debt Service		-	-	-	-		-
Assessments		-	-	-	-		
Tuition Scholarships		-	-	6,550,000	-		6,550,000
Other Transfers	156,693	-	61,100	541,255	-		759,048
Total Transfer Projection	205,240		61,100	7,091,255	-	•	7,357,595
,							
Expenditure Projections							
Personnel							
Regular Employee Payroll	36,998,067	6,046,579	193,106	845,642	384,150		44,467,544
Lecturer Payroll		1,362,521		15,000			1,377,521
Student Help Payroll	75,000	704,030	5,100	295,834	344,460	291,557	1,715,981
Other Personnel (Non-Regular Payroll)	.,	860,000		129,411	45,366		1,034,777
Subtotal Personnel	37,073,067	8,973,130	198,206	1,285,887	773,976	291,557	48,595,823
Other Expenditures		2,1112,122	,====	.,===,==		=,==-	
Utilities & Communication *		4,685,850	266,500	360,837	3,900		5,317,087
Scholarships, Tuition, Stipends & Allowances		200.000	8,900	6,550,000	226,200		6,985,100
Repairs & Maintenance		1,400,000	40,225	1,204,418	367,921		3,012,564
Other Operating Expenses	270,000	7,665,544	2,217,024	3,118,314	948,302		14,219,184
Subtotal Other	270,000	13,951,394	2,532,649	11,233,569	1,546,323		29,533,935
Total Expenditure Projection	37,343,067	22,924,524	2,730,855	12,519,456	2,320,299	291,557	78,129,758
Total Experiantale Projection	31,043,001	22,724,324	2,730,033	12,317,430	2,320,277	271,337	70,127,730
Transfer Projections (Transfer-Outs)							
Performance Based Funding							-
Debt Service		-		1,627,270			1,627,270
Assessments		887,754		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			887,754
Tuition Scholarships		6,550,000					6,550,000
Other Transfers	883,630	526,255					1,409,885
Total Transfer Projection	883,630	7,964,009		1,627,270			10,474,909
Í	,						
Projected Net Operating Income w/out One-Time							
Expenditures		2,335,470	(281,538)	(800,883)			1,253,049
- пропинию	-	۷,۵۵۵,470	(201,538)	(000,883)	-	-	1,203,049
Projected One-Time Expenditures **		2,335,470		1,338,611	820,252		4,494,333
Projected One-Time Expenditures	-	2,333,470		1,336,011	020,232	-	4,474,333
Estimated Ending Balance	-	21,464,143	216,862	4,501,962	1,795,916	-	27,978,883
Reserve Held Centrally		3,409,435					3,409,435
,		,					,
5% Reserve Target for FY 2022 (Executive Policy)	n/a	3,411,580	133,488	352,774	116,015	n/a	4,013,856
16% Reserve Target for FY 2022 (BOR Policy)	n/a	10,917,056	427,161	1,128,875	371,248	n/a	12,844,340
						ļ.	

GF = General Funds

Appendix: Page 4 of 16

TFSF = Tuition & Fee Special Fund

RTRF = Research & Training Revolving Fund

 $<sup>^\</sup>star$  Includes electricity, water, sewer, gas, telecom, postage

<sup>\*\*</sup> Included in expenditure budgets, but backed out to calculate projected NOI

# UH West Oahu Operating Budget (UOH-700) FY 2021 (07/01/20 to 06/30/21)

s over Expenditures	GF	TFSF	RTRF	Other Special	Other Revolving	Approp Federal	TOTAL
g Cash FY20	-	600,503	342,223	2,732,348	2,021,271	-	5,696,345
Encumbrances FY20	-	(469,294)	(5,437)	(4,589)	(32,794)	-	(512,114)
d Unencumbered Ending Cash FY20		131,209	336,786	2,727,759	1,988,477	-	5,184,231
		10,096,230					10,096,230
Deferred Revenue (FYE20)		(770,988)	-	-	(7,565)	-	(778,553)
d Beginning Balance FY21		9,456,451	336,786	2,727,759	1,980,912	_	14,501,908
a Boginning Balanco 1 121		7,100,101	000,700	Z//Z///O	1,700,712		11,001,700
priation Projection	18,047,872	16,560,000	367,653	54,558	717,911	100,000	35,847,994
tions (Transfer-Ins)							
ance Based Funding	214,462						214,462
vice		-	-	<u> </u>	-		-
nents		-	-	-	-		-
cholarships		-	-	2,360,000	-		2,360,000
ansfers	86,523	5,000		-	-		91,523
Projection	300,985	5,000		2,360,000			2,665,985
pjections							
Dections							
Employee Dayrell	15,668,353	5,019,728	125,000	75,404	182,063	-	21,070,548
Employee Payroll Payroll	2,645,864	167,319		5,076	102,003	-	2,818,259
			- 15.000				
Help Payroll	34,640	226,076	15,000	11,110	68,000	94,000	448,826
ersonnel (Non-Regular Payroll)	-	26,320	45,000	75,238	158,320	-	304,878
Subtotal Personnel	18,348,857	5,439,443	185,000	166,828	408,383	94,000	24,642,511
res							
& Communication *	-	1,977,500	25,000		500	-	2,003,000
hips, Tuition, Stipends & Allowances		-	5,000	2,360,000	25,000		2,390,000
& Maintenance	-	215,000	-	330,000	100,000	-	645,000
perating Expenses	-	1,881,471	152,653	111,845	253,327	6,000	2,405,296
Subtotal Other	-	4,073,971	182,653	2,801,845	378,827	6,000	7,443,296
re Projection	18,348,857	9,513,414	367,653	2,968,673	787,210	100,000	32,085,807
tions (Transfer-Outs)							
ance Based Funding	-						
vice		4,136,224	-	-	-		4,136,224
nents		130,000	-	-	-		130,000
cholarships		2,360,000	-	-	-		2,360,000
ansfers		-	-	-	-		
Projection		6,626,224		-			6,626,224
IN-LORayles-							
d Net Operating Income w/out One-Time				(00.11=)			
ures	-	425,362	-	(224,115)	30,701	•	231,948
10 71 5 11							
d One-Time Expenditures **		-	-	330,000	100,000	-	430,000
d Ending Balance	-		336,786	2,173,644	1,911,613	•	14,303,856
Held Centrally		1,750,292					1,750,292
get for FY 2022 (Executive Policy)	n/a					n/a	1,812,352
rget for FY 2022 (BOR Policy)	n/a	5,517,359	58,824	97,388	125,954	n/a	5,799,525
d Ending B Held Centra get for FY 20	alance Silly 122 (Executive Policy)	alance -  silly  22 (Executive Policy) n/a	alance - 9,881,813 slly - 1,750,292 22 (Executive Policy) n/a 1,724,175	alance - 9,881,813 336,786 silly 1,750,292 22 (Executive Policy) n/a 1,724,175 18,383	alance - 9,881,813 336,786 2,173,644 silly 1,750,292 222 (Executive Policy) n/a 1,724,175 18,383 30,434	alance - 9,881,813 336,786 2,173,644 1,911,613 silly 1,750,292	alance - 9,881,813 336,786 2,173,644 1,911,613 - 1,1750,292 - 1,750,292 - 1,750,292 - 1,724,175 18,383 30,434 39,361 n/a

GF = General Funds

Appendix: Page 5 of 16

TFSF = Tuition & Fee Special Fund

RTRF = Research & Training Revolving Fund

<sup>\*</sup> Includes electricity, water, sewer, gas, telecom, postage

<sup>\*\*</sup> Included in expenditure budgets, but backed out to calculate projected NOI

# University of Hawaii Community Colleges Operating Budget (UOH-800) FY 2021 (07/01/20 to 06/30/21)

Estimated Fronting Code PY20	nues over Expenditures	GF	TFSF	RTRF	Other Special	Other Revolving	Approp Federal	TOTAL
Established Defensel Revenue (PT-Z20)	Inding Cash FY20	-	5,526,569	1,560,259	21,675,346	2,446,380		31,208,554
March   Marc	ated Encumbrances FY20	-	(9,534,657)	(135,924)	(1,198,507)	(37,393)	-	(10,906,481)
Estimated Memory (PY-10)   (1,835.66)   (2,378.76)   (28.126)   (38.126)	mated Unencumbered Ending Cash FY20	-	(4,008,088)	1,424,335	20,476,839	2,408,987	-	20,302,073
Statistic Reprint places Prization Projection   100,446,316   1,044,325   10,047,60   2,303,699	nsfer	-	38,533,117					38,533,117
RevenueAppropriation Projections 119,446,316 54,588,497 12,546,277 987,426 2,267,849	ated Deferred Revenue (FYE20)	-	(1,835,665)	-	(2,379,356)	(28,128)	-	(4,243,149)
RevenueAppropriation Projections 119,446,316 54,588,497 12,546,277 987,426 2,267,849	mated Beginning Balance FY21	-	32,689,364	1,424,335	18,097,483	2,380,859	-	54,592,041
Transfer Projections (Transfer Ins)								
Performance Resed Funding								
Performance Resed Funding	ppropriation Projection	150.468.316	54.585.497	1.504.078	14.524.272	987.426	2.867.849	224,937,438
Delf Service	7			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			, , , , ,	.,,
Debt Service	ojections (Transfer-Ins)							
Tutter Schlamhrips	formance Based Funding	619,876						619,876
Total Transfers	t Service	-			2,987,657			2,987,657
Total Transfer Projection   10,313,956   15,924,495	essments	-		-	-			-
Total Transfer Projection	ion Scholarships	-		-				-
Expenditure Projections	er Transfers	9,694,080	15,924,495					25,618,575
Personnel	sfer Projection	10,313,956	15,924,495	-	2,987,657	-	-	29,226,108
Personnel								
Personnel								
Regular Engloyee Payroll   124,217,421   5.821,891   623,690   4.326,376   117,390   1.251,928	e Projections							
Lecture Payell   19,291,587								
Subdent Help Payroll	ular Employee Payroll	124,217,421	5,821,891	623,690	4,326,376	171,390	1,251,928	136,412,696
Other Personnel (Non-Regular Payroll)	turer Payroll	19,291,587	-	18,870	2,492,878	19,978	120,903	21,944,216
Subtotal Personnel   143,509,008   7,944,031   685,045   8,233,000   294,715   1,961,316	dent Help Payroll	-	1,826,182		600,189	103,347	449,070	2,978,788
Other Expenditures	er Personnel (Non-Regular Payroll)	-	295,958	42,485	813,557	-	139,415	1,291,415
Utilities & Communication	Subtotal Personnel	143,509,008	7,944,031	685,045	8,233,000	294,715	1,961,316	162,627,115
Scholarships, Tuillon, Stipends & Allowances   2,500,000   5,386,474   15,402   35,404   23,137	nditures							
Repairs & Maintenance	ties & Communication *	2,964,482	6,001,705	300,000	240,777	86	-	9,507,050
Repairs & Maintenance	olarships, Tuition, Stipends & Allowances	2,500,000	5,386,474	15,402	35,404	23,137	-	7,960,417
Subtotal Other   7,968,966   32,398,722   785,033   5,702,285   692,711   906,533     Total Expenditure Projection   151,477,974   40,342,753   1,470,078   13,935,285   987,426   2,867,849     Transfer Projections (Transfer-Outs)   Performance Based Funding   -		104,484	10,150,637	12,162	410,763	525	811	10,679,382
Subtotal Other   7,968,966   32,398,722   785,033   5,702,285   692,711   906,533     Total Expenditure Projection   151,477,974   40,342,753   1,470,078   13,935,285   987,426   2,867,849     Transfer Projections (Transfer-Outs)   Performance Based Funding   -								20,307,401
Total Expenditure Projection		7,968,966	32,398,722	785,033	5,702,285	692,711	906,533	48,454,250
Transfer Projections (Transfer-Outs)						·		211,081,365
Performance Based Funding	,					·		
Debt Service	ojections (Transfer-Outs)							
Assessments   2,653,560   -   -   -   -   -   -   -   -   -	formance Based Funding	-	-		-		-	
Tuition Scholarships	t Service	-	2,402,986	•	3,576,644			5,979,630
Other Transfers	essments	-	2,653,560	•				2,653,560
Total Transfer Projection	ion Scholarships	-						
Projected Net Operating Income w/out One-Time	er Transfers	9,304,298						25,408,760
Expenditures   9,040,231   -   -	sfer Projection	9,304,298	21,127,008	34,000	3,576,644	-	-	34,041,950
Expenditures   9,040,231   -   -								
Expenditures   9,040,231   -   -								
Expenditures   9,040,231   -   -	ected Net Operating Income w/out One-Time							
Estimated Ending Balance - 41,729,595 1,424,335 18,097,483 2,380,859 - Reserve Held Centrally - 11,006,261			9,040,231	-	-	-	-	9,040,231
Estimated Ending Balance - 41,729,595 1,424,335 18,097,483 2,380,859 - Reserve Held Centrally - 11,006,261								
Reserve Held Centrally         11,006,261         -         -         -           5% Reserve Target for FY 2022 (Executive Policy)         n/a         9,851,162         75,204         726,214         49,371         n/a	ected One-Time Expenditures **	-	-	-	-	•	-	
Reserve Held Centrally         11,006,261         -         -         -           5% Reserve Target for FY 2022 (Executive Policy)         n/a         9,851,162         75,204         726,214         49,371         n/a	wated Fading Dalance		44 700 505	4 404 005	40.007.000	0.000.050		/0 /00 070
5% Reserve Target for FY 2022 (Executive Policy) n/a 9,851,162 75,204 726,214 49,371 n/a								63,632,272
	егуе неід септгану	-	11,006,261	-	-	•	•	11,006,261
	Target for EY 2022 (Executive Policy)	n/a	Q 851 162	75 204	726 214	<b>∆Q</b> 271	n/a	10,701,951
10/0 Nescrive ranger for 1 1 2022 (DON 1 Miley) 11/4 31,323,710 240,032 2,323,004 137,700 11/d				·				34,246,243
	e ranger for til 2022 (DOIX Folicy)	TIFG	31,323,710	240,002	۷,۵۷۵,004	101,700	Dut	34,240,243

GF = General Funds

Appendix: Page 6 of 16

TFSF = Tuition & Fee Special Fund

RTRF = Research & Training Revolving Fund

<sup>\*</sup> Includes electricity, water, sewer, gas, telecom, postage

<sup>\*\*</sup> Included in expenditure budgets, but backed out to calculate projected NOI

# University of Hawaii Systemwide Operating Budget (UOH-900) FY 2021 (07/01/20 to 06/30/21)

FY21 Rev	venues over Expenditures	GF	TFSF	RTRF	Other Special	Other Revolving	Approp Federal	TOTAL
	Ending Cash FY20		191,285,634	3,777,780	16,641,713	3,726,366		215,431,493
	mated Encumbrances FY20		(5,347,175)	(3,353,351)	(1,806,871)	(358,715)	-	(10,866,112
	stimated Unencumbered Ending Cash FY20	-	185,938,459	424,429	14,834,842	3,367,651	-	204,565,381
Act 236 Ti	ů		(152,577,342)	.= 1,1=1	11,551,515	5,551,551		(152,577,342
	ipus Reserves Held Centrally		(18,602,165)					(18,602,165
	mated Deferred Revenue (FYE20)		(10,002,103)		(140.171)			(140,171
	stimated Beginning Balance FY21		14,758,952	424,429	14,694,671	3,367,651	<u> </u>	33,245,703
L	sumated beginning balance ( 121	-	14,730,732	424,427	14,074,071	3,307,031	-	33,243,703
Revenue/	'Appropriation Projection	55,771,102	1,178,928	15,343,692	4,638,500	1,338,172	656,000	78,926,394
Transfer I	Projections (Transfer-Ins)							
Pe	erformance Based Funding	-						-
De	ebt Service		-	-	-	-		
As	ssessments		9,082,638		1,905,924	356,400		11,344,962
	uition Scholarships		,		3,000,000			3,000,000
-	ther Transfers	1,204,559	187,762	5,650,000	587,800	. 1		7,630,121
	nsfer Projection	1,204,559	9,270,400	5,650,000	5,493,724	356,400		21,975,083
Total IIal	nord Frojection	1,204,337	7,210,400	3,030,000	7,77,77	330,400		21,770,000
	ure Projections							
Personnel								
Re	egular Employee Payroll	38,132,741	352,553	5,128,194	815,402	470,104	200,000	45,098,994
Le	ecturer Payroll	-	-	-	-	-	-	-
St	tudent Help Payroll	796,508	78,239	52,607	47,053	-		974,407
Ot	ther Personnel (Non-Regular Payroll)	308,177	700	505,746	410,450	55,463	-	1,280,536
	Subtotal Personnel	39,237,426	431,492	5,686,547	1,272,905	525,567	200,000	47,353,937
Other Exp	penditures							
	tilities & Communication *	162,544	19,200	1,111,135	561,684	65,338	-	1,919,901
	cholarships, Tuition, Stipends & Allowances		-	-	3,000,000	-	-	3,000,000
	epairs & Maintenance	1,002,100	1,833,078	818,512	1,393,354	15,000	-	5,062,044
	ther Operating Expenses	10,090,927	6,356,306	9,251,660	2,465,044	920,546	456,000	29,540,483
	Subtotal Other	11,255,571	8,208,584	11,181,307	7,420,082	1,000,884	456,000	39,522,428
Total Exp	penditure Projection	50,492,997	8,640,076	16,867,854	8,692,987	1,526,451	656,000	86,876,365
Transfer	Projections (Transfer-Outs)							
	erformance Based Funding	2,209,315						2,209,315
	ebt Service	2,207,313	1,552,453					1,552,453
	ssessments		1,552,455	363,288	-	-		363,288
	uition Scholarships	3,000,000	-	303,200		-		3,000,000
	·	1,273,349	-	-	120,000	81,798		1,475,147
	ther Transfers nsfer Projection	6,482,664	1,552,453	363,288	120,000	81,798		8,600,203
Dec	ojected Net Operating Income w/out One-Time							
	penditures		256,799	3,762,550	1,319,237	86,323	-	5,424,909
Pr	rojected One-Time Expenditures **	-	-	-	-	-	-	-
Es	timated Ending Balance	-	15,015,751	4,186,979	16,013,908	3,453,974	-	38,670,612
	serve Held Centrally		2,436,177	3 - 1/11		-31		2,436,177
5% Reserv	ve Target for FY 2022 (Executive Policy)	n/a	2,570,756	579.057	165,963	62,592	n/a	3,378,369
	rve Target for FY 2022 (BOR Policy)	n/a	8,226,420	1,852,983	531.082	200,296	n/a	10,810,781
	TO TAIGULION IN EVER (DOIN I VIICY)	11/4	0,220,420	1,002,700	JJ 1,002	200,270	11/C	10,010,701

GF = General Funds

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TFSF = Tuition & Fee Special Fund

RTRF = Research & Training Revolving Fund

<sup>\*</sup> Includes electricity, water, sewer, gas, telecom, postage

<sup>\*\*</sup> Included in expenditure budgets, but backed out to calculate projected NOI



University of Hawai'i – Community College Campuses

### Honolulu Community College Operating Budget (UOH-300) FY 2021 (07/01/20 to 06/30/21)

FY21 Revenues over Expenditures	GF	TFSF	RTRF	Other Special	Other Revolving	Approp Federal	Total
Estimated Ending Cash FY20		1,029,450	571,957	5,589,215	188,510		7,379,132
Less Estimated Encumbrances FY20		(1,005,332)	(133,924)	(230,898)	(369)		(1,370,523)
Estimated Unencumbered Ending Cash FY20	-	24,118	438,033	5,358,317	188,141		6,008,609
Act 236 Transfer	_	6,927,740	100,000	0,000,011	100,141		6,927,740
Less Estimated Deferred Revenue (FYE20)	-	(193,961)	•	(183,724)	(1,672)	-	(379,357)
Estimated Beginning Balance FY21	-	6,757,897	438,033	5,174,593	186,469		12,556,992
Estinated beginning Balance F121	•	0,737,047	430,033	5,174,593	100,409	-	12,000,992
Revenue/Appropriation Projection	26,218,431	6,628,900	98,986	1,710,321	78,319	37,053	34,772,010
Transfer Projections (Transfer-Ins)							
Performance Based Funding	183,938			-			183,938
Debt Service	-			-			
Assessments				-			
Tuition Scholarships				-			
Other Transfers	45,488	3,419,170	-	-	-		3,464,658
Total Transfer Projection	229,426	3,419,170	-	-	-	-	3,648,596
Formed the experience							
Expenditure Projections							
Personnel							
Regular Employee Payroll	19,350,359	583,680	1,600	684,300	•	•	20,619,939
Lecturer Payroll	3,340,160			218,245			3,558,405
Student Help Payroll	-	281,016	-	119,925	11,122	30,919	442,982
Other Personnel (Non-Regular Payroll)	-	19,971		67,397			87,368
Subtotal Personnel	22,690,519	884,667	1,600	1,089,867	11,122	30,919	24,708,694
Other Expenditures							
Utilities & Communication *	479,100	797,539		30,424			1,307,063
Scholarships, Tuition, Stipends & Allowances		703,635			1,493		705,128
Repairs & Maintenance	-	1,275,743	1,666	82,975			1,360,384
Other Operating Expenses		1,399,204	90,863	507,055	65,704	6,134	2,068,960
Subtotal Other	479,100	4,176,121	92,529	620,454	67,197	6,134	5,441,535
Total Expenditure Projection	23,169,619	5,060,788	94,129	1,710,321	78,319	37,053	30,150,229
Transfer Projections (Transfer-Outs)							
Performance Based Funding							
Debt Service	-				-	-	
Assessments	-	368,055	-	-	-	-	368,055
Tuition Scholarships	-		-	-	-	-	-
Other Transfers	3,278,238	1,003,518	4,857	-			4,286,613
Total Transfer Projection	3,278,238	1,371,573	4,857	-	-	-	4,654,668
Projected Net Operating Income w/out One-Time Expenditures	-	3,615,709	-	-	-	-	3,615,709
Projected One-Time Expenditures **	-	-	-	-			
Estimated Ending Balance	-	10,373,606	438,033	5,174,593	186,469	-	16,172,701
Reserve Held Centrally		1,732,665	-		-	-	1,732,665
5% Reserve Target for FY 2022 (Executive Policy)	n/a	1,309,141	4,949	85,516	3,916	n/a	1,403,522
16% Reserve Target for FY 2022 (BOR Policy)	n/a	4,189,250	15,838	273,651	12,531	n/a	4,491,270
		.,.37,200	10,000	2.0,001	22,001		.,

# Kapi'olani Community College Operating Budget (UOH-310) FY 2021 (07/01/20 to 06/30/21)

FY21	Revenues over Expenditures	GF	TFSF	RTRF	Other Special	Other Revolving	Approp Federal	Total
	ated Ending Cash FY20		853,848	108,459	3,574,451	1,150,864		5,687,622
	Estimated Encumbrances FY20		(803,806)	-	(361,028)	-	-	(1,164,834)
	Estimated Unencumbered Ending Cash FY20		50,042	108,459	3,213,423	1,150,864		4,522,788
Act 23	36 Transfer	-	3,095,538	-	-	-	-	3,095,538
	Estimated Deferred Revenue (FYE20)		(651,658)		(879,561)	(14,173)		(1,545,392)
	Estimated Beginning Balance FY21	-	2,493,922	108,459	2,333,862	1,136,691		6,072,934
			_,,	,	=/===/===	1,100,000		2/212/121
Rever	nue/Appropriation Projection	27,698,923	15,322,701	118,723	4,380,566	457,061	17,705	47,995,679
		,,,,,,		., .	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		,	
Trans	fer Projections (Transfer-Ins)							
	Performance Based Funding	29,848	-	-	-	-	-	29,848
	Debt Service		-	-	589,037	-	-	589,037
	Assessments	-		-			-	
	Tuition Scholarships	-	-	-			-	-
	Other Transfers	5,324,078	-	-	-	-	-	5,324,078
Total	Transfer Projection	5,353,926	-	-	589,037	-	-	5,942,963
Exner	nditure Projections							
Perso								
. 5/50	Regular Employee Payroll	27,909,300	1,072,110	6,342	1,171,146	87,921	-	30,246,819
	Lecturer Payroll	4,550,717	1,072,110	- 0,342	548,681	17,329	-	5,116,727
-	Student Help Payroll	4,330,717	256,785	-	132,830	54,321	11,579	455,515
-	Other Personnel (Non-Regular Payroll)		49,624		269,062	34,321	-	318,686
	Subtotal Personnel	32,460,017	1,378,519	6,342	2,121,719	159,571	11,579	36,137,747
Other	Expenditures Subtotal 1 crossinics	02,100,017	.,0,0,017	5,542	2/12/1/1/	101,011	,	00,107,117
Carci	Utilities & Communication *	592,832	1,680,916	-	17,982	86	-	2,291,816
	Scholarships, Tuition, Stipends & Allowances	-	1,528,634	-	13,359	-	-	1,541,993
	Repairs & Maintenance	-	662,425	-	154,545	250	-	817,220
	Other Operating Expenses	-	2,054,724	107,524	1,483,924	297,154	6,126	3,949,452
	Subtotal Other	592,832	5,926,699	107,524	1,669,810	297,490	6,126	8,600,481
Total	Expenditure Projection	33,052,849	7,305,218	113,866	3,791,529	457,061	17,705	44,738,228
T	for Daylanting (Tours for Octo)							
irans	For Projections (Transfer-Outs)							
	Performance Based Funding	-	-	-	1 170 074	-	-	4 470 07 4
<u> </u>	Debt Service	-	/02 /45	-	1,178,074	-	-	1,178,074
<u> </u>	Assessments Tuition Scholarching	-	693,415	-	-	-	-	693,415
<u> </u>	Tuition Scholarships Other Transfers	-	6,901,100	4,857	•	-	-	6,905,957
Total		-	7,594,515	4,857 4,857	1,178,074	-	-	8,777,446
TOIAI	Transfer Projection	-	1,0747010	4,857	1,178,074	-	-	0,777,440
	Projected Net Operating Income w/out One-Time Expenditures	-	422,968	-	-	-	-	422,968
	Projected One-Time Expenditures **	-	-	-	-	-	-	
	Fally start Freding Polance		0.04 / 000	400 450	0.000.000	4.407.704		/ 107 000
	Estimated Ending Balance		2,916,890	108,459	2,333,862	1,136,691	-	6,495,902
	Reserve Held Centrally	-	2,767,150	-	-	-	-	2,767,150
E0/. D^	scopio Target for EV 2022 (Evocutivo Policy)	n/a	2,397,629	5,936	219,028	22,853	n/a	2,645,446
	eserve Target for FY 2022 (Executive Policy) Reserve Target for FY 2022 (BOR Policy)	n/a n/a	2,397,629 7,672,413	5,936 18,996	700,891	73,130	n/a n/a	2,645,446 8,465,430
	reserve Tarder for EY 7077 IRDR POLICY)	n/a	1612413		/00.891		n/a	x 465 430

# Leeward Community College Operating Budget (UOH-320) FY 2021 (07/01/20 to 06/30/21)

FY21	Revenues over Expenditures	GF	TFSF	RTRF	Other Special	Other Revolving	Approp Federal	Total
	ated Ending Cash FY20		549,145	70,788	5,350,925	128,258		6,099,116
	Estimated Encumbrances FY20		(503,581)	-	(214,721)	(4,696)	-	(722,998)
2000	Estimated Unencumbered Ending Cash FY20		45,564	70,788	5,136,204	123,562		5,376,118
Δct 23	6 Transfer		8,930,308	-	0,100,201	-		8,930,308
	Stimated Deferred Revenue (FYE20)		(488,716)		(733,602)	(6,350)		(1,228,668)
LC33 L	Estimated Beginning Balance FY21	-	8,487,156	70,788	4,402,602	117,212	-	13,077,758
	Estimated beginning balance 1 121		0,107,130	10,700	4,402,002	111,212		13,077,730
Rever	uue/Appropriation Projection	23,502,880	14,074,115	82,260	3,308,409	121,153	87,368	41,176,185
Trans	fer Projections (Transfer-Ins)							
	Performance Based Funding	148,148		-	-			148,148
	Debt Service	-			150,239		-	150,239
	Assessments							
	Tuition Scholarships							
	Other Transfers	4,100,626						4,100,626
Total	Transfer Projection	4,248,774	-	-	150,239	-	-	4,399,013
	nditure Projections							
Perso								
	Regular Employee Payroll	23,286,918	1,355,965	77,403	1,177,761	83,469	-	25,981,516
	Lecturer Payroll	3,957,234			772,369			4,729,603
	Student Help Payroll	-	512,521	-	224,808	4,659	80,451	822,439
	Other Personnel (Non-Regular Payroll)	-	17,035		60,105			77,140
	Subtotal Personnel	27,244,152	1,885,521	77,403	2,235,043	88,128	80,451	31,610,698
Other	Expenditures							
	Utilities & Communication *	507,502	1,125,794	•	78,972			1,712,268
	Scholarships, Tuition, Stipends & Allowances	•	1,242,514	•	375	3,275		1,246,164
	Repairs & Maintenance	-	282,308		32,803			315,111
	Other Operating Expenses	-	2,068,263		961,216	29,750	6,917	3,066,146
	Subtotal Other	507,502	4,718,879		1,073,366	33,025	6,917	6,339,689
Total	Expenditure Projection	27,751,654	6,604,400	77,403	3,308,409	121,153	87,368	37,950,387
Trans	fer Projections (Transfer-Outs)							
Hulls	Performance Based Funding					-		
	Debt Service		150,239		150,239	-		300,478
<b>—</b>	Assessments	-	445,836		130,239	-	-	445,836
	Tuition Scholarships	-	443,030	-		-		443,030
	Other Transfers	-	5,696,603	4,857		-	-	5,701,460
Total	Transfer Projection		6,292,678	4,857	150,239	-	-	6,447,774
Total	Talisio Trojection		0,272,070	1,007	100/207			9,,
	Projected Net Operating Income w/out One-Time Expenditures	-	1,177,037	-	-	-	-	1,177,037
	Projected One-Time Expenditures **	-	_	-	-	-		
	Estimated Ending Balance	-	9,664,193	70,788	4,402,602	117,212	-	14,254,795
	Reserve Held Centrally	-	2,148,391	-	-	-	-	2,148,391
	serve Target for FY 2022 (Executive Policy) eserve Target for FY 2022 (BOR Policy)	n/a n/a	2,032,437 6,503,797	4,113 13,162	165,420 529,345	6,058 19,384	n/a n/a	2,208,028 7,065,688

# Windward Community College Operating Budget (UOH-330) FY 2021 (07/01/20 to 06/30/21)

FY21	Revenues over Expenditures	GF	TFSF	RTRF	Other Special	Other Revolving	Approp Federal	Total
	ated Ending Cash FY20		369,217	162,660	2,507,602	123,294		3,162,773
	Sstimated Encumbrances FY20		(356,747)	-	(45,657)	(3,520)		(405,924)
	Estimated Unencumbered Ending Cash FY20	-	12,470	162,660	2,461,945	119,774	-	2,756,849
Act 23	6 Transfer		3,946,259					3,946,259
	stimated Deferred Revenue (FYE20)		(103,825)		(212,514)	(1,023)		(317,362)
	Estimated Beginning Balance FY21		3,854,904	162,660	2,249,431	118,751		6,385,746
	5			·		·		
Rever	ue/Appropriation Projection	11,951,673	3,910,310	173,391	1,240,750	36,414	17,956	17,330,494
Trans	fer Projections (Transfer-Ins)							
	Performance Based Funding	57,822	-	-	-	-	-	57,822
	Debt Service	-	-	-		-	-	
	Assessments	-	-	-	-	-	-	•
	Tuition Scholarships	-	-	-	-	-	-	•
	Other Transfers	23,138	67,321	-	-	-	-	90,459
Total	Transfer Projection	80,960	67,321	-	-	-	-	148,281
Eynor	diture Projections				<del> </del>			
Perso								
1 0130	Regular Employee Payroll	10,273,142	475,332	143,226	391,516	-		11,283,216
	Lecturer Payroll	1,325,888	473,332	143,220	207,316	-		1,533,204
	Student Help Payroll	1,323,000	201,172	-	9,182	5,278	14,549	230,181
	Other Personnel (Non-Regular Payroll)	-	38,767	-	294,156	5,210	14,547	332,923
	Subtotal Personnel	11,599,030	715,271	143,226	902,170	5,278	14.549	13,379,524
Other	Expenditures	11,077,000	710,271	140,220	702,110	0,270	14,047	10,017,024
Otrici	Utilities & Communication *	380,406	611,157	-	6,242	-	-	997,805
	Scholarships, Tuition, Stipends & Allowances	300,100	410,980		14,303	2,711		427,994
	Repairs & Maintenance		422,428	3,751	14,498	-	_	440,677
	Other Operating Expenses		642,949	21,557	303,537	28,425	3,407	999,875
	Subtotal Other	380,406	2,087,514	25,308	338,580	31,136	3,407	2,866,351
Total	Expenditure Projection	11,979,436	2,802,785	168,534	1,240,750	36,414	17,956	16,245,875
Trans	fer Projections (Transfer-Outs)							
	Performance Based Funding	-	-	-	-	-	-	-
	Debt Service	-	-	-	-	-	-	-
	Assessments	-	165,120	-	-	-	-	165,120
	Tuition Scholarships	-	-	-	-		-	-
	Other Transfers	53,197	524,662	4,857	-	-	-	582,716
Total	Transfer Projection	53,197	689,782	4,857	-	-	-	747,836
	Projected Net Operating Income w/out One-Time Expenditures	-	485,064	-	-	-	-	485,064
	Projected One-Time Expenditures **	-	-	-	-	-	-	
	Estimated Ending Balance	-	4,339,968	162,660	2,249,431	118,751	-	6,870,810
	Reserve Held Centrally	-	903,112	-	-	-	-	903,112
	T 16 5/0000/5 # 5 " )	,					,	
5% Re	serve Target for FY 2022 (Executive Policy) eserve Target for FY 2022 (BOR Policy)	n/a n/a	770,234 2,464,749	8,670 27,743	62,038 198,520	1,821 5,826	n/a n/a	842,763 2,696,838

# Hawai'i Community College Operating Budget (UOH-400) FY 2021 (07/01/20 to 06/30/21)

FY21 Revenues over Expenditures	GF	TFSF	RTRF	Other Special	Other Revolving	Approp Federal	Total
Estimated Ending Cash FY20		453,347	91,061	1,241,862	492,036		2,278,306
Less Estimated Encumbrances FY20		(424,853)		(143,885)	(15,159)		(583,897
Estimated Unencumbered Ending Cash FY20		28,494	91,061	1,097,977	476,877		1,694,409
Act 236 Transfer		1,518,259	-				1,518,259
Less Estimated Deferred Revenue (FYE20)	-	(140,004)		(94,604)	(1,522)	-	(236,130
Estimated Beginning Balance FY21		1,406,749	91.061	1,003,373	475,355	-	2,976,538
Estimated Beginning Bulance 1 121		1,100,717	71,001	1,000,070	170,000		2,770,000
Revenue/Appropriation Projection	17,103,700	5,592,543	24,530	921,682	90,432	65,147	23,798,034
Transfer Projections (Transfer-Ins)							
Performance Based Funding	37,055		-				37,055
Debt Service	-		-	397,119			397,119
Assessments				-		-	-
Tuition Scholarships			-				
Other Transfers	31,370	296,879				-	328,249
Total Transfer Projection	68,425	296,879	-	397,119	-	-	762,423
Expenditure Projections							
Personnel							
Regular Employee Payroll	13,967,542	1,212,930	10,000	248,916	•	-	15,439,388
Lecturer Payroll	2,600,850		•	203,092			2,803,942
Student Help Payroll	-	234,919	-	16,487	•	65,147	316,553
Other Personnel (Non-Regular Payroll)	•	55,707		42,135			97,842
Subtotal Personnel	16,568,392	1,503,556	10,000	510,630	=	65,147	18,657,725
Other Expenditures							
Utilities & Communication *	306,854	379,336	-	1,507		•	687,697
Scholarships, Tuition, Stipends & Allowances	-	531,837	-	7,337	7,708	-	546,882
Repairs & Maintenance	-	252,081	-	54,677	233	-	306,991
Other Operating Expenses	-	872,379	9,673	347,531	82,491	-	1,312,074
Subtotal Other	306,854	2,035,633	9,673	411,052	90,432	-	2,853,644
Total Expenditure Projection	16,875,246	3,539,189	19,673	921,682	90,432	65,147	21,511,369
Transfer Projections (Transfer-Outs)							
Performance Based Funding	-	-	-			-	
Debt Service	-	397,119	-	397,119		-	794,238
Assessments	-	370,834					370,834
Tuition Scholarships	-	-	-	-	-	-	
Other Transfers	296,879	681,684	4,857			-	983,420
Total Transfer Projection	296,879	1,449,637	4,857	397,119	-	-	2,148,492
Projected Net Operating Income w/out One-Time Expenditures	-	900,596	-	-	-	-	900,596
Projected One-Time Expenditures **	-	-	-	-		-	-
Estimated Ending Balance	-	2,307,345	91,061	1,003,373	475,355	-	3,877,134
	-		-	1,003,373	-	-	1,256,890
Reserve Held Centrally	-	1,256,890					
Reserve Held Centrally						n/a	1 120 102
	n/a n/a	1,256,890 1,078,360 3,450,751	1,227 3,925	46,084 147,469	4,522 14,469	n/a n/a	1,130,193 3,616,614

# Maui College Operating Budget (UOH-500) FY 2021 (07/01/20 to 06/30/21)

FY21 Revenues over Expenditures	GF	TFSF	RTRF	Other Special	Other Revolving	Approp Federal	Total
Estimated Ending Cash FY20	-	973,640	324,128	1,963,476	148,608		3,409,852
Less Estimated Encumbrances FY20		(1,405,841)		(190,544)	(6,656)		(1,603,041)
Estimated Unencumbered Ending Cash FY20		(432,201)	324,128	1,772,932	141,952		1,806,811
Act 236 Transfer		2,922,900			-		2,922,900
Less Estimated Deferred Revenue (FYE20)	-	(185,361)		(252,241)	(1,251)	-	(438,853
Estimated Beginning Balance FY21		2,305,338	324,128	1,520,691	140,701		4,290,858
Estimated Boginining Salahoo 1 121		2,000,000	02 1/120	1,020,071	110,701		1,270,000
Revenue/Appropriation Projection	17,571,808	6,172,385	754,640	2,413,530	63,357	72,059	27,047,779
Transfer Projections (Transfer-Ins)							
Performance Based Funding	93,018	-	-	-	-	-	93,018
Debt Service	-	-	-	-	-	-	-
Assessments	-		-	-			
Tuition Scholarships	-	-	-	-	-	-	-
Other Transfers	85,990	497,618	-				583,608
Total Transfer Projection	179,008	497,618	-	-	-	-	676,626
Funanditure Decisations							-
Expenditure Projections							
Personnel	44,000,400	570.750	000.000	547.000			45.557.077
Regular Employee Payroll	14,230,402	579,753	228,928	517,883	-	-	15,556,966
Lecturer Payroll	2,610,142	-	18,870	506,541	2,649	- // 10/	3,138,202
Student Help Payroll	-	108,421	-	83,050	24,036	66,196	281,703
Other Personnel (Non-Regular Payroll)	-	57,847	42,485	77,009			177,341
Subtotal Personnel	16,840,544	746,021	290,283	1,184,483	26,685	66,196	19,154,212
Other Expenditures							
Utilities & Communication *	427,167	838,503	300,000	103,652			1,669,322
Scholarships, Tuition, Stipends & Allowances		682,313	269	30	6,271	-	688,883
Repairs & Maintenance		515,523	6,745	28,145	-	-	550,413
Other Operating Expenses		1,479,141	152,486	1,097,220	30,401	5,863	2,765,111
Subtotal Other	427,167	3,515,480	459,500	1,229,047	36,672	5,863	5,673,729
Total Expenditure Projection	17,267,711	4,261,501	749,783	2,413,530	63,357	72,059	24,827,941
Transfer Projections (Transfer-Outs)							
Performance Based Funding				-			
Debt Service	-	-	-	-	-	-	-
Assessments	-	281,079	-	•			281,079
Tuition Scholarships	-	-	-			-	
Other Transfers	483,105	883,616	4,857			-	1,371,578
Total Transfer Projection	483,105	1,164,695	4,857	-	-	-	1,652,657
Projected Net Operating Income w/out One-Time Expenditures		1,243,807	-	-	-	-	1,243,807
Projected One-Time Expenditures **	-		-	-		-	
Estimated Ending Balance	-	3,549,145	324,128	1,520,691	140,701	-	5,534,665
Reserve Held Centrally	-	1,417,522	-	-	-	-	1,417,522
5% Reserve Target for FY 2022 (Executive Policy)	n/a	1,109,814	37,732	120,677	3,168	n/a	1,271,391
16% Reserve Target for FY 2022 (BOR Policy)	n/a	3,551,406	120,742	386,165	10,137	n/a	4,068,450
		7,22.7,700		222,100	.5,107		.,500

# Kaua'i Community College Operating Budget (UOH-600) FY 2021 (07/01/20 to 06/30/21)

FY21 Revenues over Expenditures	GF	TFSF	RTRF	Other Special	Other Revolving	Approp Federal	Total
Estimated Ending Cash FY20		148,546	97,107	1,426,848	171,452	-	1,843,953
Less Estimated Encumbrances FY20		(142,749)	-	(11,774)	(1,632)		(156,155)
Estimated Unencumbered Ending Cash FY20	-	5,797	97,107	1,415,074	169,820	-	1,687,798
Act 236 Transfer		1,168,174	-	-		-	1,168,174
Less Estimated Deferred Revenue (FYE20)		(72,140)	-	(23,110)	(2,137)		(97,387)
Estimated Beginning Balance FY21		1,101,831	97,107	1,391,964	167,683		2,758,585
Revenue/Appropriation Projection	12,112,070	2,884,543	98,575	545,485	40,690	22,231	15,703,594
Transfer Projections (Transfer-Ins)							
Performance Based Funding	70,047			-		-	70,047
Debt Service							-
Assessments				-		-	-
Tuition Scholarships				-		-	-
Other Transfers	75,735	314,261	-	-		-	389,996
Total Transfer Projection	145,782	314,261	-	-		-	460,043
Expenditure Projections							
Personnel							
Regular Employee Payroll	10,808,675	235,461	20,119	134,854		-	11,199,109
Lecturer Payroll	889,625	-	-	36,634		-	926,259
Student Help Payroll		170,291	-	13,907	3,931	20,368	208,497
Other Personnel (Non-Regular Payroll)		35,364	-	3,693		-	39,057
Subtotal Personnel	11,698,300	441,116	20,119	189,088	3,931	20,368	12,372,922
Other Expenditures							
Utilities & Communication *	261,787	526,101	-	1,998		-	789,886
Scholarships, Tuition, Stipends & Allowances		286,561	15,133	-	1,679	-	303,373
Repairs & Maintenance		359,459	-	43,120	42	-	402,621
Other Operating Expenses		718,122	58,465	311,279	35,038	1,863	1,124,767
Subtotal Other	261,787	1,890,243	73,598	356,397	36,759	1,863	2,620,647
Total Expenditure Projection	11,960,087	2,331,359	93,717	545,485	40,690	22,231	14,993,569
Transfer Projections (Transfer-Outs)							
Performance Based Funding							
Debt Service	-	-	-		-	-	
Assessments		149,236	-	-		-	149,236
Tuition Scholarships		147,230	-		-		147,230
Other Transfers	297,765	379,279	4.858			-	681,902
Total Transfer Projection	297,765	528,515	4,858	-	-	-	831,138
Projected Net Operating Income w/out One-Time							
Expenditures	-	338,930	-	-	-	-	338,930
Projected One-Time Expenditures **	-					-	
Estimated Ending Balance	-	1,440,761	97,107	1,391,964	167,683	-	3,097,515
ů		780,531	-	-	-	-	780,531
Reserve Held Centrally							
	n/a	775 205	4.020	77 774	ากวะ	n/a	750 522
Reserve Held Centrally  5% Reserve Target for FY 2022 (Executive Policy)  16% Reserve Target for FY 2022 (BOR Policy)	n/a n/a	725,285 2,320,912	4,929 15,772	27,274 87,278	2,035 6,510	n/a n/a	759,523 2,430,472

# Community Colleges Systemwide Support Operating Budget (UOH-906) FY 2021 (07/01/20 to 06/30/21)

FY21 Revenues over Expenditures	GF	TFSF	RTRF	Other Special	Other Revolving	Approp Federal	Total
Estimated Ending Cash FY20		1,149,376	134,099	20,967	43,358		1,347,800
Less Estimated Encumbrances FY20		(4,891,748)	(2,000)		(5,361)		(4,899,109)
Estimated Unencumbered Ending Cash FY20		(3,742,372)	132,099	20,967	37,997		(3,551,309)
Act 236 Transfer		10,023,939		-			10,023,939
Less Estimated Deferred Revenue (FYE20)			-				-
Estimated Beginning Balance FY21		6,281,567	132,099	20,967	37,997		6,472,630
		-,,		==,	4.,		2,2,222
Revenue/Appropriation Projection	14,308,831	-	152,973	3,529	100,000	2,548,330	17,113,663
Transfer Projections (Transfer-Ins)							
Performance Based Funding	•	-	•	-	•	-	-
Debt Service	-		-	1,851,262		-	1,851,262
Assessments	-	-	-	-		-	-
Tuition Scholarships	-	•	-	-	•	-	·
Other Transfers	7,655	11,329,246	-		•	-	11,336,901
Total Transfer Projection	7,655	11,329,246	-	1,851,262	-	-	13,188,163
Expenditure Projections							
Personnel							
Regular Employee Payroll	4,391,083	306,660	136,072			1,251,928	6,085,743
Lecturer Payroll	16,971	-	-			120,903	137,874
Student Help Payroll	-	61,057				159,861	220,918
Other Personnel (Non-Regular Payroll)		21,643				139,415	161,058
Subtotal Personnel	4,408,054	389,360	136,072	-		1,672,107	6,605,593
Other Expenditures			·				· · · · · · · · · · · · · · · · · · ·
Utilities & Communication *	8,834	42,359					51,193
Scholarships, Tuition, Stipends & Allowances	2,500,000	-					2,500,000
Repairs & Maintenance	104,484	6,380,670				811	6,485,965
Other Operating Expenses	2,400,000	1,625,124	16,901	3,579	100,000	875,412	5,021,016
Subtotal Other	5,013,318	8,048,153	16,901	3,579	100,000	876,223	14,058,174
Total Expenditure Projection	9,421,372	8,437,513	152,973	3,579	100,000	2,548,330	20,663,767
Transfer Projections (Transfer-Outs)							
Performance Based Funding	-			_		-	
Debt Service		1,855,628		- 1,851,212		-	3,706,840
Assessments		179,985		1,031,212		•	179,985
Tuition Scholarships		179,985				-	179,983
Other Transfers	4,895,114	-			-		4,895,114
Total Transfer Projection	4,895,114	2,035,613	-	1,851,212	-	-	8,781,939
							·
Projected Net Operating Income w/out One-Time Expenditures	-	856,120	-	-	-	-	856,120
Projected One-Time Expenditures **	-	-	-	-	-	-	
Estimated Ending Balance	-	7,137,687	132,099	20,967	37,997	-	7,328,750
Reserve Held Centrally	-	-	-	-	-	-	-
5% Reserve Target for FY 2022 (Executive Policy)	n/a	428.263	7.649	176	5,000	n/a	441.088
16% Reserve Target for FY 2022 (BOR Policy)	n/a	1,370,440	24,476	565	.,	n/a	1,411,481
					16,000		



# October 29, 2020

### **MEMORANDUM**

TO:

Benjamin Kudo

Chair, Board of Regents

Jan Sullivan

Chair, Committee on Budget and Finance

FROM:

Kendra Oishi Killeic -

Executive Administrator and Secretary of the Board of Regents

Glenn Shizumura 🔑

Director, Office of Internal Audit

SUBJECT:

Recommend Board Approval of FY 2020-2021 Operating Budget Plan for

the Office of the Board of Regents and Office of Internal Audit

# SPECIFIC ACTION REQUESTED:

It is requested that the Board of Regents (Board) approve the operating budget plan for the Office of the Board of Regents (Board Office) and Office of Internal Audit (OIA) for Fiscal Year (FY) 2020-2021.

### **BACKGROUND:**

This budget proposal presents anticipated operational funding and expenditures for the current fiscal year. Certain assumptions and estimates were made in developing this forecast.

Under normal circumstances, the Board Office and OIA would have received a budget allocation from the UH System. However, given the current fiscal situation resulting from the economic impacts of the COVID-19 pandemic, the Board Office and OIA have been operating without any such allocation. Due to this uncertainty, the Board Office and OIA have been fiscally prudent in expending funds on an as-needed basis.

During the 2020 legislative session, two vacant positions from OIA and one vacant position from the Board Office were swept. While the vacant position in the Board Office was unbudgeted, the elimination of the two vacant positions in OIA resulted in

Board Chairperson Kudo Committee Chairperson Sullivan October 29, 2020 Page 2 of 2

salary savings in the proposed FY21 budget. OIA is also anticipating salary savings from student hires. The salary amounts in the proposed budget are reflective of reductions that will be imposed on Executive and Managerial personnel effective November 1, 2020, and include salary increases for eligible employees under collective bargaining agreements.

The Board Office has realized substantial savings in travel costs resulting from travel restrictions imposed by the State and counties as well as University-imposed travel restrictions. However, there may be a need during the latter part of the FY to reinstate interisland travel for Board-related meetings in order to comply with requirements under the Sunshine Law. Travel-related costs for professional development seminars have also been eliminated from the proposed budget. Note, however, that such savings may not be sustainable beyond the current FY.

The Board Office was recently informed that the University Archives is in possession of Board records dating 1907-1980 that are currently in hard-copy form and is recommending digitization of these records. The projected cost of digitization is included in the proposed budget.

The Board Office and OIA developed the proposed FY21 budget keeping in mind the dire fiscal constraints facing the State and the University while ensuring that basic operational needs and statutory requirements and responsibilities of the Board will continue to be met. As such, the proposed OIA budget realizes approximately 27% in salary savings and 15% in operational savings, not including the Whistleblower Hotline projected costs which are contractual. The Board Office anticipates salary savings of approximately 5% and operational savings of approximately 47% compared to the FY20 budget.

# **ACTION RECOMMENDED:**

It is requested that the Board approve the operating budget plan for the Board Office and OIA for FY 2020-2021.

Attachments:
Presentation

# Office of the Board of Regents Office of Internal Audit FY20-21 Budget Plan

Board of Regents Committee on Budget and Finance November 4, 2020

# **General Overview**

- Board Office: 4 FTE positions, 1 Student Assistant
  - Executive Administrator and Secretary
  - Executive Assistant
  - Private Secretary
  - Operations Specialist
  - Student Assistant (part-time)
- Coordinates and Supports Board, SBCTE, and Committee Meetings Includes: agenda development; coordinating logistics; preparation, coordination, review, and compilation of materials; committee reports and minutes; certification of Board action; records maintenance.

Academic Year	Board	Committees	SBCTE & SPSEC	TOTAL	Days
19-20	13	27	3	43	21
18-19	10	34	4	48	26
17-18	12	36	3	51	24

- Provides support to 11 Regents, 7 committees, permitted interaction groups, Hawai'i Administrative Rules
- Serves as liaison to UH Administration
- Conducts research and responds to inquiries and correspondence
- Manages official records of the Board

# Office of the Board of Regents

# Expenses (Budget to Actual) Fiscal Years 2019 - 2021

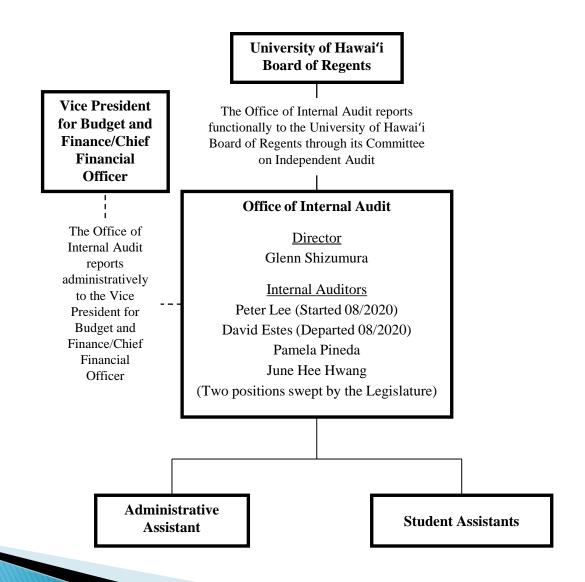
	Fiscal Ye	ear 2021	Fis	scal Year 2020		Fiscal Year 2019		
		Proposed			(Over) /			(Over) /
	FY21 1Q Actuals	Budget	Budget	Actual	Under	Budget	Actual	Under
Payroll & Benefits:								
Full-time (Salaries &								
Wages)	80,745.00	321,468.00	339,120.00	294,180.57	44,939.43	333,597.00	277,996.93	55,600.07
Casual	0.00	0.00	0.00	5,432.00	(5,432.00)	10,524.00	0.00	10,524.00
Students	7,382.34	15,000.00	15,000.00	11,922.66	3,077.34	10,000.00	8,491.19	1,508.81
Total Salaries	88,127.34	336,468.00	354,120.00	311,535.23	42,584.77	354,121.00	286,488.12	67,632.88
Other:								
Services Fee Basis	147.13	1,000.00	1,200.00	283.52	916.48	3,200.00	272.81	2,927.19
Materials & Supplies	206.99	4,000.00	12,000.00	5,824.97	6,175.03	9,000.00	1,606.12	7,393.88
Travel-Domestic	640.80	10,800.00	65,000.00	38,226.83	26,773.17	65,000.00	46,446.49	18,553.51
Print & Publications	0.00	400.00	500.00	260.00	240.00	500.00	0.00	500.00
Utilities & Communcation	485.71	3,500.00	5,000.00	1,826.07	3,173.93	7,000.00	1,798.85	5,201.15
Rentals	816.61	6,000.00	9,000.00	4,539.01	4,460.99	8,000.00	5,875.46	2,124.54
Repairs	131.17	1,000.00	2,000.00	507.48	1,492.52	2,000.00	530.01	1,469.99
Stipends & Allowances	828.00	3,312.00	3,312.00	3,312.00	0.00	3,312.00	3,312.00	0.00
Equipment	0.00	5,500.00	8,000.00	1,326.50	6,673.50	8,500.00	3,108.48	5,391.52
Others	778.79	28,500.00	15,000.00	4,140.79	10,859.21	8,500.00	6,243.82	2,256.18
Total Operating Expense*	4,035.20	64,012.00	121,012.00	60,247.17	60,764.83	115,012.00	69,194.04	45,817.96
Total Expenses	\$92,162.54	\$400,480.00	\$475,132.00	\$371,782.40	\$103,349.60	\$469,133.00	\$355,682.16	\$113,450.84

# Office of Internal Audit Work and Services

# Annual Audit Plan

- Describes and documents proposed audit engagements, scope, timing of work, etc.
- Approved by the Committee on Independent Audit (Audit Committee)
- Developed in consultation with the Audit Committee Chair, University management, and external auditors as well as a review of historical internal audit reports and external auditor issued management letters.
- Audit Committee assistance (preparation of two Annual Reports pursuant to Hawai'i Revised Statutes §304A-321)
- Types of Services
  - Financial audits and reviews
  - Attestation engagements
  - Operational reviews
  - Compliance reviews
  - Follow-up audits

# Office of Internal Audit Organization Chart July 2019 – September 2020



# Office of Internal Audit

# Expenses (Actual vs. Budget)

Fiscal Years 2021 - 2018

	Fiscal Year 2021		Fiscal Year 2020			Fiscal Year 2019			Fiscal Year 2018		
	Actual (1st				Over /			Over /			Over /
	Quarter)	Budget	Budget	Actual	(Under)	Budget	Actual	(Under)	Budget	Actual	(Under)
Payroll & Benefits:		_									_
Full-time	\$ 113,931	\$ 466,840 <b>1</b>	\$ 635,349	\$ 455,724	\$ (179,625)	\$631,775	\$ 445,628	\$ (186,147)	\$ 617,185	\$ 493,039	\$(124,146)
Students	3,664	25,000 <b>2</b>	37,000	23,765	(13,235)	37,000	32,106	(4,894)	34,000	34,481	481
	117,595	491,840	672,349	479,489	(192,860)	668,775	477,734	(191,041)	651,185	527,520	(123,665)
Other:											
Equipment rental (copy machine)	624	3,000	4,000	2,534	(1,466)	4,000	2,606	(1,394)	4,000	3,615	(385)
Telephone	-	-	-	-	-	-	-	-	3,200	-	(3,200)
Dues & subscriptions	-	3,600	3,700	3,690	(10)	3,600	3,502	(98)	3,500	3,266	(234)
Repairs & maintenance	188	1,000	-	1,168	1,168	-	-	-	-	-	-
Supplies	115	1,700	2,000	525	(1,475)	2,000	783	(1,217)	1,500	399	(1,101)
Computer hardware/software	583	2,500	3,200	-	(3,200)	3,200	1,184	(2,016)	1,500	539	(961)
Miscellaneous (travel, other)	-	500	1,500	137	(1,363)	2,000	1,135	(865)	400	401	1
	1,510	12,300	14,400	8,054	(6,346)	14,800	9,210	(5,590)	14,100	8,220	(5,880)
Whistleblower hotline	-	20,500 <b>3</b>	18,900	19,681	781	18,500	18,285	(215)	19,000	17,752	(1,248)
	1,510	32,800	33,300	27,735	(5,565)	33,300	27,495	(5,805)	33,100	25,972	(7,128)
Total Expenses	\$ 119,105	\$ 524,640	\$ 705,649	\$ 507,224	\$ (198,425)	\$702,075	\$ 505,229	\$ (196,846)	\$ 684,285	\$ 553,492	\$(130,793)

# **Budget variance explanations:**

- 1 Reduction the result of the sweeping of two vacant positions by the Legislature.
- 2 Two student auditors are employed during the Fall 2020 semester. The work hours for these students are limited as they work on different days to promote social distancing. Expectation is to hire two new student auditors during calendar year 2021. Significant budget/actual varaiance during fiscal 2020 primarily the result of two students resigning during March 2020 due to COVID 19.
- 3 Represents the contractual costs with Navex Global for the University's Whistleblower Hotline. The current three year contract expires in March 2021.



'20 OCT 29 A8:56

KALBERT K. YOUNG UNIVERSITY OF PRESIDENT POPIBUDGET & FINANCE BOARD OF REGEN CHIEF FINANCIAL OFFICER

UNIVERSITY OF HAWAIL PRESIDENT'S OFFICE

OCT 29 A9:28

October 28, 2020

TO:

Benjamin Kudo

Chairperson, Board of Regents

Jan Sullivan

Chairperson, Committee on Budget and Finance

**Board of Regents** 

VIA:

**David Lassner** 

President

FROM:

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

SUBJECT:

FISCAL BIENNIUM 2021-2023 OPERATING BUDGET REQUEST FOR

THE UNIVERSITY OF HAWAI'I

#### SPECIFIC ACTION REQUESTED:

In conformance with Regent Policy 8.204, it is recommended that the Board of Regents approve the submission of the Fiscal Biennium 2021-2023 (FB21-23) Operating Budget Request of the University of Hawai'i ("University" or "UH") to the Governor and the Legislature. This request is to include major budget additions (or reductions) to the University's appropriated budget. With approval, this proposed FB21-23 Operating Budget Request will represent the official request for all operating programs of the UH System. The University will submit the proposal to the State Department of Budget and Finance ("State B&F") for consideration to be included as part of the Governor's budget proposal to the Legislature. The University will also send this budget request directly to the Legislature, in accordance with Chapter 37-68, Hawai'i Revised Statutes (HRS).

The FB21-23 budget request for capital improvement projects (CIP) is to be deliberated by the Board of Regents Committee on Planning and Facilities. Both the operating budget request and the capital budget request are anticipated to be approved by the Board of Regents at its November 19, 2020 meeting.

#### **RECOMMENDED EFFECTIVE DATE:**

Upon approval of the Board of Regents.

Board Chairperson Kudo Committee Chairperson Sullivan October 28, 2020 Page 2 of 4

#### **BACKGROUND**:

Annually, State departments submit budget requests to the Executive Branch via State B&F for consideration of inclusion into the proposed Executive Budget of the Governor to the upcoming 2021 Legislature. The University also submits its Board approved budget request directly to the Legislature. Every two years, the Executive Branch proposes a biennium budget and in the subsequent year proposes a supplemental budget.

The ongoing global COVID-19 pandemic has substantially impacted the public health and economy worldwide. All aspects of the State of Hawai'i economy have been detrimentally impacted due to COVID-19 resulting in reduced tax revenues for State government. General fund collections for the fiscal year ending June 30, 2020 (FY20) were 6.3% lower than collections for the prior fiscal year. The Council on Revenues is projecting that revenues for FY21 will be 11.0% lower than FY20 collections. Although revenues are projected to increase in FY22 and the subsequent fiscal years, general fund tax revenue is not projected to meet FY19 levels until at least FY25. The following table lists the most recent COR's projections (as of September 9, 2020) for general fund revenue:

Fiscal Year	General Fund Revenue*	<b>Growth Rate</b>
2019	7,141,790	5.1%
2020	6,694,808	-6.3%
2021	5,958,379	-11.0%
2022	6,464,841	8.5%
2023	6,852,731	6.0%
2024	7,126,840	4.0%
2025	7,340,645	3.0%
2026	7,560,864	3.0%
2027	7,787,690	3.0%

\*thousands of dollars

This year, budget instructions were provided to State departments in Finance Memorandum No. 20-15. The Director of B&F notes that "Given the substantial general fund revenue decreases that are currently anticipated, we will be unable to consider general fund increases for the FB 2021-23 Executive Budget. Very limited exceptions will be allowed for fixed costs and critical needs that must be addressed immediately, such as those related to COVID-19."

Recognizing the dire economic condition and in accordance with the instructions issued by State B&F, UH Administration is not proposing any general fund increase over

Board Chairperson Kudo Committee Chairperson Sullivan October 28, 2020 Page 3 of 4

current appropriations. There will be a continuation of current service levels and some transfers between campuses as housekeeping measures. Of the specific appropriations provided to UH over the past biennium, the Administration is proposing to continue only the \$4 million general fund appropriation to the Athletics departments of UH-Mānoa and UH-Hilo. There are also a couple of ceiling increases for non-general funds to account for increased utilization.

#### **BUDGET PROPOSAL**:

This FB21-23 Operating Budget request is to request major budget additions (or reductions) to the University's appropriated budget. Considering the instructions of State B&F, the financial condition of the State, and the economic forecast of the State, the proposed request is very modest, consisting primarily of a few transfers between campuses to more accurately reflect the University's organizational structure. These organizational changes are already in place and transfers of these positions and funds occur annually. The budget request is merely to incorporate these changes into the budget which will eliminate the need for these transfers.

The first transfer reflects the distribution of positions associated with Nā Pua No'eau. In 2012, the Legislature provided six FTE counts and the associated salaries to UOH900 (Systemwide Support). However, these positions work at the campus level, and UOH900 has consistently transferred the associated positions and funds to the appropriate campus.

The second transfer request is to move seven positions and associated payroll from UOH100 (Mānoa) to UOH900 to effectuate the transfer of positions associated with Human Resources from Mānoa to Systemwide Support, which occurred in October 2018.

Act 264, Session Laws of Hawai'i (SLH) 2019, appropriated \$4 million to the University to support the Athletics programs at UH-Mānoa and UH-Hilo. Because this appropriation was not in the budget bill, it does not continue into the upcoming biennium. As such, the University is requesting that these funds be incorporated into the ongoing operating budget.

Finally, there are a couple of non-general fund requests. One transfers special fund ceiling from UOH100 to UOH900 to reflect the reorganization of the Office of Research Compliance that was approved by the Board of Regents in 2016. Additionally, UOH900 is requesting an additional \$1.6 million in revolving fund ceiling for the Research and Training Revolving Fund (RTRF). This ceiling increase will accommodate the projected increase in RTRF spending resulting from an increase in research awards. These non-general fund requests are expenditure ceiling increases. If no additional revenue is generated, expenditures will not increase.

Board Chairperson Kudo Committee Chairperson Sullivan October 28, 2020 Page 4 of 4

The University is acknowledging that there likely will be a need for actual reductions to the appropriated budget and to the University's portion of the budget. Clearly, State B&F's instructions to departments desired identifiable program reductions. While UH has implemented expenditure controls due to the current economic situation, we expect most of these to be short term in nature and would not include them as reductions to the base budget. However, a full program review is being undertaken now that may identify some reductions that can be permanent in nature. The University began campuses-engaged stakeholder discussions about possible areas of budget and program impacts. For many campuses, the process began in late-July and is anticipated to continue into November.

The University has informed State B&F that we will not be able to complete our campus stakeholder engagements and identify specific program reductions in time for State B&F's deadline for departmental budget requests. As such, this request does not propose any specific reductions, although such program revisions may be identified and presented later – and, may eventually be included in subsequent budget deliberations.

#### **ACTION RECOMMENDED:**

University Administration recommends the Board of Regents approve the Administration's proposal for a FB21-23 Operating Budget Proposal for the University. Upon approval, the proposal will be transmitted to the State B&F as the approved Board of Regents' budget request. The proposal is to be considered for inclusion as part of the Governor's Executive Budget Proposal to the 2021 State Legislature. In accordance with Chapter 37-68, HRS, the University will also submit the approved budget request directly to the Legislature.



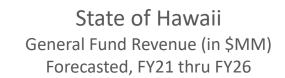
# University of Hawai'i Operating Budget for Fiscal Biennium 2021-2023

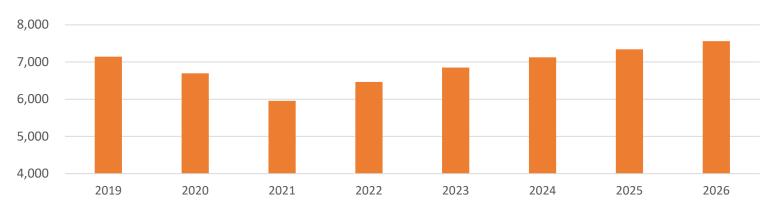
November 4, 2020 Committee on Budget and Finance



### **General Fund Situation**

- General Fund collections for FY20 were -6.3% lower than FY19.
- Council on Revenues is projecting FY21 revenues to be -11.0% lower than FY20 revenues.
- General Fund revenue is projected to not return to FY19 levels until at least FY25.
- State Budget and Finance instructions to departments were to identify program reductions for -10%, -15%, and -20%.







# **Budget Request**

# UH FYB21-23 operating budget proposal will be primarily housekeeping in nature.

- Transfer 6.0 positions associated with Nā Pua Noeau from UOH900 (Systemwide Support) to the various campuses.
- Transfer 7.0 positions associated with Human Resources from UOH100 (Mānoa) to UOH900.
- Request continuation of \$4 million in General Funds for Athletics programs at Mānoa and Hilo. These funds were appropriated in Act 264, SLH 2019.
- Non-general fund ceiling increase for RTRF in UOH900 and a transfer of ceiling from UOH100 to UOH900 to reflect reorganization of Office of Research Compliance.



## **General Fund Reductions**

State general fund appropriations to departments are anticipated to be reduced, long-term.

- While there will likely be a need for general fund reductions, none are included in this proposal.
- UH is implementing short-term expenditure controls, but a full program review with stakeholders is currently underway to identify permanent reductions.
- This process began in late-July and will continue into November.
- Governor Executive Branch budget proposal required to Legislature in mid-December.
- UH program revisions targets and ideas anticipated to be deliberated in December-January.



- Recommendation for Committee on Budget and Finance to approve this operating budget request for subsequent approval by the full Board at its November 19, 2020 meeting.
- Following approval by the full Board of Regents, the budget request and associated forms will be transmitted to the Governor and the Legislature, in accordance with Chapter 37-68, HRS.



October 30, 2020

#### **MEMORANDUM**

TO:

Members of the Board of Regents

FROM:

Benjamin Kudo

Chair, Board of Regents

SUBJECT:

APPROVAL OF TEMPORARY SALARY ADJUSTMENTS

(REDUCTIONS) FOR EXECUTIVE MANAGERIAL POSITIONS THAT

REPORT TO THE BOARD OF REGENTS

#### **SPECIFIC ACTION REQUESTED**:

It is requested that the Board of Regents ("Board") approve temporary salary adjustments (reductions) for the President, Executive Administrator and Secretary of the Board, and the Director of the Office of Internal Audit, effective beginning on November 1, 2020, in a manner consistent with the reductions being imposed on University of Hawai'i ("UH") Executive and Managerial ("EM") personnel.

#### RECOMMENDED EFFECTIVE DATE:

Effective retroactive to November 1, 2020, upon approval by the Board.

#### **BACKGROUND:**

On September 29, 2020, President Lassner announced that due to the dire financial situation faced by UH and the State as a result of economic factors related to the COVID-19 pandemic, temporary salary reductions would be imposed for all UH EM employees, effective November 1, 2020. The first \$200,000 of each EM employee's salary will be reduced by 9.23% and any salary amount above \$200,000 will be reduced by 11%. President Lassner also announced that he would be taking a salary reduction of 20%. EM employees who leave service during the salary reduction period will receive any vacation payout for which they are eligible based on their current unreduced salary rate.

Regents Policy 9.212, relating to EM personnel, provides that, "[t]he Board shall approve any salary adjustments for positions reporting directly to the Board..." These

Board of Regents October 30, 2020 Page 2 of 2

positions include the President, Executive Administrator and Secretary of the Board, and Director of the Office of Internal Audit. Because the policy refers to "adjustments," Board approval is requested even though the action is for a salary reduction.

#### **ACTION RECOMMENDED:**

For the aforementioned reasons, Board approval is requested to approve temporary salary reductions for the President, Executive Administrator and Secretary of the Board, and the Director of the Office of Internal Audit, effective beginning on November 1, 2020, in a manner consistent with the reductions being imposed on UH EM personnel. The temporary salary reductions shall remain in place for the duration of reductions that are imposed on all other UH EM personnel or until such time that the EMs that report directly to the Board leave service, should they leave during the salary reduction period.



UNIVERSITY OF HAWALL BOARE OF REGENTS

NOV 13 P2:16

NOV 13 P2:16

KALBERT K. YOUNG
BOARD OF VICE PRESIDENT FOR BUDGET & FINANCIAL OFFICER

UNIVERSITY OF EAWAIL TRESIDENT'S OFF 14 P2:53 November 13, 2020

TO:

Benjamin Asa Kudo

Chairperson, Board of Regents

VIA:

David Lassner Wavel Laur

**President** 

FROM:

Kalbert K. Young

Vice President for Budget and Finance/Chief Financial Officer

SUBJECT:

Request for Board of Regents Authorization and Delegation of Authority to

Negotiate, Finalize, and Execute a Master Use and Occupancy

Agreement and Related Agreements, between the University of Hawai'i and the City and County of Honolulu for Construction and Operation of the

Honolulu Rail Transit Project on Portions of University Property

#### **SPECIFIC ACTIONS REQUESTED:**

We request that the Board of Regents approve the following two requests as further discussed herein:

- (1) Authorize and delegate to the President and the Vice President for Budget and Finance/Chief Financial Officer ("CFO") the authority to negotiate, finalize, and execute a Master Use and Occupancy Agreement ("Agreement") on behalf of the University, provided the final terms and conditions thereof are consistent with the terms provided to the Committee on Planning and Facilities in executive session at its meeting of November 5, 2020; and
- (2) Authorize and delegate to the President and CFO the authority to negotiate. finalize, and execute related documents and instruments as may be necessary or appropriate.

#### RECOMMENDED EFFECTIVE DATE:

Upon approval of the Board of Regents.

#### ADDITIONAL COST:

None.

Chairperson Benjamin Asa Kudo November 13, 2020 Page 2 of 3

#### **PURPOSE**:

The Agreement will allow the City and County of Honolulu ("City"), for the benefit of its Department of Transportation Services ("DTS") and Honolulu Authority for Rapid Transportation ("HART") exclusive rights to use and occupy portions of various University properties located on the University of Hawai'i – West O'ahu ("UHWO"), Leeward Community College ("LCC"), and Honolulu Community College ("HonCC") campuses for the completion of Honolulu Rail Transit Project ("HART Project") construction and its operation and maintenance for an 80-year term.

#### **UPDATE:**

Background information for this request was provided in the action memorandum dated October 30, 2020, which was considered by the Committee on Planning and Facilities at its meeting of November 5, 2020, and is attached hereto as Exhibit 1.

Following the committee meeting, further discussions were held with the City and HART concerning matters of concern to the committee, such as abandonment of the HonCC use area, public safety at campus station areas, limiting extension of the temporary park and ride facility at UHWO, and termination of the Agreement if the HART Project is not continued. Conversations were also held with representatives of a mainland university with an on-campus rail line and stations, to obtain their insights. The Major Term Sheet for the Agreement has been clarified following these discussions, as indicated in the highlighted language in the term sheet, which is attached hereto as Exhibit 2.

Also, HART has clarified that the amount indicated for Road B at UHWO on page 24 of its power point presentation to the committee should be removed from the cost of HART-provided infrastructure due to difficulties in separating out various costs and contributions.

Discussions will continue with the City and HART so that the Agreement can be finalized if and when the Board approves the actions requested.

#### **ACTIONS RECOMMENDED:**

We recommend the Board of Regents adopt and approve the following actions:

(1) Authorize and delegate to the President and the Vice President for Budget and Finance/Chief Financial Officer ("CFO") the authority to negotiate, finalize, and execute a Master Use and Occupancy Agreement on behalf of the University, provided the final terms and conditions thereof are consistent with the terms

Chairperson Benjamin Asa Kudo November 13, 2020 Page 3 of 3

- provided to the Committee on Planning and Facilities in executive session at its meeting of November 5, 2020; and
- (2) Authorize and delegate to the President and CFO the authority to negotiate, finalize, and execute related documents and instruments as may be necessary or appropriate.

#### **Attachments**

- 1. Exhibit 1 Board action memorandum dated October 30, 2020
- 2. Exhibit 2 Major Term Sheet



OCT 30 P3:16UNIVERSITY OF H KALBERT K. YOUNG BOA RICE PRESIDENT FOR BUDGET & FINANCE CHIEF FINANCIAL OFFICER

UNIVERSITY OF FAWAII PRESIDENT'S OFFICE

OCT 30 P3:33

October 30, 2020

TO:

Benjamin Asa Kudo

Chairperson, Board of Regents

Michelle Tagorda

Chair, Committee on Planning and Facilities

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**Board of Regents** 

VIA:

**David Lassner** 

**President** 

FROM:

Kalbert K. Young 7

Vice President for Budget and Finance/Chief Financial Officer

SUBJECT:

Request for Board of Regents Authorization and Delegation of Authority to

Negotiate, Finalize, and Execute a Master Use and Occupancy

Agreement and Related Agreements, between the University of Hawai'i, and the City and County of Honolulu for Construction and Operation of the

Honolulu Rail Transit Project on Portions of University Property

#### **SPECIFIC ACTIONS REQUESTED:**

We request that the Committee on Planning and Facilities recommend approval of, and the Board of Regents approve, the following two requests as further discussed herein:

- (1) Authorize and delegate to the President and the Vice President for Budget and Finance/Chief Financial Officer ("CFO") the authority to negotiate, finalize, and execute a Master Use and Occupancy Agreement ("Agreement") on behalf of the University, provided the final terms and conditions thereof are consistent with the terms provided to the Committee on Planning and Facilities in executive session at its meeting of November 5, 2020; and
- (2) Authorize and delegate to the President and CFO the authority to negotiate, finalize, and execute related documents and instruments as may be necessary or appropriate.

#### RECOMMENDED EFFECTIVE DATE:

Upon approval of the Board of Regents.

Chairperson Benjamin Asa Kudo Committee Chair Michelle Tagorda October 30, 2020 Page 2 of 9

#### **ADDITIONAL COST:**

None.

#### PURPOSE:

The Agreement will allow the City and County of Honolulu ("City"), for the benefit of its Department of Transportation Services ("DTS") and Honolulu Authority for Rapid Transportation ("HART") exclusive rights to use and occupy portions of various University properties located on the University of Hawai'i – West O'ahu ("UHWO"), Leeward Community College ("LCC"), and Honolulu Community College ("HonCC") campuses for the completion of Honolulu Rail Transit Project ("HART Project") construction and its operation and maintenance for an 80-year term.

#### **BACKGROUND:**

The HART Project is a 20-mile, 21-station fixed guideway system extending from East Kapolei to Ala Moana Center. In addition to guideway and station improvements, the HART Project includes fare gates, parking facilities, utility facilities, drainage facilities, and related monitoring and support facilities to be located on University property.

City/HART's proposed use for University property addressed in the Agreement includes the following:

- UHWO: rail station (plus temporary five-year park-and-ride area)
- LCC: guideway, rail station, electrical substation, and specialized vehicle parking area
- HonCC: rail station and utility relocation

City/HART also more recently requested the use of UHWO property for a temporary park-and-ride facility near East Kapolei Station; separate Board of Regents approval may be required. The following three figures provided by HART show the location of HART Project elements on University property.

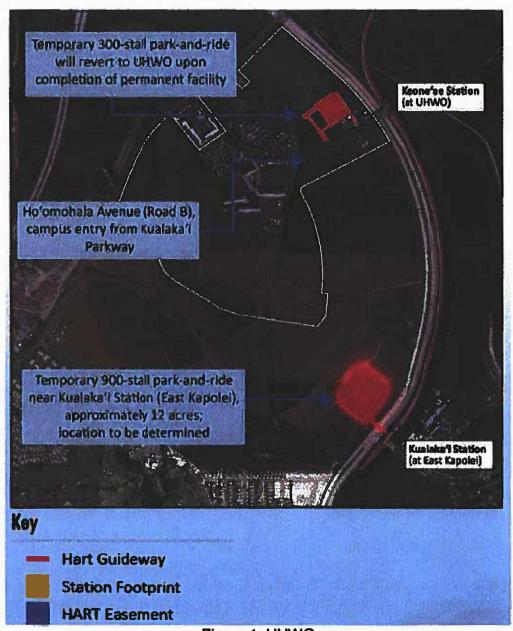


Figure 1: UHWO

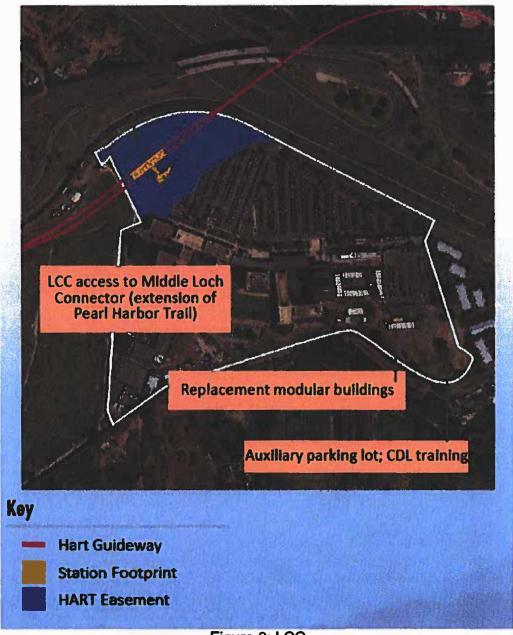


Figure 2: LCC

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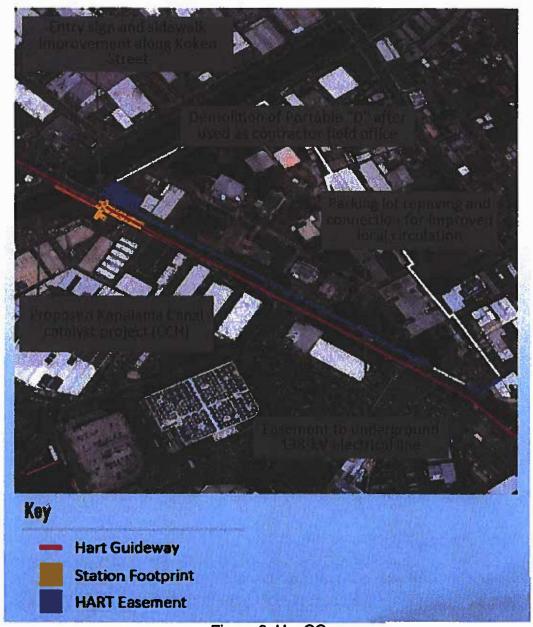


Figure 3: HonCC

Over the past several years, the University has been in negotiation with the City and HART regarding the use of University property for the HART Project. With the authorization of the Board of Regents, the University entered into several Construction Right of Entry Agreements ("CROE") for HART's use of and construction on portions of the UHWO and LCC campuses; the parties are working to finalize the CROE for the

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HonCC campus.<sup>1</sup> Over that period, there were several changes by HART to HART Project elements affecting University property, as well as turnover in personnel. More recently, stemming from amendments to the City's charter, DTS became more involved in negotiations regarding operations and maintenance of the HART Project after construction.

The execution of the Agreement has some urgency for HART and DTS. HART and DTS would like to begin interim service in March of 2021. However, the existing CROEs do not allow the operation of the HART Project. Also, even after the parties reach a final agreement, the Agreement still needs to be approved by the Honolulu City Council.

To allow for the HART Project's long-term use and operation on University property, the University has been working toward finalizing the Agreement with HART and DTS. The Agreement will include general terms applicable to all the affected campuses and site-specific terms to address specific campus-related issues. The major terms of the Agreement are provided for your review and consideration in executive session in the Major Term Sheet.

#### APPLICABLE REGENTS POLICY:

Board of Regents Policy 10.201, *Interests in Real Property* ("RP 10.201"), provides that the Board of Regents "shall review and approve all real property transactions for the disposition or acquisition of real property in fee simple or by lease or equivalent interest with a term exceeding five (5) years[.]" Because the term of the Agreement is 80 years and provides City/HART with nearly exclusive use of portions of University property, this Agreement falls within the purview of RP 10.201 and requires Board of Regents' review and approval.

#### RP 10.201, also provides that

... decision-making regarding real property and interests in real estate, shall: (1) promote and support the mission and goals of the university in education, research, service and economic development; (2) advance principles and practices of sound environmental stewardship and sustainability; (3) ensure that alternative actions are considered, investigated and analyzed; (4) be fairly priced in the context of applicable fair market values and other relevant factors; (5) generate revenue from

<sup>&</sup>lt;sup>1</sup> Minutes, Board of Regents Meeting, Aug. 22, 2013, pp. 21-22 ("Board unanimously approved the Delegation of Authority to the President to Execute Construction Rights of Entry with the Honolulu Authority for Rapid Transportation and the City and County of Honolulu Regarding Various University Properties with a vote of 11-0.")

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> real property not critical to long range plans for the university to support the university's core mission; and (6) be consistent with and support long range plans that have been approved by the BOR."

Because of the benefits that rail transit will bring to the campuses, the University will not be charging City/HART any rent for the Use Area. This approach is consistent with City/HART's use of other State properties and is generally the case for government-to-government use of public property for public infrastructure projects. However, the Agreement provides for the University's sharing in small part in any gross revenues generated or any consideration received by City/HART from concession activity, City/HART development, joint development, assignment, or sublicensing, as this is not rent. Also, development rights not conveyed (i.e., air rights) are reserved to the University.

To address the HART Project's benefits to the University, at the University's request, HART worked with a consultant a couple of years ago on preparing a Rail Transit Benefits Study, which we have attached. The document is in draft form and represents the state of the Rail Project in 2018. In summary, what HART's consultant had identified as the benefits to the University include:

- The University is one of the largest landowners on the HART Project route, owning land at three station sites—UHWO, LCC, and HonCC. To the extent property values are anticipated to increase in the transit oriented development areas, the University is anticipated to benefit.
  - New zoning has been proposed or implemented by the City at each station area to facilitate development at higher densities and uses.
     Transit-oriented development plans have also been developed for the area around each University station.
  - o The anticipation of improved accessibility at UHWO has increased the attractiveness of the campus as a development location.
- As of November 2018, HART has invested \$80.1 million on stations, replacement facilities, and mitigation infrastructure at University sites. Of this, \$12.54 million is deemed to be a specific benefit to the University.
  - o HART has or will deliver several infrastructure enhancements at each site aimed at mitigating the impact of any loss in University infrastructure.
- University students are among the most intensive users of public transit on O'ahu. The proportion of university students using transit is projected to rise from 33 percent in 2012 to 42 percent by 2030. This shift will be substantially driven by the arrival of the new rail link.
  - Rail, combined with bus routes oriented to feed rail transit, will substantially improve existing and new riders' journey times. University students and staff will benefit from shorter, more reliable transit journeys

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- to and from University campuses. This will directly benefit the UHWO, LCC, and HonCC campuses, which will have rail stations. It will also benefit car and bus transit users through reduced highway congestion.
- Transit's share of trips to and from campus (for trips made by car and transit) is forecast to be 53 percent with rail in 2030, compared to 32 percent if rail was not built.
- o The commuting and system connectivity benefits will also apply to the John A. Burns School of Medicine, located four blocks (or less than 0.5 miles) from Kakaako Station, where sidewalk access and Biki bikeshare will be available.
- University staff and students will benefit from shorter journeys resulting in higher individual productivity and financial savings for households where individuals no longer need to own a car. O'ahu's average annual cost of car ownership is estimated at \$8,300, calculated using localized gas prices, mileage, and data from the American Automobile Association and Federal Highway Administration. These personal financial savings for those who no longer need to own a car will reduce the financial burden on some students, making it easier for people of all means to attend courses at the UHWO, LCC, and HonCC campuses.
- The new rail link will represent a significant increase in accessibility and travel time between campuses, and saved costs at campuses.
  - A key benefit of the new rail link will be an enhanced ability to share facilities, human and other resources, and classrooms across campuses.
  - Certain costs have been avoided at HonCC associated with HART's assistance in alleviating planning constraints at Kokea Street and the Dillingham Boulevard/Kokea Street intersection.
  - A second access road requirement at LCC under its current Plan Review Use permit may be deferred because of the arrival of rail. Rail transit provides alternative transportation connectivity and is expected to ease pressure on local roads and improve access. The cost of the second access road is expected to be approximately \$10 million.
- Rail will alleviate some of the ongoing issues with demand for parking, allowing
  the campuses to make better use of campus property and facilitating the
  development of academic facilities on land that would not have been available
  otherwise.
- Student and faculty housing can be made more accessible and available across multiple campuses.

The Administration concurs generally with this articulation of benefits, and believes past Board of Regents discussions indicate general concurrence with the articulated benefits to the University, its students and staff.

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#### **CONTINGENCY PROVISIONS**

It is our understanding that the Rail Project itself, as approved by the Federal Transit Authority, has not substantially changed in the length of the route or purpose and objectives of the project to date. That said, there has apparently been and continues to be robust discussion regarding financial concerns with the project and shortening the route. With that in mind, the Agreement will provide for such contingencies in three ways.

First, at least once every ten (10) years during the term of the Agreement, a committee of City, HART, and University employees will conduct a review of the use and occupancy of University lands, and will recommend modifications to the Agreement.

Second, specifically with respect to the HonCC campus, if there is no work in the use area for a continuous period of five (5) years, or if the rail project is modified to no longer require development at the HonCC campus, either party may require that the Agreement be amended to delete the HonCC use area.

Finally, abandonment by the City or HART of any campus use area for a continuous period of five (5) years, including the HonCC campus, has been made an express default by the City and HART, giving rise to remedies available to the University.

#### **ACTIONS RECOMMENDED:**

We recommend the Committee and Board of Regents adopt and approve the following actions:

- (1) Authorize and delegate to the President and the Vice President for Budget and Finance/Chief Financial Officer ("CFO") the authority to negotiate, finalize, and execute a Master Use and Occupancy Agreement ("Agreement") on behalf of the University, provided the final terms and conditions thereof are consistent with the terms provided to the Committee on Planning and Facilities in executive session at its meeting of November 5, 2020; and
- (2) Authorize and delegate to the President and CFO the authority to negotiate, finalize, and execute related documents and instruments as may be necessary or appropriate.

#### Attachments:

- 1. Major Term Sheet (for executive session)
- 2. University of Hawaii Rail Transit Benefits Study, Draft Report Under Review, December 2018.

#### **MAJOR TERM SHEET**

# MASTER USE AND OCCUPANCY AGREEMENT COVERING UNIVERSITY PROPERTY USED BY CITY AND COUNTY OF HONOLULU AND HART

#### 1. Parties.

- a. <u>University</u>: University of Hawai'i ("*University*"), for the benefit of University of Hawai'i West Oahu ("*UHWO*"), Leeward Community College ("*LCC*"), and Honolulu Community College ("*HonCC*") (collectively the "*UH Campuses*").
- b. <u>City</u>: City and County of Honolulu ("*City*"), for the benefit of its Department of Transportation Services ("*DTS*").
- c. <u>HART</u>: Honolulu Authority for Rapid Transportation ("*HART*").
- HART Project. The fixed guideway system, which is to be a 20-mile, 21-station guideway route extending from East Kapolei to Ala Moana Center ("HART Project"). In addition to guideway and station improvements, the project includes fare gates, parking facilities, utility facilities, drainage facilities as well as related monitoring and support facilities (collectively, to the extent located on University Property (as defined below), the "Project Improvements").
- 3. Master Use and Occupancy Agreement. The Master Use and Occupancy Agreement ("Agreement") is intended to allow the City and HART exclusive rights to use and occupy various University properties located on the UHWO, LCC and HonCC campuses on a long term basis in connection with the HART Project (each individually a "Use Area" and collectively the "University Property"), all as shown on the maps attached hereto as Exhibit A. This Agreement is separate from the construction right of entry agreements issued to HART ("CROEs") under which HART is to complete construction of the Project Improvements. The CROEs continue independent of this Agreement. According to recent amendments to the City Charter, HART is responsible for construction and DTS is responsible for operation and maintenance of the HART Project
- 4. <u>Term.</u> The initial term of the Agreement ("*Term*") will be 80 years, and will be subject to extension upon mutual agreement for up to two additional twenty (20) year periods, subject to such terms and conditions as may be agreed upon.
- 5. <u>Grant of exclusive access and use</u>. The University is granting the City/HART exclusive rights to access and use the University Property to develop, construct, install, operate, maintain, repair, alter, improve, upgrade, expand, renovate, rehabilitate, replace, reconstruct, and/or remove all or portions of the HART

Project and/or the Project Improvements and such other permitted uses described in the Agreement (collectively the "*City Work*"). Such a grant allows City/HART's contractors, consultants, agents, representatives, subcontractors, and any person acting on behalf of the City or HART (collectively "*City/HART Agents*") access to the Use Area for purposes of performing the City Work.

- 6. <u>City/HART accept University Property "as is."</u> City/HART agree to accept each Use Area on an "as is with all faults" basis, in its existing form, content, state of condition, with no University representations or warranties, subject to certain reservations (collectively the "*University Reservations*") consisting of existing real property interests, future access and use rights to be granted by the University, existing and future utility systems supporting University operations, and University development rights under and above the University Property.
- 7. HART and City to maintain Use Area. City/HART will be responsible, at their cost, and at no cost to the University, for the safety, maintenance, repair, and upkeep (collectively the "Maintenance") of all of the University Property, including the Project Improvements, to a standard at least as stringent as the standard exhibited at other comparable facilities along the fixed guideway system, except City/HART shall not be responsible for any hazards, conditions, damage or injury caused solely by any party that is permitted access under any of the University Reservations.
- 8. <u>City/HART responsibility</u>. City/HART will be responsible for: (a) the acts/omissions of the City/HART Agents, including the City/HART general contractors ("*City/HART Contractors*"), in connection with the City Work, (b) ensuring that the City/HART Agents and City/HART Contractors perform and complete obligations and comply with all of the terms and conditions of this Agreement when using each Use Area, (c) the safety and operation of the HART Project, (d) ensuring compliance (and enforcing compliance to the extent of the City's and HART's authority) with all Applicable Laws, and (e) managing and operating each Use Area, and using reasonable efforts and/or implementing reasonably necessary measures to prevent, mitigate or resolve any adverse Impacts ("*Adverse Impacts*") to a standard at least as stringent as the standard exhibited at other comparable facilities along the fixed guideway system.
- 9. <u>Permitted use</u>. City/HART use of the Use Area shall be limited to performing and completing the City Work.
  - a. <u>Concession activity</u>. CITY/HART will not conduct any concession activity in any portion of any Use Area without the University's prior written approval. The term "*concession activity*" includes all revenue generating activities taking place at least partially on or within the Use Area and/or the University Property. The term "concession activity" shall not include activities such as advertising in or on rail cars or the collection of passenger fares and charges. University approval will not be unreasonably withheld and may be conditioned

upon City/HART paying the University a percentage of the revenues generated from such concession activity, reasonably allocable to the revenue generating activity within the Use Area, and compliance with other reasonable conditions.

b. <u>Joint Development</u>. Either City/HART or the University may propose joint development opportunities to each other. If the party offered declines to participate or is unable to reach agreement on a development agreement within 180 days, the offering party may then submit the proposal as its own development project. City/HART and the University each agree not to unreasonably withhold approval of each other's development projects. The University may condition its approval upon receiving a percentage of gross revenues generated by the development project. City/HART does not have the same right to require payment from the University.

#### 10. Rent and Other Charges:

- a. Rent. Because of the benefits that rail transit will bring to the campuses, the University will not be charging City/HART any rent for the use of the Use Area during the initial Term of eighty (80) years, except as a remedy for a City/HART default. The University's sharing in the gross revenues generated or any consideration received by City/HART from concession activity, City/HART development, joint development, assignment or sublicensing shall not be treated as the payment of rent. The City will consider establishment of special student fare rates for rail in accordance with applicable law that provides for the negotiation of such rates with the University.
- b. <u>Taxes</u>. City/HART will be responsible for paying all federal, state, and county taxes assessed against City/HART or the University by reason of City's/HART's conduct of activities within or related to the University Property, including real property taxes for the University Property.
- c. <u>Utility infrastructure and charges</u>. City/HART shall provide, at their sole cost, all utility infrastructure, utility connections, and utility services to the University Property to support City/HART use of the University Property and repair any damage that City/HART may cause.
- 11. Observance of Laws. City/HART shall, and shall ensure that the City/HART Agents and the City/HART Contractors observe and comply with all Applicable Laws relating to the possession, occupancy, or use of each Use Area or the conduct of business thereon.
- 12. <u>City/HART Covenants</u>. At no cost to the University, City/HART shall, and will ensure City/HART Agents and City/HART Contractors shall, perform and comply with all City/HART covenants, such as: (a) submitting any requested information

with respect to City/HART's planned operations and activities within the University Property, except for information that must be kept confidential for national, regional, state or county facility security reasons, (b) addressing University concerns with respect to such information, (c) agreeing that the University does not incur any liability for review of such information, (d) agreeing that University review does not excuse City/HART from performing obligations, including indemnity, defense, hold harmless, and insurance obligations as stated, (e) performing all site specific conditions applicable to the UH Campuses, (f) using reasonable efforts and/or implementing measures reasonably necessary to prevent, mitigate or resolve Adverse Impacts to the University and the University's operations, (g) complying with all conditions contained in all governmental approvals for the City Work, and (h) ensuring performance by the City/HART Agents and the City/HART Contractors.

13. UH Rail Management Committee. Committee comprised of 3 City members, 3 HART members and 6 University members is established to help facilitate collaboration, monitor rail operations as they impact the University, oversee concession/joint development, facilitate agreements between the Parties with respect to transit oriented development opportunities, share information pertaining to emergency response procedures, and facilitate the resolution of certain disputes relating to the Agreement, including with respect to the University's requests for information, plans, and updates, extent of Adverse Impacts (such as traffic impacts), extent of University interference with rail operations, whether consents are being reasonably withheld and the allocation of cost and responsibility for hazardous materials investigation, clean up and remediation. Committee may appoint a 3<sup>rd</sup> party neutral to help resolve City/HART default issues, including confirming a default exists, the extent of University damages, establishing a corrective action plan and schedule, and assessing liquidated damages, if appropriate. At least once every ten (10) years during the Term, the Committee will conduct a review of the arrangements and relationship between City/HART and the University and recommend modifications to the Agreement, including adjustments to revenue-sharing provisions.

#### 14. Project Improvements.

a. <u>University to evaluate City Work Plans</u>. Before starting construction, installation, upgrade, expansion, repair, renovation, rehabilitation, replacement, reconstruction and/or the removal of capital improvements subsequent to the initial construction and installation covered by the CROEs (collectively the "*Subsequent Construction*"), where the value of such work exceeds \$100,000, the University may review and evaluate all City Work plans, specifications, drawings, and schedules (collectively the "*City Work Plans*") for the Subsequent Construction. The University may identify concerns, which if not resolved by the staffs of UH and City/HART, may be brought to the UH Rail Management Committee.

- b. <u>City/HART construction-related obligations</u>. In connection with City Work that involves Subsequent Construction, City/HART shall be responsible for all costs, keeping the University informed about the work progress, and address adverse impacts.
- c. <u>Damage/destruction of Project Improvements</u>. If the Project Improvements are severely damaged or destroyed by fire or casualty and City/HART elects not to rebuild, either City/HART or the University may terminate the Agreement. If City/HART elects to terminate the Agreement, City/HART shall demolish and remove the Project Improvements or the University may do so at City's/HART's cost if City/HART fails to do so. City/HART must obtain University prior written approval for the City Work Plans covering such Subsequent Construction unless City/HART rebuilds in accordance with its original construction plans.
- d. <u>Disposition of Improvements</u>. Except for specific Project Improvements that the University informs City/HART in writing that the University desires to remain, at the expiration or sooner termination of this Agreement, City/HART shall demolish and remove the Project Improvements, at no cost to the University. For any specific Project Improvements that the University desires to retain, the Parties will have one year to negotiate mutually acceptable terms for such retention.

#### 15. <u>University Remedies for Default</u>:

- a. City/HART Default. A City/HART Default is one of the following defaults under the Agreement that is not timely cured or corrected within: (1) sixty (60) days of the University's written notice to City/HART that City/HART is in default for failure to timely: (a) respond to requests for information; (b) respond to requests for City Work Plans and/or (c) use reasonable efforts and/or implement measures that are reasonably necessary, to mitigate or resolve Adverse Impacts, (2) one hundred eighty (180) days of the University's written notice to City/HART for any other defaults, or (3) if the default cannot be cured within said 60-day period or 180-day period, as applicable, City/HART's failure to start such cure within said applicable period and diligently prosecute the same until completion. City/HART Defaults include: (a) failure to timely or fully perform obligations that City/HART are required to perform, after the expiration of the allotted cure period and (b) abandonment by the City/HART of the Use Area and the Project Improvements for a continuous period of five (5) years.
- b. <u>Remedies</u>. If City/HART commit a City/HART Default, the University shall be entitled to all remedies available under the Agreement and by law, which remedies shall be cumulative and not exclusive. These remedies include: (1) recover against City/HART all losses and damages incurred or

imposed upon the University in connection with the City/HART Defaults, plus an additional 10 percent of all such amounts to cover the University's administrative overhead; (2) cure or remedy any City/HART Default and charge to City/HART any costs and expenses incurred by the University in performing said cure or remedy plus 10 percent markup on all such costs incurred for the University's administrative overhead); and (3) charge and receive from City/HART, immediately after written notice from the University to City/HART, fair market rent for the use of the Use Area involved with the City/HART Default for the period of the City/HART Default, which shall be established by an appraisal.

- c. <u>Termination of HonCC Use Area</u>. If there is no City Work in the HonCC Use Area for a continuous period of five (5) years, or if the HART Project is modified to no longer require development at the HonCC campus, either Party may require that the Agreement be amended to delete the HonCC Use Area.
- d. Referral to UH Rail Management Committee. If the staffs of the Parties are unable to resolve any disputes relating to the existence of a City/HART Default and the remedies that City/HART should perform and/or pay to the University, either Party may submit the dispute to the Committee to facilitate a non-binding resolution.
- e. <u>No double recovery.</u> In seeking its remedies, which can be cumulative, the University shall not be entitled to any double recovery.

#### 16. Indemnity.

City/HART shall indemnify, defend and hold harmless the University and the University's officers, employees and agents against any claims, actions, judgements, orders, liens, liabilities, losses, damages, costs, and expenses (including reasonable attorneys' fees and costs) including, without limitation, claims for property damage, personal injury, bodily injury, death, or environmental damage, arising from or connected with: (a) City/HART's exercise of rights, (b) any act/omission of City/HART or City/HART Agents, (c) accident, fire or other casualty caused by City/HART or City/HART Agents, (d) violation or alleged violations of law by City/HART or City/HART Agents, (e) release, discharge, escape, presence or storage of Hazardous materials attributable to City/HART and City/HART Agents, (f) act/omission by City/HART or the City/HART Agents resulting in any liens, and (g) any failure to perform by City/HART or City/HART Agents. City/HART's obligation hereunder does not apply to the extent such damage or injury is caused by or arises from the negligent, grossly negligent, or intentional acts or omissions of the University or its officers, employees, agents, or contractors.

#### 17. Insurance.

- a. Required insurance coverage. City/HART shall, during the term of the Agreement or as otherwise described below, and at City's/HART's sole cost, procure and maintain the following insurance coverage, issued by a Hawai'i licensed insurer acceptable to the University:
  - (1) <u>Commercial general liability insurance</u> (\$5 million for property damage, personal injury, or death per occurrence).
  - (2) <u>Umbrella liability insurance</u> sufficient to meet liability insurance requirements.
  - (3) <u>Automobile liability insurance</u> (\$1 million per person per accident personal injury and property damage).
  - (4) <u>Commercial property damage broad form insurance</u>, including underground, explosion, and collapse hazard liability insurance and insuring against fire and other perils (such as wind and hurricane).
  - (5) <u>Builder's all risk insurance coverage</u> on a full replacement value basis, in amounts reasonably satisfactory to the University during any construction, including any Subsequent Construction, covered by this Agreement.
  - (6) Workers' Compensation and Employer's liability insurance with limits of not less than \$100,000.00 or as otherwise required by Applicable Laws.
- b. <u>General requirements</u>. Name the University as additional insured; notice to the University of material change/cancellation of coverage; City/HART insurance coverage primary; no University premium payment; deposit with University insurance certificates as proof of coverage; obtain waiver of subrogation in favor of the University; and any lapse in insurance coverage is a breach/default under the Agreement, subject to the University's written notice and an opportunity to cure.
- c. Insurance not a limit on liability. City/HART purchase of insurance shall not be construed to limit City/HART liability or to fully satisfy City/HART indemnification, defense, hold harmless, and liability obligations under this Agreement.
- d. <u>Failure to obtain</u>. If City/HART fails to provide and maintain the required insurance coverage after the University's written notice and an opportunity to cure, the University may procure such insurance and City/HART will immediately reimburse the University for the cost

thereof plus 10 percent for the University's administrative overhead. Any lapse in, or failure by City/HART to procure or maintain the insurance shall be a breach/default under the Agreement, subject to the University's written notice and an opportunity to cure.

e. <u>City's right to self-insure</u>. City may provide the required insurance coverage through self-insurance, provided that such self-insurance covers the cost of defending the University as required in the Agreement.

#### 18. Hazardous Materials.

- a. Environmental Laws compliance. City/HART agrees to comply, at their cost and at no cost to the University, with all Environmental Laws that apply to each Use Area and the Project Improvements and to City/HART occupancy or use of and/or activities within each Use Area. City/HART failure to comply with any Environmental Laws shall constitute a breach/default under this Agreement, subject to the University's written notice and an opportunity to cure.
- b. Use requires University approval; notice of actions; assessments. City/HART shall not use, store, dispose of, release, generate, or handle any Hazardous Materials within the University Property without first obtaining the University's written consent and complying with all Environmental Laws, except in the normal course of activities permitted by this Agreement and in strict compliance with all Environmental Laws. City/HART shall give the University immediate notice of any investigation, enforcement action, remediation or other regulatory action, or any initiated legal action communicated to City/HART by any government authority which relates to City/HART. the University Property, and/or the Project Improvements. If the University reasonably believes that City/HART has caused the release of Hazardous Materials, City/HART shall, at the University's request and at City/HART's sole cost, cause to be conducted such investigations and assessments of the Use Area involved to determine the presence of any Hazardous Materials.

#### c. Remediation/Restoration.

(1) <u>City/HART Hazardous Materials</u>. If any Hazardous Materials are used, stored, treated, disposed, or handled by City/HART on, or are discharged or released by City/HART from, any Use Area or the Project Improvements ("*City/HART Hazardous Materials*"), City/HART shall, at their sole cost: (a) clean up and remediate any such Use Area, and/or the Project Improvements of any City/HART Hazardous Materials, (b) dispose/remove City/HART

Hazardous Materials in accordance with the Environmental Laws, and (c) remediate and restore each Use Area and the Project Improvements to the same condition as existed immediately prior to the introduction, discharge, or release of the City/HART Hazardous Materials to, on, or upon any Use Area, or the Project Improvements. With respect to City/HART Hazardous Materials, City/HART shall be responsible for all required reporting to the State of Hawaii Department of Health ("*HDOH*") as required by Applicable Laws, including all rules, regulations and directives of HDOH and the U.S. Environmental Protection Agency ("*EPA*"), and shall at its sole cost and expense and at no cost to the University, complete such clean up, remediation, and removal of Hazardous Materials as may be required by HDOH or EPA.

- (2) Pre-existing contamination.
  - (a) City/HART Preexisting Contamination Obligation. City/HART will be solely responsible for any legally required clean up and remediation, at City/HART's cost and expense, of any Hazardous Materials that were present on, at, or under the Use Area on or before the Execution Date of the Agreement ("Preexisting Contamination"), that are physically excavated, moved, removed, or replaced, by City/HART during City Work ("City/HART's Preexisting Contamination Obligation"). City/HART may not require the University to clean up or remediate or contribute to the cost of cleanup or remediation of Hazardous Materials that are within City/HART's Preexisting Contamination Obligation.
  - Preexisting Contamination Discovered During City Work. If, in the course of City Work, HART/City discovers Preexisting Contamination within the Use Area present in concentrations that trigger a duty to investigate or respond beyond the City's Preexisting Contamination Obligation, the Parties shall evaluate the contamination in light of HART's prior Hazardous Materials studies and assessments. If further site investigation is required, the Parties shall jointly conduct and share in the costs of a site investigation, provided that City/HART's share of the costs shall be limited to one-half of the costs allocable to the Use Area. The Parties shall agree upon a fair allocation of the responsibilities and costs of any further investigation, analysis, and response actions allocable to Preexisting Contamination within the Use Area. In arriving at a fair allocation, the University shall be responsible for costs and actions to the extent they are

necessitated by the threat to public health or the environment posed by the hazardous conditions of the property irrespective of the City Work, while City/HART shall be responsible for any costs and actions to the extent they are necessitated by or attributable to the City Work, including costs that would otherwise be attributable to City/HART's Preexisting Contamination Obligation but are addressed through the response action. If the Parties are unable to reach agreement at the staff level on a fair allocation, after diligent effort, the matter may be referred to the UH Rail Management Committee to facilitate a resolution.

- (3) Hazardous Materials Introduced or Discovered By Others. Neither HART nor the City shall be responsible for any investigation, clean up or remediation of: (i) Hazardous Materials used, stored, treated, disposed, handled, discharged, or released during the Term by the University, its officers, employees, agents, representatives, contractors, or anyone acting upon the University's behalf or who is present upon the Use Area or adjacent property with the University's permission, (ii) Preexisting Contamination that is not within City/HART's Preexisting Contamination Obligation, and that is not encountered during City Work; or (iii) Hazardous Materials which intrude or migrate into the Use Area from activities unrelated to the City Work. Except for the foregoing, as part of its Maintenance responsibilities the City/HART shall be responsible for the investigation, clean up or remdiation of releases, discharges or spills of Hazardous Materials within the University Property that occur during the Term of the Agreement.
- (4) <u>Duty to Cooperate</u>. Notwithstanding the allocation of responsibilities under this Paragraph, the Parties acknowledge that they have a common interest in addressing Hazardous Materials within the University Property to allow for beneficial uses of the University Property while protecting public health and the environment. The Parties therefore agree to make every reasonable effort to cooperate in properly addressing any Hazardous Materials within the University Property as costeffectively and efficiently as possible.
- d. <u>University's Right to Act</u>. If City/HART fails to timely comply with any of its obligations under the Agreement or under any Environmental Laws, the University may, in its sole discretion, after providing City/HART with notice and an opportunity to cure, cause them to be performed, all at City's/HART's cost, which shall include the cost of such consultants and contractors as the University deems necessary

and any University personnel involved in the University's performance of such obligations plus 10 percent for University administrative overhead on all such costs incurred by the University, which total amount City/HART shall pay the University upon the University's written demand.

- 19. <u>University Limitations</u>. The following provisions limit the University's liability under the Agreement and shall apply to all of the University's obligations, duties, responsibilities, and liabilities under the Agreement (collectively the "*UH Limitations*"):
  - a. <u>University not authorized to be responsible for others</u>. The University maintains that as a State of Hawai'i agency, the University is not authorized to be responsible for the acts or omissions of other persons or entities (other than the University's own officers and employees). In all University agreements with contractors or other third parties (collectively the "UH Contractors") that may involve the use of any Use Area the University will require the UH Contractors to accept liability for, and indemnify, defend and hold harmless City/HART against, any claims, actions, judgments, orders, liens, liabilities, losses, damages, costs and expenses (including reasonable attorneys' fees and costs) arising from or connected with any act or omission by the UH Contractors. City/HART may directly enforce such obligations. If the University complies with this requirement, then notwithstanding anything to the contrary contained in the Agreement, where the University is or may be obligated to be responsible for the acts or omissions of other persons or entities, such obligations shall be deemed null and void and of no force or effect.
  - b. <u>University obligations subject to funding</u>. To the extent the University is obligated to perform, make any payments, or satisfy a liability under the Agreement, the University's ability to satisfy such obligations or liabilities, particularly any obligations to pay monies, is limited to that which is permitted by law and is subject to the condition that funds are properly appropriated, allotted, or otherwise properly made available for the purpose of satisfying such obligations or liabilities.
- 20. <u>Surrender</u>. <u>Subject to subparagraph 14.d. above (University may request retention of certain Project Improvements)</u>, at the expiration or sooner termination of the Agreement, City/HART shall, at their sole cost and at no cost to the University, demolish and remove all of the Project Improvements and City's/HART's equipment, vehicles, trailers, tents, signs, temporary structures, devices, tools, and other personal property (collectively the "*Personal Property*") and restore the University Property to a condition reasonably approximating the condition they were in prior to the initial construction of the Project Improvements, and reasonably satisfactory to the University. If City/HART fails to so demolish and remove, the University may do so, at City/HART's cost (after giving City/HART

- notice and an opportunity to cure), which total amount City/HART shall immediately pay the University upon the University's written demand.
- 21. <u>Litigation</u>. If the University is made a party to litigation by or against City/HART without any fault on the part of the University, City/HART shall indemnify, defend, and hold harmless the University against claims, actions, liabilities, losses, and damages arising from such litigation, including paying the University's reasonable attorneys' fees and costs.
- 22. Assignment and sublicensing. City/HART shall not assign, transfer, or sublicense any Use Area, the University Property, and/or the Project Improvements (or any portion or any interest therein) without the University's prior written consent, which consent will be at the University's sole discretion (except for sublicensing consent requests which will not be unreasonably withheld and may be conditioned, as the University may reasonably require, including no release of City/HART and the payment to the University of a portion or percentage of the consideration received by City/HART and/or revenue/rent generated in connection with such assignment, transfer or sublicensing.
- 23. <u>Survival of obligations</u>. Any termination or cancellation of the Agreement shall not relieve City/HART of any of their obligations contained in the Agreement that are intended to survive the expiration or termination of the Agreement, including, without limitation, the following:
  - a. <u>City/HART surviving overall obligations</u>. City/HART obligations related to compliance with Applicable Laws, including the Environmental Laws, removal and remediation of City/HART Hazardous Materials, the removal and discharge of any Liens, surrender, restoration of the Use Areas and the University Property, City/HART Defaults and University remedies, UH Limitations, litigation, demolition and removal of Project Improvements, covenant against discrimination, and compliance with the Americans with Disabilities Act.
  - b. <u>City/HART surviving indemnity, insurance, assignment and sublicensing obligations</u>. City's/HART's obligations, as required under the Agreement with respect to incidents or events arising and/or time periods occurring prior to the expiration or termination of the Agreement, to: (1) obtain the University's prior written consent (such as for concession activity, development, assignment and/or sublicensing), (2) maintain the required insurance, and/or (3) indemnify, defend and hold harmless the University.
- 24. <u>Dispute resolution</u>. If a dispute arises, the parties agree to negotiate face-to-face. If the matter is not resolved by negotiation within 30 days of this initial negotiation meeting, the parties shall engage a mediator and attempt to mediate the dispute. The parties agree to try in good faith to resolve the dispute by

mediation before resorting to litigation. If the dispute is not resolved by mediation within 60 days of the initial mediation meeting or such further time as the parties may agree, any party may commence legal action in the State Circuit Court in the City and County of Honolulu. The Parties will equally share the cost of the mediator services and the mediation sessions but each Party will bear the cost and expense of making its presentation to the mediator.

- 25. <u>Historic Preservation</u>. For any Subsequent Construction and City/HART use and occupancy of the University Property, City/HART shall comply with the all applicable historic preservation laws, such as the National Historic Preservation Act of 1966, as amended; Chapter 6E, Hawai'i Revised Statutes; and all other federal or State laws, particularly those pertaining to the protection of archaeological, historical, and cultural resources.
- 26. <u>Americans with Disabilities Act compliance</u>. City/HART shall, and will cause the City/HART Agents and the City/HART Contractors to, comply with the mandates of the Americans with Disabilities Act of 1990, including any amendments and implementing regulations, particularly with respect to the City Work and the Project Improvements.
- 27. <u>Covenant Against Discrimination.</u> The use and enjoyment of the University Property shall not be in support of any policy which discriminates against anyone based upon race, creed, sex, color, national origin, religion, marital status, familial status, ancestry, physical handicap, disability, age, veteran status, or HIV (human immunodeficiency virus) infection.
- 28. <u>Consents.</u> Where the Agreement requires the consent of a party for a proposed activity and provides that such consent shall not be unreasonably withheld:
  - a. <u>University grounds</u>. It shall not be unreasonable for the University to withhold consent to a proposed activity if the University determines that the proposed activity will: (1) be contrary to the mission, vision, or purpose of the University, (2) be detrimental to University operations or activities, or (3) impede compliance with the legal obligations of the University. It shall also not be unreasonable for the University to withhold consent if, under circumstances where the University has the right to condition its consent upon the receipt of revenue, City/HART informs or advises the University that City/HART is not willing to or may not share any revenue generated or consideration received by City/HART in connection with such activity.
  - b. <u>City/HART grounds</u>. It shall not be unreasonable for the City/HART to withhold consent to a proposed activity if the City or HART determines that the proposed activity will: (1) materially or unreasonably interfere with operations of the rail system, (2) threaten public safety, (3) pose a risk of property damage that, considering the likelihood and the magnitude of the

potential damage collectively, is significant, or (4) impede compliance with the legal obligations of the City or HART.

29. Campus Site Specific Conditions. Similar to the CROEs, City/HART will be required to comply with and fully perform certain campus site specific conditions. For example, HART is allowed to use a portion of the LCC property to permit Hawaiian Electric Co., Inc. ("*HECO*") to construct, operate, maintain and repair the Ka'aahi substation to support HART's rail operations center and for storage of specialized vehicles required by the HART Project. Under the Agreement, the Ka'aahi substation site will be part of the Use Area and City/HART will be permitted by the University to enter into a sublicense agreement with HECO to accommodate such use, subject to City's/HART's compliance with the terms of the Agreement, including ensuring that any City/HART Agents, such as HECO, comply with all applicable terms and conditions of the Agreement. Another example is City/HART's use of a portion of the UH West Oahu property for a temporary park and ride facility and a bus transit center for a period of five years, as depicted in Exhibit B. Any extension of the five-year temporary use shall be at the sole discretion of the University, and the University is under no obligation to agree to any extension.



20 OCT 29 P6:26

UNIVERSITY OF PRESIDENT FOR BUDGET & FINANCE
BOARD OF CHIEF FINANCIAL OFFICER

PRESIDENT'S OFFICECT 30 A8:37

October 29, 2020

TO:

Benjamin Asa Kudo

Chairperson, Board of Regents

Michelle Tagorda

Chair, Committee on Planning and Facilities

) will have

**Board of Regents** 

VIA:

David Lassner

**President** 

FROM:

Kalbert K. Young 1

Vice President for Budget and Finance/Chief Financial Officer

SUBJECT:

Request for Board of Regents Authorization and Delegation of Authority to

Negotiate, Finalize, and Execute a Master Pre-Development Agreement, by and among UHF Atherton Student Housing LLC, University of Hawai'i Foundation, Hunt Development Group, LLC, and University of Hawai'i

#### SPECIFIC ACTIONS REQUESTED:

We request that the Committee on Planning and Facilities recommend approval of, and the Board of Regents approve, the following two requests as further discussed herein:

- (1) Authorize and delegate to the President and the Vice President for Budget and Finance/Chief Financial Officer ("CFO") the authority to negotiate, finalize, and execute a Master Pre-Development Agreement on behalf of the University, provided the final terms and conditions thereof are consistent with the terms provided to the Committee on Planning and Facilities at its meeting of November 5, 2020; and
- (2) Authorize and delegate to the President and CFO the authority to negotiate, finalize, and execute related documents and instruments as may be necessary or appropriate.

### **RECOMMENDED EFFECTIVE DATE:**

Upon approval of the Board of Regents.

Chairperson Benjamin Asa Kudo Committee Chair Michelle Tagorda October 29, 2020 Page 2 of 4

#### **ADDITIONAL COST:**

Nominal annual rent of \$1.00.

#### **PURPOSE**:

To enable the Parties, UHF Atherton Student Housing LLC ("Fee Owner"); University of Hawai'i Foundation ("Foundation"); Hunt Development Group, LLC ("Developer"), and the University of Hawai'i ("University"), to proceed with pre-development work related to the New Mixed-Use Student Housing / Innovation and Entrepreneurship Project.

#### **BACKGROUND:**

The Foundation is the sole member of the Fee Owner, who together are referred to as the "Foundation Entities."

Fee Owner owns a parcel of property at 1810/1820 University Avenue and 2340 Metcalf Street, Honolulu, Hawai'i 96822, identified by Tax Map Key No. (1) 2-8-016-001, and containing approximately 43,107 square feet. Two buildings, commonly known as the Charles Atherton House and the Mary Atherton Richards House, are located on the parcel and together consist of approximately 34,648 square feet of floor space. The parcel and two buildings thereon are referred to as the "Property."

Acting for the benefit of the University to benefit the University's Mānoa campus, on December 28, 2018, Fee Owner issued a Request for Proposals for the Development of a New Mixed-Use Student Housing / Innovation and Entrepreneurship Project ("RFP"). The RFP solicited proposals for the development of a multi-use student housing project to be located on the Property ("Project").

On April 3, 2019, Developer proposed a development concept, along with business, operating, and financing terms contemplated to develop, deliver, operate, and maintain the Project. Based on the Proposal, and with the input of a steering committee that included representatives of the Foundation Entities and the University, the Foundation Entities elected to commence negotiations for the Project with Developer. Accordingly, the Foundation Entities and Developer entered into the exclusive negotiating agreement, which, among other things, provides for an exclusive negotiating period during which Developer, the Foundation Entities, the University, and other entities shall attempt to negotiate agreements that are part of the project documents.

The Parties have agreed on a Master Pre-Development Agreement ("MPDA"), whose major terms are more specifically defined in the Master Term Sheet. The Foundation

Chairperson Benjamin Asa Kudo Committee Chair Michelle Tagorda October 29, 2020 Page 3 of 4

Entities and the Developer are primarily responsible for most of the duties and obligations under the MPDA, including Foundation Entity's reimbursement of pre-development costs and completing Project Documents that include conceptual designs, plans, and development, and the financing documents.

The University is a party to the MPDA for the limited purposes stated therein. Major University obligations, as more fully discussed in the Major Term Sheet, include:

- Terminating the University's existing lease over the property and terminating any continuing month-to-month subleases;
- Before Financial Close, entering into negotiations with Foundation Entities and Developer to lease approximately 18,000 square feet of space for the Pacific Asian Center for Entrepreneurship program at a nominal annual rent of \$1.00;
- Not competing with the Project's student housing component; and
- Cooperating with the Parties on environmental review documents and entitlements.

A significant component of Pre-Development Activities includes pursuing entitlements for the Project, including, without limitation, the plan review use modification ("PRU Modification"), and conducting environmental reviews for the Project. The Parties acknowledge that the City and County of Honolulu's approval of the PRU Modification is not guaranteed and denial of the PRU Modification may be grounds for termination of the MPDA.

The MPDA grants the University the right to participate in activities charged to the Steering Committee. This includes the right of approval or consent to a Pre-Development Submittal, such as preliminary drawings, conceptual design; detailed assessment of the Property; pro forma analysis related to the development, construction, financing and operation of the Project; and engaging a non-profit corporation that will ultimately serve as the owner of the Project and the lessee under a ground lease.

#### **APPLICABLE REGENTS POLICY:**

Board of Regents Policy 10.201, provides that the Board of Regents "shall review and approve all real property transactions for the disposition or acquisition of real property in fee simple or by lease or equivalent interest with a term exceeding five (5) years[.]" The MPDA is not a real property agreement; however, it includes a provision that requires

Chairperson Benjamin Asa Kudo Committee Chair Michelle Tagorda October 29, 2020 Page 4 of 4

the University to lease property for a term exceeding five years at nominal, \$1.00 annual rent. It is a binding future commitment.

### **ACTIONS RECOMMENDED:**

We recommend the Committee and Board of Regents adopt and approve the actions proposed above under the heading, *Specific Actions Requested*.

Attachment: Major Term Sheet

# **DESCRIPTION**

- Property located at 1810/1820 University Avenue, Honolulu, corner of University Avenue and Metcalf Street.
- Property is owned by University of Hawaii Foundation (UHF).
- Property is planned for development with a private developer for the benefit of UH by building a student-housing and innovation & entrepreneurship facility.
- Approximately \$70 million capital project.
- UHF has been working with Hunt Development Group to be the private partner to design, build, finance, operate, and maintain the facility.
- Project needs entitlements and approvals for new construction of the buildings.
- Project will include UH as a partner for the benefit of UH students with student housing and academic programs.

## **PURPOSE**

- The purpose of this Master Pre-Development Agreement (MPDA) agreement is to provide for the UH to participate in the eventual activities of the project.
- Outlines the broad degree of UH's participation in the project, as well as, expectations of the project itself.
- Identifies responsibilities of the parties, between UHF, UH, and Hunt Development Group.
- While much of the purpose is directed between the landowner (UHF) and the development partner (Hunt), there are still aspects that will value UH participation.
- Authorize developer to proceed with pre-development work for the project.

# MAJOR TERMS INVOLVING UH

- Eventual termination of existing University lease and sub-leases of the property in order to enable financial transaction of private partner on the property.
- University reservation of leasing approximately 18,000 sq. ft. of space in new building for Pacific Asian Center for Entrepreneurship program at nominal annual rent.
- Ensuring that UH housing does not compete with housing aspect in project.
- Cooperating with advertising of housing and advertising the project along with other UH housing assets.
- Cooperating with other partners on entitlements for the property.

## **BENEFITS**

- The completed project is for UH's benefit.
- Provides increased housing alternatives for UH students.
- Makes a significant (private) capital investment in a new facility for UH, situated immediately adjacent to the UH-Manoa campus.
- Project provides UH with facility space with no contemplated lease rent, and with very minimal investment on the part of UH.
- Project will enhance amenities and housing for UH students, staff, and surrounding neighbors.
- Builds innovation space and expands UH's capabilities for developing innovation and entrepreneurial education.
- MPDA outlines limits and expectations for UH's participation in the project and under the early pre-construction phase of the project.

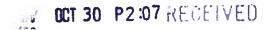
# **NEXT STEPS**

- If approved, Planning & Facilities Committee to recommend to the Board of Regents, authorization of the President and the Vice President for Budget & Finance to negotiate, finalize, and execute a Master Pre-Development Agreement, and other related documents, on behalf of the University.
- November 19: Board of Regents to consider approval of P&F Committee recommendation.
- If so authorized, Administration will negotiate, finalize, and execute MPDA consistent to terms specified by/to the Committee.
- Additional agreements may be necessary in the future for the project that will require additional approvals by the Board of Regents, such as affiliation agreements.









'20 DCT 30 P2:06

November 5, 2020

UNIVERSITY OF HAWAII
FRESIDENT'S OFFICE

TO:

**BENJAMIN KUDO** 

Chairperson, Board of Regents

VIA:

**DAVID LASSNER** 

President

FROM:

JAN GOUVEIA

Vice President for Administration

SUBJECT:

RECOMMEND BOARD APPROVAL OF AMENDMENT TO FY 2020

CAPITAL IMPROVEMENT PROJECT EXPENDITURE PLAN TO INCLUDE KOMOHANA RESEARCH AND EXTENSION CENTER

**PROJECT** 

#### **SPECIFIC ACTION REQUESTED:**

It is requested that the Board of Regents of the University of Hawai'i ("Board") approve amendments to the FY 2020 Capital Improvement Project Expenditure Plan for the Mānoa Campus to include the Komohana Research and Extension Center Project, as more fully detailed below.

#### **RECOMMENDED EFFECTIVE DATE:**

Upon board approval.

#### PROCEDURAL HISTORY:

On September 26, 2019, in accordance with Regents' Policy ("RP") 8.201, the Board approved the FY 2020 Capital Improvement Project ("CIP") Expenditure Plan ("Expenditure Plan") for the Mānoa Campus. In particular, the Expenditure Plan identified various projects to be completed with lump sum CIP funding for Renew, Improve and Modernize ("RIM") Projects. In addition, the Board authorized the President or his designee to make minor changes to the Expenditure Plan in accordance with State laws, rules, policies and procedures.

Chairperson Benjamin Kudo November 5, 2020 Page 2 of 4

In the immediate instance, the Administration identified a new project that was not identified in the Expenditure Plan, but now requires immediate funding to address critical needs and repairs at the Komohana Research and Extension Center. This project is not minor in nature and, therefore, Board approval to proceed with the project is requested.

#### PROJECT BACKGROUND:

The Komohana Research and Extension Center ("KREC") located in Hilo, Hawai'i is one of three Cooperative Extension Services offices on Hawai'i Island and is managed by the UH Mānoa Center for Tropical Agriculture and Human Resources ("CTAHR"). It is comprised of four buildings (Buildings A, B, C and D).

The KREC serves to support the success of Hawai'i's agriculture, promote strong and healthy communities, and encourage the sound stewardship of Hawai'i's land and natural resources. Hawai'i Island produces a range of edible crops for human consumption such as macadamia nuts, tropical fruits, coffee, beef and aquaculture. In 2017, Hawai'i Island had over 4,000 farms spanning 664,000 acres and the total market value of the crops, livestock, poultry and animal products sold was \$269 million. The faculty and staff at KREC conduct educational and applied research programs to increase diversified agriculture, promote safe and healthy food products, control invasive species, enhance environmental conservation and provide leadership and life skills training to support agriculture production on Hawai'i Island.

In 2009, Phase I renovations to Building B and the new construction of Building C was completed. Phase I included construction of new spaces for offices, wet laboratory facilities and research laboratories; equipment; furniture; Americans with Disability Act ("ADA") upgrades; and the reroof of Building B. In January 2014, Phase II renovations to Buildings A and D were completed. This included site improvements; renovations of conference rooms, administrative offices and restrooms; new security lighting; roadway/pathway improvements; and reroofing of both buildings.

Following the renovations, a number of deficiencies caused the roofs of all four buildings to begin leaking. It has been determined that insufficient roof sloping is causing water to pool on the roofs of all four newly-reroofed buildings. Furthermore, a number of other issues are contributing to roof and building leaks of all four buildings, including insufficient drainage from the roof; condensate drain overflow; leaks from plumbing vents; and cracks in the floors and walls.

The existing roofs of all four buildings have been leaking for several years in various areas in the quad complex. The leaks have caused damage to the contents of the buildings including the equipment and furniture, and have even rendered some rooms unusable. The leaks have also caused mold growth in some areas, which poses a health hazard.

#### **CURRENT PROJECT:**

In 2019, the Administration determined it to be in the University's best interest to reroof and complete interior repairs for all four buildings. A project was bid out in April 2020, with a scope to re-roof the four buildings to prevent leaks under heavy rain conditions; close openings, repair cracks and apply a new waterproof coating to seal exterior walls against water intrusion; and repair various water damaged areas in the interior of the buildings ("KREC Project"). Isemoto Contracting Company ("Isemoto") was the sole bidder with a proposal cost of \$9+ million. The available budget for the KREC Project was approximately \$3.5 million<sup>1</sup>, and the Administration negotiated directly with Isemoto to descope the project and award a contract for \$3,450,260 to re-roof Buildings A and B only; seal existing openings in the exterior walls at Building B to prevent moisture intrusion; replace storm water-damaged flooring, lighting, and ceilings in Building B; and replace water-saturated rooftop air conditioning duct insulation at Building C.

The work that was not originally awarded as part of the KREC Project included completing the re-roofing of Buildings C and D, repairing cracks in the exterior concrete walls, applying a new waterproof coating to seal exterior walls against water intrusion, and repairing insulation of interior air conditioning ducts and chilled water lines to prevent condensation. The approximate cost of this additional work and external construction management services is \$2.2 million ("Change Order Work").

The Administration proposes to fund the Change Order Work by transferring some of the funding in the Expenditure Plan for Hawai'i Hall Reroof and Various Improvements and Renovations ("Hawai'i Hall Reroof Project"). At the time the Hawai'i Hall Reroof Project was approved in 2019, the scope included reroofing, repairing the stairs, and renovating the basement offices. However, the basement offices are expected to be used as surge space during the renovation of Bachman Hall through 2023. Therefore, the work to renovate the stairs and offices has been descoped from the project. As such, the

<sup>&</sup>lt;sup>1</sup> Funding for the Komohana Research and Extension Center Project ("KREC Project") was transferred from the following projects identified in the FY 2018 and FY 2019 expenditure plans, as minor amendments to the expenditure plans:

CIP Expenditure Plan	Project Funds Transferred From	Funds Transferred To
FY18 (approved 9/21/17)	Shidler Accessibility Improvements Contingency Moore Hall Various Classrooms Upgrade Metering Phase III Various Repaving Projects – Correa Road	KREC Project
FY19 (approved 8/16/18)	Elevator Modernization, Phase IV Everly Hall, Replace Fire Alarm System Miller Hall, Replace Fire Alarm System Contingency	KREC Project

Chairperson Benjamin Kudo November 5, 2020 Page 4 of 4

Administration recommends funding the Change Order Work with a portion of the funds budgeted for the Hawai'i Hall Reroof Project by amending the FY 2020 Expenditure Plan to include the following:

Komohana Research and Extension Center Repairs, \$1M-\$5M, in "Plans, Design, Construction, and Equipment for Renovations, Replacements, Improvements of New or Existing Roof and Related Improvements" in Attachment B – Mānoa Renew, Improve & Modernize Project Plan

#### **ACTION RECOMMENDED:**

It is requested that the Board approve an amendment to the FY 2020 CIP Expenditure Plan for the Mānoa Campus to add the following project:

Komohana Research and Extension Center Repairs, \$1M-\$5M, in "Plans, Design, Construction, and Equipment for Renovations, Replacements, Improvements of New or Existing Roof and Related Improvements" in Attachment B — Mānoa Renew, Improve & Modernize Project Plan



20 OCT 30 P4:16

Jan S. Gouveia
UNIVERSITY JAVICE President for Administration
BOARD OF RESERTS

UNIVERSITY OF HAWAII PRESIDENT'S OFFICE

OCT 30 P4:50

November 5, 2020

TO:

**BENJAMIN KUDO** 

Chairperson, Board of Regents

VIA:

DAVID LASSNER

**President** 

FROM:

JAN GOUVEIA

Vice President for Administration

SUBJECT:

APPROVAL OF THE FISCAL YEAR (FY) 2021-2023 BIENNIUM

CAPITAL IMPROVEMENT BUDGET FOR THE UNIVERSITY OF

HAWAI'I; 6-YEAR CIP UPDATE

#### **SPECIFIC ACTION REQUESTED:**

Pursuant to Regent Policy 8.204, the Board of Regents of the University of Hawai'i (the "Board") shall approve an annual capital improvement project budget for the University of Hawai'i (the "University"). The capital improvement budget accounts for all major projects in the planning, design or construction stages, and is presented in the context of a rolling 6-year capital improvement plan and budget. As more fully detailed below, the Administration recommends the Board approve the proposed FY 2021 – 2023 Biennium Capital Improvement Projects Budget (CIP Biennium Budget) for the University of Hawai'i.

With approval, the Administration will submit the CIP Biennium Budget proposal to the State Department of Budget & Finance for consideration to be included as part of the Governor's budget proposal to the Legislature for:

- (1) University of Hawai'i at Mānoa
- (2) University of Hawai'i at Hilo
- (3) University of Hawai'i at West O'ahu
- (4) University of Hawai'i Community Colleges

#### (5) University of Hawai'i System

Approval by the Board of this CIP Biennium Budget does not constitute approval of any specific projects identified or anticipated herein. The Administration is still required to obtain all necessary and appropriate Board approvals required by applicable law, rules, University policy or University procedure, which includes but is not limited to construction projects exceeding \$5 million, consultant services exceeding \$1 million, and exemptions from the square footage growth moratorium.

#### **RECOMMENDED EFFECTIVE DATE:**

Upon board approval.

#### **EXECUTIVE SUMMARY:**

Since the 6-Year CIP Plan was first conceived and approved by the Board in November 2016, the Administration has presented an updated, rolling 6-Year CIP Plan to the Board each year that realigns the plan with evolving situations and priorities and the projects funded by the Legislature. The principles that guide the updated 6-Year CIP Plan each year have largely remained the same, focused on a facilities modernization and space management strategy that delivers 21st century facilities for our students and is aligned with academic programming needs, consistent with the priorities set forth in the IAFP, to maximize the efficiency of both the capital and operational dollar. The 6-Year CIP Plan was also conceived with flexibility and opportunity in mind to allow the University to strategically adapt to shortfalls in funding or unanticipated facility needs.

In Spring 2020, the COVID-19 pandemic disrupted nearly every aspect of life worldwide and created significant challenges for the University, higher education as a whole, and the global and local economy. To adapt to stay-at-home orders and other initiatives to reduce the spread of COVID-19 on our campuses, the University pivoted to offering primarily online and hybrid instruction for our students and teleworking where possible for our employees and eliminating or significantly reducing the number of non-academic events and other activities on campus. These measures continue today at varying levels, depending on the spread of COVID-19 in our community and the needs of each campus, and we anticipate this situation to continue into 2021.

Consequently, presence on campus has been significantly reduced and the University is now challenged with planning for an uncertain future for facilities in which online or hybrid learning and/or telework may become more commonplace and campus presence may not return to pre-2020 levels. Furthermore, the University must plan for the fiscal challenges ahead, given the dire financial situation of the State of Hawai'i and the

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University. Historically, the University has struggled to maintain its facilities at a level that meets 21<sup>st</sup> century needs for excellence in learning, teaching and research, even at prepandemic funding levels.

Given the unprecedented and wide-reaching impacts of the COVID-19 pandemic, it is not enough to consider programmatic and financial changes in the short term. Instead, we must consider new approaches for the long term. The University recognizes that it plays a vital role in the State of Hawai'i's economic recovery through growing research, education, and service focused on community needs, including through workforce and economic development in sectors necessary for the economic and social recovery of our State. As such, it is critical that the University develops a long-term plan to thrive in this new environment, despite the challenges ahead and to continue to fulfill its mission and serve our community.

To that end, the University is revisiting its current programmatic structure systemwide to identify ways to utilize the strengths of each campus to synergize programs. By focusing on ways to reconceptualize programs as University-wide programs, rather than campus-specific offerings, students will no longer be limited by campus-specific boundaries and geographic barriers. Additionally, the University must right-size its campuses, programs, operations and budget to align with normalized demand for online learning, face-to-face offerings, teleworking and a revisioning of campus life.

Given these considerations, the updated 6-Year CIP Plan and CIP Biennium Budget stay true to the original principles conceived in 2016: flexibility, integration with academic and programmatic needs, and strategic space management while maximizing the capital and operational dollar. However, as the future plans for the University continue to be developed and given current financial challenges, this updated 6-Year CIP Plan and CIP Biennium Budget prioritize health and safety and other strategic projects that best position the University to offer modern facilities under an amended framework for academic and enterprise programs and amidst budget constraints.

For major capital improvement projects, any new facilities cannot result in a net square footage increase and must significantly advance a strategic initiative. Renew, Improve and Modernize ("RIM") Projects remain the foundation of our updated 6-Year CIP Plan and CIP Biennium Budget, with an emphasis on those projects necessary to protect health and safety measures, protect and maintain existing infrastructure and system investments and support current and funded research activity, as well as those that increase efficiency and utilization of existing spaces and promote flexible, shared and/or adaptive design and furniture. Now more than ever, it is important that we align current and future programmatic needs with our facilities needs, consistent with the IAFP principles, to further maximize our funding efficiency.

Based on the considerations set forth above, the proposed CIP Biennium Budget and 6-Year CIP Plan below strive for resiliency during these unparalleled times. The following Chairperson Benjamin Kudo November 5, 2020 Page 4 of 21

is a modest budget that proposes to allow the University to continue to address health and safety and strategic priorities while positioning the University to adapt to long term plans and continue to fulfill its mission through the economic recovery and beyond.

#### SYSTEMWIDE CIP BIENNIUM BUDGET

Consistent with the principles of the 6-Year CIP Plan while adapting to a new landscape, this CIP Biennium Budget has adopted the following priorities:

Major Capital Improvement Projects (Major Projects)

No net increase in square footage Significantly advance a strategic initiative

Renew, Improve, & Modernize Projects (RIM Projects)

Necessary to protect health and safety measures

Necessary to protect and maintain existing infrastructure and
system investments

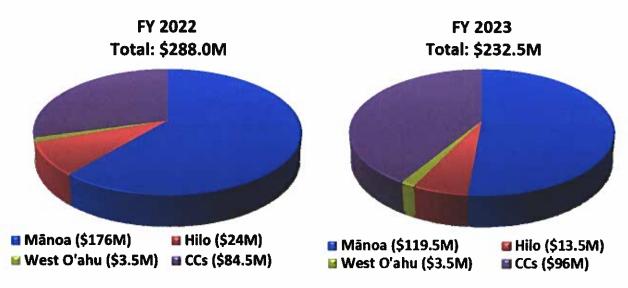
Increase efficiency and utilization of existing spaces

Necessary to support current and funded research activities

Promote flexible, shared and/or adaptive design and furniture

### Systemwide FY 2021-2023 Biennium CIP Budget Request by Campus

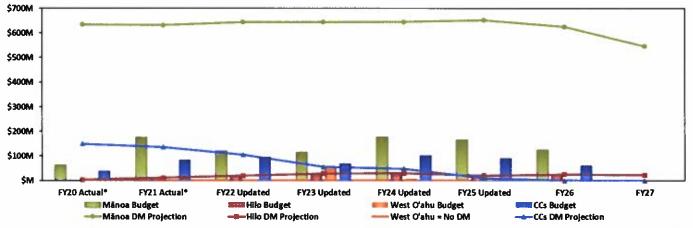
Total: \$520.5M



The proposed systemwide CIP Biennium Budget anticipates a request of \$288.0 million in FY 2022 and \$232.5 million in FY 2023. Fully funded, this budget is anticipated to address a total of \$300 million in capital renewal and deferred maintenance. As of 2020, the deferred maintenance backlog systemwide is \$787 million.

# Systemwide Updated 6-Year CIP Plan (FY 2022-2027) Total: \$1,613 Million

Campus	THE RESERVE OF THE PERSON NAMED IN	)19 of Dollars)	Updated 6-Year CIP Plan (Millions of Dollars)									
	FY22	FY23	FY22 Updated	FY23 Updated	FY24 Updated	FY25 Updated	FY26 Updated	FY27 Updated	Updated 6-Year Total			
Mānoa	145.50	165.50	176.00	119.50	115.50	177.50	166.50	125.50	880.50			
Hilo	22.50	17.50	24.00	13.50	14.50	16.50	51.50	26.50	146.50			
West O'ahu	5.00	5.00	3.50	3.50	50.50	8.00	10.50	5.50	81.50			
CCs	120.50	79.00	84.50	96.00	70.00	102.00	90.00	62.00	504.50			
Total Per Year	293.50	267.00	288.00	232.50	250.50	304.00	318.50	219.50	1,613.00			
		I	eferred Mai	ntenance Ba	lance Projec	tion (in Milli	ons of Dollar	's)				
Mānoa			644	644	645	652	625	546				
Hilo			19	28	29	20	25	23				
West O'ahu			0	0	0	0	0	0				
CCs			104	55	48	10	0	0	THE RESERVE			
Total			767	727	722	682	650	569				

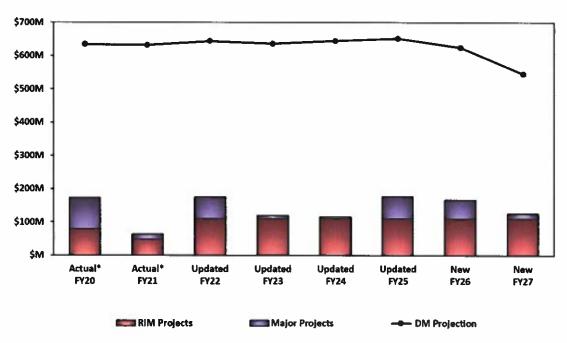


<sup>\*</sup>Reflects actual appropriation from the 2019 and 2020 Legislative Session

### UH Mānoa FY 2021-2023 CIP Biennium Budget & Updated 6-Year CIP Plan

### Updated UH Mānoa 6-Year CIP Plan (FY 2022-2027) Total: \$880.5M

Project	2019 (Millions of Dollars)		2019 [Millions of Dollars]						6-Year
	FY22	FY23	FY22 Updated	FY23 Updated	FY24 Updated	FY25 Updated	FY26 Updated	FY27 Updated	Total
RIM Projects	110.50	110.50	110.50	110.50	110.50	110.50	110.5	110.5	663.00
Mânoa Mini Master Plan, Phase 2 (Prev. Snyder Hall Replacement)	0	0	60.00	0	0	0	0	0	60.00
Central Administration Facility with Parking	30.00	0	4.00	0	0	62.00	0	0	66.00
Waikīkī Aquarium	0	0	1.50	9.00	0	0	0	0	10.50
Kuykendall Hall	0	54.00	0	0	4.00	0	54.00	0	58.00
Holmes Hall	5.00	0	0	0	1.00	5.00	1.00	5.00	12.00
Portable Demolition	0	1.00	0	0	0	0	1.00	10.00	11.00
Total	145.50	165.50	176.00	119.50	115.50	177.50	166.50	125.50	880.50
		Deferi	ed Mainte	nance Bala	nce Project	tion (in Mi	llions of D	ollars)	
General Funded Facilities			454	436	436	414	380	292	
Special Funded Facilities	12000		190	200	209	238	245	254	
Total		100 S. A. B.	644	636	645	652	625	546	



<sup>\*</sup>Actual reflects funds appropriated by the Legislature

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UH Mānoa's CIP Biennium Budget and updated 6-Year CIP Plan present a diversified portfolio of major capital projects and various RIM Projects that strategically pace major construction with smaller upgrades on the campus. It reflects a continuation of the shift from a building-by-building approach to a more holistic method based on goals and objectives that are aligned with the campus mission and priorities. It is also consistent with a number of planning initiatives UH Mānoa is in the process of completing over the course of the next few years, which will ultimately inform a long-term vision for the UH Mānoa campus.

In January 2017, the Mānoa campus embarked on an initiative to develop a strategic space utilization plan by developing a baseline analysis of current facility utilization and generating strategies to align facilities with future program needs. This initiative has also informed the development of the Mānoa Campus Physical Plan ("MCPP"), a 20-year vision to integrate the physical development of the UH Mānoa campus with the University's strategic initiatives and academic mission.

In September 2019, the Board of Regents approved the Long-Range Physical Development Plan, which incorporates the Mānoa Campus Framework for the Future ("Framework for the Future"). The Framework for the Future is a dynamic product that was adaptable to changing conditions and priorities over time but was still grounded by a core strategy that maximized capital investments. It incorporated the Systemwide Guiding Principles and Priorities of the IAFP, which emphasized maximizing existing spaces for multi-disciplinary, shared use, and empirical data to measure the utilization of existing space and how it could be repurposed to better align with academic and research requirements.

These principles continue to guide the CIP Biennium Budget for Mānoa even under COVID-19 conditions. The proposed budget focuses on projects necessary to address health and safety concerns, continue efforts to increase efficiency and utilization of existing spaces, and ultimately contribute to the long-term goal of reducing square footage on the Mānoa campus.

#### Major Projects

Mini Master Plan Phase 2 (Previously Snyder Hall Replacement)

In August 2015, the Board approved the Mānoa Mini Master Plan that decreases the overall square footage on the campus:

- Phase 1: Demolish Henke Hall and Snyder Hall & construct Life Sciences Building
- Phase 2: Construct Snyder Hall replacement building
- Phase 3: Demolish and replace Kuykendall

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Currently, Phase 1 of the 3-Phase Mini Master Plan has been completed. Occupancy of the Life Sciences building began on July 20, 2020.

Phase 2 has also begun, with demolition of the current Snyder Building slated for Summer 2021. Additionally, in 2019, the Legislature appropriated \$6 million in FY21 for design, construction, and equipment to complete the sitework and hardscaping necessary to create a pedestrian friendly pathway on Campus Road from Metcalf to Varney Circle, and to prepare the site for a replacement Snyder Hall. The funds are also being used to plan for the elimination of approximately 100 parking stalls in Varney Circle and connected roadways (Farrington Road and Campus Road).

Programming of the Snyder Hall replacement facility is underway and is 65% complete. The project will be ready for design-build construction in fiscal year 2021 for approximately \$66 million.

#### Central Administration Facility with Parking

The CIP Biennium Budget requests \$4 million in design and programming for a Central Administration Facility with parking in FY22. The 6-Year CIP Plan additionally anticipates \$62 million in FY25, for a total of \$66 million. This project will create a new 55,000 sf facility that will consolidate the administrative offices scattered across the Mānoa campus. The project site is located at the intersection of East-West Road and Maile Way, where the current Campus Services building is located. The project will yield a net reduction of square footage on campus through the demolition of the existing Campus Services building and the associated removal of existing portable buildings as explained in the Portable Demolition Program below.

There are also plans for a new parking facility immediately adjacent to the administrative building with over 400 parking stalls, located on the site of the current surface parking lot. The multi-level parking structure is being planned in conjunction with the Hawaii State Department of Transportation to increase the University's parking inventory such that morning rush hour traffic into town is reduced. Vehicular access to the parking facility will be along Maile Way and East-West Road, which are the current means for accessing the existing surface parking. A traffic study will be completed prior to the initiation of this project; no change is anticipated to overall impact.

#### Waikiki Aquarium

A total of \$10.5 million is anticipated in the CIP Biennium Budget (\$1.5 million in FY22 and \$9 million in FY23) for design and construction for repairs to the Waikiki Aquarium and a new wastewater discharge system to comply with NPDES and City Industrial Wastewater Discharge permits and applicable laws and regulations. These funds would supplement \$600,000 appropriated by the Legislature in FY21 for this project. The

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current effluent disposal system must be upgraded to be in compliance with Department of Health discharge permits and City and County of Honolulu regulations for discharge into the city sewer system. Deferral of this project may expose the University to daily fines and could result in the indefinite closure of the aquarium.

#### Kuykendall Hall

The 6-Year CIP Plan anticipates \$4 million in FY24 for programming and design of Kuykendall Hall improvements and \$54 million in FY26 for the construction of classrooms in Kuykendall towers. Kuykendall Hall is one of the most heavily utilized classroom buildings on the UH Mānoa campus. The 80,000-square-foot, 54-year-old facility consists of a four-story classroom building connected to a seven-story office building. Unfortunately, the existing configuration and room layout is not conducive to an educational environment. An analysis is currently underway to determine if it is more cost effective to demolish or renovate the facility to continue to primarily serve as a general education classroom and administration facility.

#### Holmes Hall

Holmes Hall houses the Engineering College and was originally completed in 1972. Since its original construction, the building has not undergone any modernization to adapt classroom and lab space to changes in teaching programs and to meet the demands of increasing enrollment. While the building's air conditioning system was modified to be part of a chiller loop serving multiple buildings in the vicinity, the building spaces remain mostly untouched. This project would address the deferred maintenance backlog while modernizing classrooms, laboratories and mechanical, electrical and communications systems. The updated 6-year CIP plan requests \$1 million in FY24 and \$5 million in FY25 for the design and renovation of specified laboratories and/or classrooms in Holmes Hall, respectively, and anticipates additional design and construction funds of \$1 million in FY26 and \$5 million in FY27.

#### Portable Demolition Program

The Portable Demolition Program anticipates \$1 million in design and programming in FY26 and \$10 million in construction in FY27. This project provides for the takedown of approximately 46 portable and temporary structures on campus as part of the University's effort to reduce total square footage and reduce deferred maintenance costs associated with aging portable buildings. The occupants of the portable buildings will be relocated to existing underutilized facilities or to the Central Admin Facility once construction is complete. The project will remove approximately 100,000 square feet of space and includes portables and cottages such as the Lincoln Annexes, Bachman Annexes, Krauss Annexes, Financial Management portables, Transportation/Facilities Services portables, UH Press portables, and Makai Campus portables.

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This project is consistent with the Board of Regents' Resolution Supporting Moratorium on Square Footage Growth, approved on June 7, 2018, which resolves that "there shall be a moratorium on all new construction that results in an increase in the total campus building square footage without an equivalent reduction in square footage on any campus with an overall deferred maintenance backlog greater than 10% (ten percent) of the replacement value of its facilities."

With the removal of Henke Hall, Snyder Hall, Campus Services and 46 portables from Mānoa's asset inventory, there is a net decrease of 38,500 square feet after the addition of the Life Sciences Building, Snyder Hall Replacement and Central Admin Facility. The square footage breakdown is as follows:

Building	Added or Removed Square Footage
Added Square Footage	
Life Sciences Building	76,000
Snyder Hall Replacement	48,000
Central Admin Facility	55,000
Removed Square Footage	
Henke Hall	(25,000)
Snyder Hall	(61,000)
Campus Services	(21,500)
46 Portables	(110,000)
Net Square Footage	(38,500)

#### **RIM Projects**

A critical component of Mānoa's 6-Year CIP Plan calls for a steady infusion of RIM funds. RIM funds are used to renovate, improve and modernize classrooms, laboratories, and offices into quality learning, teaching and working spaces. Instead of traditional classrooms lined with rows of single desks, movable and flexible furniture allows for various seating options that encourage small group discussions and hands-on learning configurations. The incorporation of technology is also critical to modern classroom spaces. In many of our current buildings, there is inconsistent access to wireless internet and technology via projectors, laptops or tablets. New spaces will have updated and better access to technology, which is critical to taking the University into the 21st century.

Moreover, when all segments of Mānoa's campus community were surveyed and/or interviewed, a consistent concern over the general pathway and lighting conditions throughout the lower and upper campus areas were expressed. Students, employees, and visitors find crumbling walkways, odd intersects of pedestrian and bike pathways with vehicle thoroughfares, and limited lighting to be uninviting conditions that dissuade them from staying on campus. Additionally, several comments were made on the overall

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lackluster appearance of the exterior of our buildings. Improvements will be made in these areas under the RIM program.

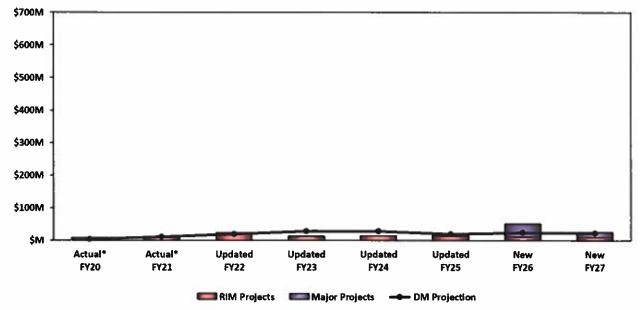
The CIP Biennium Budget anticipates \$110.5 million for RIM Projects in both FY22 and FY23, which will address approximately \$150 million in deferred maintenance and capital renewal. The focus of the projects will be to protect health and safety measures, protect and maintain existing infrastructure and system investments, and support critical research activity. In total, the 6-Year CIP Plan anticipates \$663 million in RIM funding, which will address approximately \$440 million in deferred maintenance and capital renewal. As of 2020, UH Mānoa's total deferred maintenance backlog is \$634 million.

Project Description	FY22 Budget Request	FY23 Budget Request
RIM Projects	\$110.5M	\$110.5M
Mānoa Mini Master Plan, Phase 2	\$60.0M	\$0
Central Administration Facility with Parking	\$4.0M	\$0
Waikīkī Aquarium	\$1.5M	\$9.0M
TOTAL	\$176.0M	\$119.5M

### UH Hilo FY 2021-2023 CIP Biennium Budget & Updated 6-Year CIP Plan

# Updated UH Hilo 6-Year CIP Plan (FY 2022-2027) Total: \$146.5M

Project	2019 (Millions of Dollars)		Updated 6-Year Plan (Millions of Dollars)						6-Year
riojett	FY22	FY23	FY22 Updated	FY23 Updated	FY24 Updated	FY25 Updated	FY26 Updated	FY27 Updated	Total
RIM Projects	22.50	17.50	24.00	13.50	14.50	12.50	11.5	9.5	85.50
Puako Marine Education & Research Center, Phase 1	0	0	0	0	0	4.00	0	0	4.00
Puako Marine Education & Research Center, Phase 2	0	0	0	0	0	0	40.00	0	40.00
UH Hilo PV Farm	0	0	0	0	0	0	0	17.00	17.00
Total	22.50	17.50	24.00	13.50	14.50	16.50	51.50	26.50	146.50
		Defen	red Mainte	enance Bal	ance Proje	ection (in f	Millions of	Dollars)	
General Funded Facilities			17	23	23	9	13	10	
Special Funded Facilities		75	2	6	6	11	11	13	
Total			19	28	29	20	25	23	



<sup>\*</sup>Actual reflects funds appropriated by the Legislature

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UH Hilo's CIP Biennium Budget requests \$24 million in FY22 and \$13.5 million in FY23 in RIM funding, which focuses on capital renewal and modernization efforts. This will address approximately \$20 million in capital renewal and deferred maintenance. As of 2020, UH Hilo's total deferred maintenance backlog is \$3 million.

#### Puako Marine Education Center, Phase 1 and 2

UH Hilo's 6-Year CIP Plan anticipates \$4 million in FY25 for Puako Marine Education Center, Phase 1 and \$40 million in FY26 for Phase 2. This project is for a costal marine facility that would provide research and study opportunities for understanding and conservation of Hawaii's marine ecosystem, allow for multi-day research and teaching, and provide storage for boats, diving and research equipment currently in storage at UH Hilo. The facility would support UH Hilo, UH Mānoa faculty and students, as well as numerous individuals across the state and nation that visit to conduct research and train students. It would complement UH Hilo's large undergraduate Marine Science program and, given the unique Kona-Kohala coastal resources and the need for additional higher education opportunities in West Hawaii, is an ideal location for marine and environmental education and training. Presently, there is no educational facility of this type on Hawaii' Island and marine training is supported at UH Hilo or rented facilities. Access to the Puako coral reefs is currently severely limited due to the lack of laboratories and housing nearby. Travel from UH Hilo is unfeasible due to the danger of decompression sickness (bends) produced by the altitude change while crossing the island of Hawaii.

Phase 1 would include a pavilion for outdoor training, a boat building, which would contain boat storage, an indoor classroom and project staging, and essential infrastructure. Phase 2 would include a dormitory, an academic center with offices, classrooms and laboratories, and faculty and caretaker housing.

#### PV Farm

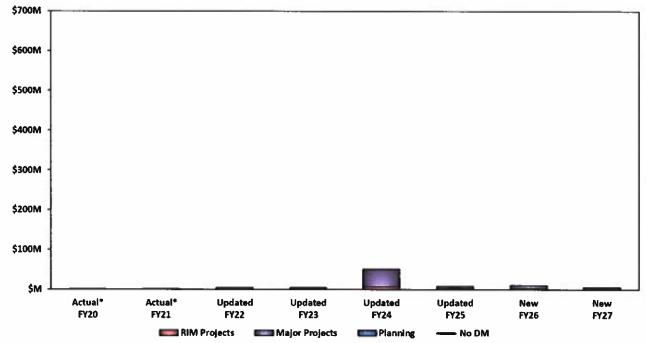
UH Hilo's 6-Year CIP Plan anticipates \$17 million in FY27 for a PV Farm with approximately 6 MW of PV panels to produce enough electricity to meet the electricity needs of the main campus. The PV Farm would also include energy storage capabilities to provide electricity during the evening hours and a solar intensity forecasting program to regulate energy generation output during the daytime.

UH Hilo did not make significant changes to its 6-Year CIP Plan.

Category/Project	FY22 Budget Request	FY23 Budget Request
RIM Projects	\$24.0M	\$13.5M
TOTAL	\$24.0M	\$13.5M

# UH West O'ahu FY 2021-2023 CIP Biennium Budget & Updated 6-Year CIP Plan Updated UH West O'ahu 6-Year CIP Plan (FY 2022-2027) Total: \$81.5M

Project	2019 (Millions of Dollars)		Updated 6-Year Plan (Millions of Dollars)						
Project	FY22	FY23	FY22 Updated	FY23 Updated	FY24 Updated	FY25 Updated	FY26 Updated	FY27 Updated	Total
RIM Projects	2.00	1.50	3.00	3.00	7.00	3.00	3.00	3.00	22.00
Planning	0.50	1.00	0.50	0.50	0.50	0	0	0	1.50
Campus Center Phase 2	0	0	0	0	38.00	0	0	0	38.00
Development & Infrastructure	0	0	0	0	5.00	5.00	5.00	0	15.00
General Education Building I	2.50	0	0	0	0	0	2.50	0	2.50
General Education Building II	0	2.50	0	0	0	0	0	2.50	2.50
Total	5.00	5.00	3.50	3.50	50.50	8.00	10.50	5.50	81.50
	The state of	Deferi	ed Mainter	ance Balar	ce Projecti	on (in Milli	ons of Dolla	ırs)	
Total	t de		0	0	0	0	0	0	



<sup>\*</sup>Actual reflects funds appropriated by the Legislature

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#### RIM Projects

UH West Oahu's 6-Year CIP Plan calls for a steady infusion of RIM funds to address unplanned building issues. RIM funds are anticipated to repair and improve campus facilities, including repairs to the building envelopes (metal roofing, water intrusion mitigation, CMU repointing and sealing) and HVAC mechanical system. These efforts will ensure the longevity and use of the structures and operating systems and address approximately \$5 million in capital renewal. As of 2020, UH West Oʻahu's deferred maintenance backlog is \$0.

FY24 anticipates \$4M for the construction on the Road B Entry Plaza. In FY20, the campus received \$0.4M to design the Entry Plaza. This request is to fund the construction. This project will provide a much needed safe and accessibility-compliant connection to and from campus for students, employees, and visitors that take advantage of rail transit or get dropped off at the Road B cul-de-sac. The plaza would serve as an inviting welcome mat at the terminus of Road B, the main street and key component of the envisioned college town.

#### <u>Planning</u>

UH West O'ahu's FY 2022-24 CIP Budget anticipates \$500,000 each year for planning services to update State- and County-required plans and permits and conduct market studies for campus housing.

#### Campus Center, Phase 2

The 6-Year CIP Plan requests \$38 million in FY24 for the construction of Campus Center, Phase 2 (a three-year postponement of last year's request). In 2018, the Legislature appropriated \$5 million in FY19 to design Campus Center, Phase 2 and relocate the existing bookstore. Of these funds, \$2.2 million were allocated for the design of Campus Center, Phase 2 and in 2020, the design contract was awarded. This request is to fund the design-build construction. This project would create a center for student life and success by creating flexible spaces for group study, student organizational meetings, academic advising and student support services. It intends to also incorporate a testing and tutoring center (currently housed in the library), a wellness space (currently occupying a renovated closet), an applied mathematics lab, and a recreational space that would expand student offerings, as the existing Fitness Center (approximately 500 sf) has very limited equipment and workout space. These spaces would allow the current Student Life Center in the campus center (a large space with no partitioning and limited functionality for small group meetings) to be repurposed.

#### General Education Building I

UH West O'ahu also anticipates \$2.5 million in FY26 for the design-build construction of General Education Building I as part of its 6-Year CIP Plan and a future funding request of \$45 million in FY28 (not shown). While funding for this project was last requested for

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FY22 and FY24, the funding request has been postponed due to current economic conditions. The campus is anticipating steady enrollment growth in our on-campus, hybrid, and online programs over the next 10+ years as we respond to increased collaboration with our K-12 regional high schools as well as shared facilities with our community college partners. General education classroom facilities will be needed to accommodate shared spaces and encourage multi-disciplinary academic curricula and programs. General Education Building I will house programs in education, STEM, humanities, and social sciences with a focus on: teacher preparation and education leadership development, offering on-site training, educational research, and professional development, and a focus on improving and innovating distance/online learning pedagogies. All classrooms will be fitted with up-to-date technology to support blended and/or hybrid learning, thereby strengthening both our on-campus and online footprint.

#### General Education Building II

Additionally, UH West O'ahu's 6-Year CIP Plan anticipates \$2.5 million in FY27 for the design-build construction of General Education Building II and a future funding request for \$45 million in FY29 (not shown). While funding for this project was last requested for FY22 and FY24, the funding request has been postponed due to current economic conditions. This building will be a vibrant hub for student innovators and entrepreneurs. A place to learn, innovate, and launch start-ups. In partnership with our community colleges, regional high schools, and both the Kapolei Chamber of Commerce and regional businesses. The availability of classrooms, innovation spaces, co-working spaces, and tech labs/workshops will encourage partnering across academic programs (IT, Cyber Security, Business, Hospitality, Sustainable Community Food Systems, etc.) and enable students to learn about entrepreneurship and business by working across disciplines. A much-needed Information Technology Center would also be incorporated into the facility.

#### Development and Infrastructure

From FY24 through FY26, UH West O'ahu's 6-Year CIP Plan also anticipates \$5 million in each year for development and infrastructure. To expand the development of campus and non-campus lands to vacant areas, site infrastructure must extend beyond the reach and capacity of current roadways and utilities. Project-by-project funding does not provide sufficient funding for major off-site infrastructure improvements. The project scope includes master planning, design, and construction of roadways and utilities, and other related appurtenances to support the phased development of the University's lands.

Given that UH West O'ahu is in its ninth year at its permanent campus in east Kapolei and committed to continually addressing routine repair and maintenance issues as needed, it currently does not have a deferred maintenance backlog.

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UH West O'ahu continues to update its Long-Range Development Plan Update from 2006. The Plan will continue to provide a policy framework for ongoing and future development decisions, including a revised site master plan that addresses land use, infrastructure, mobility and circulation for the 500-acre Makai property. In addition, UH West O'ahu has developed a comprehensive Institutional Strategic Action Plan (2018-2028) that builds on the University of Hawai'i – West O'ahu Strategic Plan (2015-2020). UH West O'ahu envisions a supportive and dynamic learning environment with a transdisciplinary focus through innovation, sustainability, and leadership. The benefits of this new comprehensive plan will be a 10-year plan that addresses enrollment management, academics and student success, capital and budget, land and facilities, IT, marketing and other areas.

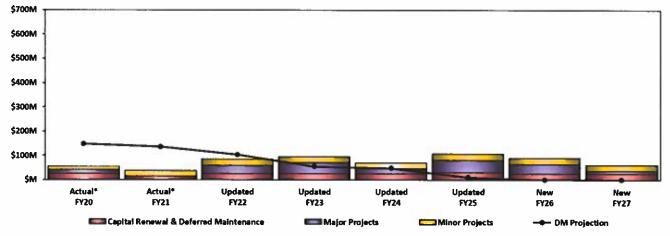
Aside from postponing major building design and construction, UH West O'ahu did not make significant changes to its 6-Year CIP Plan.

Category/Project	FY22 Budget Request	FY23 Budget Request
RIM Projects	\$3.0M	\$3.0M
Planning Projects	\$0.5M	\$0.5M
TOTAL	\$3.5M	\$3.5M

# UH Community College System FY 2021-2023 CIP Biennium Budget & Updated 6-Year CIP Plan

## Updated UHCC 6-Year CIP Plan (FY 2022-2027) Total: \$504.5M

Project	2019 (Millions of Dollars)		Updated 6-Year Plan (Millions of Dollars)						6-Year
	FY22	FY23	FY22 Updated	FY23 Updated	FY24 Updated	FY25 Updated	FY26 Updated	FY27 Updated	Total
Capital Renewal & Deferred Maintenance (CRDM)	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	150.00
Minor Projects	10.00	10.00	25.00	25.00	25.00	25.00	25.00	25.00	150.00
ADA Systemwide Upgrades	14.00	14.00	14.00	14.00	10.00	10.00	10.00	10.00	68.00
Honolulu CC Technology Renovations	15.00	0	15.00	0	10.00	10.00	0	0	35.00
Kapi'olani CC Koki'o	3.00	30.00	2.50	30.00	0	0	0	0	32.50
Windward CC Agripharmatech Bioprocessing Facility	0	0	3.00	0	0	0	0	0	3.00
Maui College Vocational Tech	0	0	0	2.00	0	30.00	0	0	32.00
Hawai'i CC Campus Development	50.00	0	0	0	0	2.00	30.00	2.00	34.00
Hawai'i CC CTAHR Farm	3.50	0	0	0	0	0	0	0	0
Total	120.50	79.00	84.50	96.00	70.00	102.00	90.00	62.00	504.50
<b>数</b> 用是有关的。		Deferi	ed Mainte	enance Bal	ance Proje	ection (in F	Aillions of	Dollars)	
Total	<b>美国的</b>		104	55	48	10	0	0	



\*Actual reflects funds appropriated by the Legislature

Chairperson Benjamin Kudo November 5, 2020 Page 19 of 21

#### **CRDM and Minor CIP**

The UH Community College System's (UHCC) FY 2022 and FY 2023 CIP Biennium Budget continues to focus on a facilities program that minimizes deferred maintenance while enhancing student learning through the creation and implementation of design standards for classrooms and laboratories that reflect modern teaching approaches. The CIP Biennium Budget seeks \$50 million in both FY22 and FY23 for CRDM and Minor CIP projects. Over the course of UHCC's 6-Year CIP Plan, CRDM and Minor CIP funding will address approximately \$200 million in deferred maintenance and capital renewal. As of 2020, the total deferred maintenance backlog for UHCC is \$149 million.

#### **ADA Projects**

\$14 million in each year of the updated 6-Year CIP Plan is requested for ADA projects across the community college campuses, statewide. These projects will upgrade various elements campus wide to comply with current accessibility code based on the ADA upgrade priorities identified in the 2019 ADA Upgrade Report Systemwide for the Community Colleges.

#### Honolulu CC Technology Renovations

Honolulu CC will be streamlining and focusing its resources on technology-based programs, which are already established pathways into bachelor degree programs. To that end, the CIP Biennium Budget anticipates \$15 million in FY22 to renovate Building 8805, and the 6-Year CIP Plan anticipates \$10 million in FY24 and \$10 million in FY25 for renovations of buildings 8802, 8813, 8803 and 8820, to advance technical degrees in cybersecurity, networks and music entertainment technology, so that students are workforce-ready.

This will allow Honolulu CC to focus its resources on delivering high-tech, cutting edge technology education to the State of Hawai'i both in its short-term credential training as well as its longer-term degrees. The renovations will also provide the campus with upto-date safety measures for servers, generators, an IT command center and other computing needs.

#### Kapi'olani CC Koki'o

The CIP Biennium Budget anticipates \$2.5 million in FY22 and \$30 million in FY23 for renovations to the Koki'o on the Kapi'olani CC. Kapi'olani CC is envisioned to serve as one of the epicenters of science education for all O'ahu CC campuses to include transfer CTE and non-credit offerings. This upgraded facility is instrumental in supporting all health program initiatives for the O'ahu campuses like nursing, dental hygiene, and medical assisting, among others.

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#### Windward CC Agripharmatech Bioprocessing Facility

The CIP Biennium Budget requests \$3 million in FY22 for an Agripharmatech Bioprocessing Facility at Windward Community College. This will be a new, temporary facility to provide a dedicated classroom and wet/dry lab space for the Agripharmatech program (plant biotechnology and ethnopharmacognosy). This program is part of Windward Community College's STEM program that is currently operating in an old, obsolete shipping container.

#### Maui College Vocational Technology Center

A total of \$32 million is anticipated in the updated 6-Year CIP Plan to design and construct a Vocational Technology Center at Maui College. The CIP Biennium Budget requests \$2 million in FY23 for the design of this project. This CTE Super Center is a new facility that will replace four existing buildings that comprise the Maui Vocational Technology school and are over 70 years old. Due to infrastructure deterioration in the four existing buildings, the buildings cannot support the installation of current industry standard CTE equipment for teaching purposes. Construction of a new facility will also allow the program to accommodate new technologies and current state of the art equipment. Since the school was originally built, the program has evolved from traditional welding, carpentry and automotive training to sustainable construction, photovoltaics, electric and hybrid vehicles and has also incorporated online learning in some areas.

#### Hawai'i CC Campus Development

The updated 6-Year CIP plan anticipates \$2 million in FY25, \$30 million in FY26 and \$2 million in FY27 for the development of a new campus for Hawai'i Community College in Hilo. In 2019, UHCC was appropriated \$14 million for minor CIP projects in FY20. \$2 million of the minor CIP appropriation is being used to plan and design for the future of Hawai'i Community College facilities, with an understanding that programs at both Hawai'i CC and UH Hilo will share facilities on both campuses.

Category/Project	FY22 Budget Request	FY23 Budget Request
Capital Renewal & Deferred Maintenance	\$25.0M	\$25.0M
Minor Capital Improvement Projects	\$25.0M	\$25.0M
ADA Systemwide Upgrades	\$14.0M	\$14.0M
Honolulu CC Technology Renovations	\$15.0M	\$0
Kapi'olani CC Koki'o	\$2.5M	\$30.0M
Windward CC Agripharmatech Bioprocessing Facility	\$3.0M	\$0
Maui College Vocational Tech	\$0	\$2.0M
TOTAL	\$84.5M	\$96.0M

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#### **ACTION RECOMMENDED:**

In accordance with Regent Policy 8.204, it is recommended that the Board approve the proposed FY 2021-2023 Biennium Capital Improvement Program Budget for the University:

Campus	Project Description	MOF	FY22 Budget Request	FY23 Budget Request
M	RIM Projects	С	\$110.5M	\$110.5M
М	Mānoa Mini Master Plan, Phase 2	С	\$60.0M	\$0
M	Central Administration Facility with Parking	С	\$4.0M	\$0
М	Waikīkī Aquarium	С	\$1.5M	\$9.0M
Н	RIM Projects	С	\$24.0M	\$13.5M
WO	RIM Projects	С	\$3.0M	\$3.0M
WO	Planning Projects	С	\$0.5M	\$0.5M
CC	Capital Renewal & Deferred Maintenance	С	\$25.0M	\$25.0M
CC	Minor Capital Improvement Projects	С	\$25.0M	\$25.0M
CC	ADA Systemwide Upgrades	С	\$14.0M	\$14.0M
CC	Honolulu CC Technology Renovations	С	\$15.0M	\$0
CC	Kapi'olani CC Koki'o	С	\$2.5M	\$30.0M
CC	Windward CC Agripharmatech Bioprocessing Facility	С	\$3.0M	\$0
CC	Maui College Vocational Tech	С	\$0	\$2.0M
	TOTAL		\$288.0M	\$232.5M

With approval, the University will submit the CIP Biennium Budget proposal to the State Department of Budget & Finance for consideration to be included as part of the Governor's budget proposal to the Legislature. Approval by the Board of this CIP Biennium Budget does not constitute approval of any specific projects identified or anticipated herein. The Administration is still required to obtain all necessary and appropriate Board approvals required by applicable law, rules, University policy or University procedure, which includes but is not limited to construction projects exceeding \$5 million, consultant exceeding \$1 million, and exemptions from the new building moratorium.



# BOARD OF REGERIS

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#### **MEMORANDUM**

UNIVERSITY OF EAWAIL PRESIDENT'S OFFICE

TO:

Benjamin Asa Kudo

Chairperson, Board of Regents

VIA:

David Lassner

President, University of Hawai'i

FROM:

Bonnie D. Irwin

Chancellor, University of Hawai'i at Hilo

SUBJECT:

Appointment of Shadd Keahi Warfield to the Maunakea Management

Board

#### **SPECIFIC ACTION REQUESTED:**

It is requested that the Board of Regents approve the appointment of Mr. Shadd Keahi Warfield to fill the remaining months of the term of former member Alapaki Nahale-a (ending June 30, 2021) and a full four-year term immediately following on the Maunakea Management Board. The full term of Mr. Warfield would expire on June 30, 2025.

#### RECOMMENDED EFFECTIVE DATE:

Upon Board approval.

#### ADDITIONAL COST:

No additional costs.

#### **PURPOSE:**

To fulfill the mandate of the 2000 Mauna Kea Science Reserve Master Plan.

#### **BACKGROUND INFORMATION:**

The Mauna Kea Science Reserve Master Plan, approved by the BOR in June 2000, called for the establishment of the community-based Maunakea Management Board (MKMB). The Master Plan states:

Benjamin Asa Kudo, Chair November 6, 2020 Page 2

"Community involvement in the management of the mountain begins with the membership of the Mauna Kea Management Board....The Board's primary role is to advise the Office of the Chancellor at the University of Hawai'i at Hilo (UH Hilo) on management of the Mauna Kea Science Reserve...and shall be the main community voice for activities and development planned for the Science Reserve."

The MKMB is comprised of seven members representing various constituencies with a stake in Maunakea: Native Hawaiians, environment, education, commercial activities, astronomy, land management, and general community. Pursuant to the Master Plan, the chancellor of UH Hilo submits her recommendations to the BOR for its consideration and approval.

#### <u>Nominee</u>

#### Mr. Shadd Keahi Warfield

Keahi Warfield, a native of the Big Island and UH Hilo alumnus, was born and raised in Keaukaha. He has devoted his professional life to youth development and engagement, aiding countless young people in East Hawaii find their paths to academic and career success. Keahi believes strongly that Hawaiian culture, science and technology can work together to produce a better future for everyone, and by taking on leadership roles in the Keaukaha One Youth Development organization and the RISE (Revealing Individual Strength for Excellence) Program, he has partnered with many others, such as Kamehameha Schools, the Hauoli Mau Loa Foundation, and the Hawaii Community Foundation to support his community. He realized early on that traditional knowledge and practice can strengthen a sense of identity in Native Hawaiian youth, and through his work as a paddling coach and mentor, he has been able to create a bright future for youth in East Hawai'l through canoe programs and educational programs.

Mr. Warfield currently resides in Keaukaha and will receive his Ph.D. in Hawaiian Studies from the College of Hawaiian Studies, Ka Haka 'Ula o Ke'elikōlani, in December.

#### **ACTION RECOMMENDED:**

It is recommended that the Board of Regents approve the appointment of Shadd Keahi Warfield to fill the remaining months of the term of former member Alapaki Nahale-a (ending June 30, 2021) and a full four-year term immediately following on the Maunakea Management Board. The full term of Mr. Warfield would expire on June 30, 2025.

#### Attachment

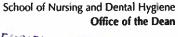
Resume for Mr. Keahi Warfield

c: Executive Administrator and Secretary to the Board of Regents, Oishi

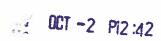
#### Shadd Keahi Warfield, Ph.D.

#### **CURRICULUM VITAE**

November 2020	Hilo, HI 96720			
EDUCATION				
2013–2020	University of Hawai'i at Hilo, College of Hawaiian Studies, Ka Haka 'Ula o Ke'elikōlani (PhD)			
2008-2010	University of Hawai'i at Hilo, College of Hawaiian Studies, Ka Haka 'Ula o Ke'elikōlani (MA)			
2004–2006	University of Hawai'i at Hilo, College of Hawaiian Studies Ka Haka 'Ula o Ke'elikölani Kāhuawaiola Hawaiian Indigenous Teacher Education Certificate (K-12)			
2001–2004	University of Hawai'i at Hilo, College of Hawaiian Studies Ka Haka 'Ula o Ke'elikōlani (BA)			
ACADEMIC/U	NIVERSITY POSITIONS			
2018-Present	University of Hawai'i at Hilo-Affiliate Faculty, College of Agriculture, Forestry and Natural Resource Management			
2016–2018	University of Hawai'i at Hilo-Curriculum Development Coordinator R.I.S.E/'Imiloa Astronomy Center			
NON-PROFIT	ORGANIZATIONS			
2006-Present	Executive Director, Keaukaha One Youth Development-R.I.S.E. Revealing Individual Strengths for Excellence 21st Century Afterschool Program			
2008-Present	President/Head Coach, Keaukaha Canoe Club			
2014-Present	President, MOKU O HAWAI'I PADDLING ASSOCIATION			
2015-Present	President, P.U.E.O. Perpetuating Unique Educational Opportunities			
PUBLICATIONS				
2020	Ka Na'i Aupuni: The Emergence and Development of a True Hawaiian Leader (Dissertation-University of Hawai'i at Hilo)			









October 27, 2020

#### **MEMORANDUM**

TO:

Benjamin Asa Kudo

Chair, University of Hawai'i Board of Regents

VIA:

David Lassner

President, University of Hawai'i

-D56494A925A041B...

FROM:

Tim Dolan

CEO, University of Hawai'i Foundation

Tim Dolan —F8D1FC24D5254F4

DocuSigned by:

Mary G. Boland

Dean, School of Nursing & Dental Hygiene

Mary Boland

SUBJECT: REQUEST FOR ACTION TO APPROVE THE ESTABLISHMENT AND

NAMING OF THE HMSA DISTINGUISHED PROFESSORSHIP AT THE SCHOOL OF NURSING & DENTAL HYGIENE AT THE UNIVERSITY OF

HAWAI'I AT MĀNOA

#### SPECIFIC ACTION REQUESTED

It is requested that the University of Hawai'i Board of Regents approve the establishment and naming of the HMSA Distinguished Professorship (the "Professorship") at the School of Nursing & Dental Hygiene (SONDH) at the University of Hawai'i at Mānoa in recognition of a private donation. It is also requested that the recipient of the Professorship be reviewed for reassignment at five (5) year intervals.

#### RECOMMENDED EFFECTIVE DATE

Upon Board of Regent's approval.

#### <u>ADDITIONAL COST</u>

The Professorship will be funded by a gift commitment of \$500,000 over five years from HMSA Foundation (the "Donor"). Prior to the endowed fund (the "Fund") reaching fully

Benjamin Asa Kudo October 27, 2020 Page 2 of 3

endowed status in January 2025 and commencing in spring 2021, the Professorship shall be funded by the HMSA Interprofessional Health Sciences Education Fund, a current-use fund being established concurrently by the Donor to implement an interprofessional education (IPE) program at SONDH.

#### **PURPOSE**

The purpose of this Fund is to provide support for a distinguished endowed professor-ship at SONDH to recruit and retain faculty of the highest caliber in the area of IPE and technology supported learning. Funds may be used for, but are not limited to: (1) a salary or supplement for the recipient; and/or (2) any combination of costs as to support the recipient's research and education goals including but not limited to: delivery of research and papers at conferences, manuscript preparation, library and equipment acquisition and other requirements of an active scholar and teacher; travel by the recipient; recipient's attendance at workshops, professional development, short courses, and other educational opportunities; graduate student research assistants; and graduate and undergraduate student internships and travel. The recipient will consider input from the Dean of the SONDH (the "Dean") in determining priorities and activities for research and education.

The Dean will identify an internal candidate who meets the criteria for the Professorship and/or will recruit for an external candidate, as necessary. The candidate shall hold a doctorate and be eligible for appointment to a permanent or tenure-track faculty position, have a documented record of research, and experience in IPE and technology supported learning, be able to provide program leadership, make contributions to the education and research goals of the SONDH, and have a strong interest in and substantial record of working with students. The Dean will make the final decision in awarding the Professorship.

The program and the recipient of the Professorship shall be reviewed for reassignment either to the current holder or for assignment to another individual at five (5) year intervals.

The recipient of the Professorship shall submit an annual budget to the Dean for approval. The recipient is also required to submit an annual report on the previous year's related activities to the Dean.

#### **BACKGROUND**

The University of Hawai'i Foundation has received a total gift commitment of \$1,000,000 from the Donor to support the expansion of IPE at SONDH. Health care leaders in the US and globally recognize that teamwork is critical to the delivery of safe patient care while acknowledging that such efforts do not come naturally to health sciences students or practitioners who are trained with distinctly different philosophical world views to meet

Benjamin Asa Kudo October 27, 2020 Page 3 of 3

specific roles. Anchored by the UH Translational Health Science Simulation Center (THSSC), SONDH provides UH preparation of health sciences students for team-based practice to improve healthcare quality and value in Hawai'i.

The Donor has pledged \$500,000 to establish an endowed, named Distinguished Professorship to be known as the HMSA Distinguished Professorship to provide the leadership, expertise, and research needed to implement and advance an IPE program. The remaining \$500,000 shall establish a program fund to provide support for the Interprofessional Health Sciences Education and Simulation program at SONDH. The program will be led and coordinated by the HMSA Distinguished Professor and Director of the UH THSSC.

The Donor is providing the funds over a five (5)-year period contingent upon satisfactory progress on the objectives and satisfactory consideration of input by the Donor (satisfaction of which shall be determined by the Donor in its sole discretion while consistent with philanthropic intent of the gift), project plan and evaluation.

The Hawai'i Medical Service Association (HMSA) is the largest and most experienced health plan in Hawai'i, covering over half of its population. HMSA began insuring Hawai'i residents and businesses in 1938 and is an independent licensee of Blue Cross and Blue Shield. The HMSA Foundation was established as a public charity in 1986 and began making grants in 1998, after HMSA established a \$20 million endowment to fund wider investments in the health care system and activities that build healthy communities and prevent disease.

#### ACTION RECOMMENDED

It is recommended that the University of Hawai'i Board of Regents approve the establishment and naming of the HMSA Distinguished Professorship at the University of Hawai'i at Mānoa School of Nursing & Dental Hygiene and appointment of a recipient commencing in January 2021, to be reviewed at five (5) year intervals, in recognition of this gift commitment.

c: Kendra Oishi, Executive Administrator and Secretary to the BOR

# Enrollment Update and Multi-Year Enrollment Plan, Fall 2020

Pearl Iboshi, System IRAPO

Michael Bruno, Provost, UH Mānoa

Bonnie Irwin, Chancellor, UH Hilo

Maenette Benham, Chancellor, UH West O'ahu

Erika Lacro, Vice President, UH Community Colleges

# **UH System Enrollment Goals**

- Provide all qualified Hawai'i residents an <u>equal opportunity</u>
   for quality college and university education
- Increase enrollment and graduation of <u>target populations</u>:
  - E.g. First-time students; transfers; underserved groups and regions; good balance of non-residents
- Align fiscal and facilities <u>planning</u> with enrollment and retention projections
- Develop <u>data and tools</u> for enrollment planning, tuition forecasting, and decision making

# **Enrollment Management Roles**

#### System

- Policy framework, data resources and tools to support campus planning and management
- Ensure coordination among campuses
- Leverage economies of scale in recruitment
- Lead state-wide initiatives to enhance completion

#### Unit / Campus

- Set campus priorities and multi-year enrollment projections
- Manage the unit / campus action plan to achieve projected enrollment and revenue
- Monitor and adjust strategies, as needed

# **Annual Enrollment Update**

#### **Definitions**

- Projection (Forecast): Conservative enrollment numbers we manage under in a specific timeframe, developed for the system as a whole based on historical demographic trends.
- Target: Enrollment goal each unit aims to achieve

#### Link Enrollment Projection to Tuition Revenue Projection

- Project enrollment in student categories with different tuition rates to enable more accurate projections of revenue than from gross headcount alone
- Budget conservatively based on projections; strive to meet targets but prepare to live within actual campus revenues

# External Factors Affecting Enrollment in 2020

- COVID-19 severely affected Hawai'i's economy, with tourism collapsing and Hawai'i's unemployment rate going from lowest to highest in the nation.
- The number of Hawai'i's COVID-19 cases was amongst the lowest in the nation in the spring 2020, and while spiking in the end of summer, remained relatively low as compared to most US states.
- Instruction at UH, like campuses across the nation, moved to be primarily online.
- The number of high school graduates from Hawai'i high schools remains stable and is expected to be stable for the next few years.
- Graduation rates of UH undergraduates continue to increase resulting in lower numbers of continuing students.
- It is an increasingly difficult environment for international recruitment.

# Graduation rates improved in 2020 at most campuses

150% Graduation and UHCC Graduation and Success Rates

Campus	Grad/UHCC Success FY 2019	Grad/UHCC Success FY 2020	% Change	Retention Fall 2019	Retention Fall 2020	% Change
UH Mānoa	60.5%	61.8%	2.1%	81.1%	80.0%	-1.4%
UH Hilo	44.1%	37.9%	-14.1%	72.7%	71.2%	-2.1%
UH West Oʻahu	27.6%	38.7%	40.2%	76.4%	74.5%	-2.5%
Hawaiʻi CC	37.7%	38.6%	2.4%	64.3%	62.2%	-3.3%
Honolulu CC	44.7%	44.9%	0.4%	50.9%	56.1%	10.2%
Kapi'olani CC	38.6%	41.4%	7.3%	68.7%	68.6%	-0.1%
Kauaʻi CC	36.5%	37.1%	1.6%	57.1%	68.4%	19.8%
Leeward CC	37.0%	39.0%	5.4%	64.3%	64.9%	0.9%
UH Maui College	37.3%	38.2%	2.4%	67.3%	61.5%	-8.6%
Windward CC	42.0%	38.0%	-9.5%	60.2%	61.9%	2.8%

First-Time, Full-Time. For graduation and success rates, fiscal year 2020 is the fall 2014 cohort for the 4-year campuses and fall 2017 cohort for the UHCC's. For fiscal year 2019, it is the fall 2013 cohort for the 4-year campuses and fall 2016 cohort for the UHCC's.

#### Fall 2020 UH System Enrollment Headcount Performance

Despite the pandemic, enrollment goals were surpassed in some cases and slightly below projections in others.

UH Unit	Fall 2019 Actual	Fall 2020 Actual	Percent Change	Fall 2020 Projected	Actual Less Projected (Shortfall)	Shortfall as a Percent of Projected
UH System	49,977	49,594	0.8%	49,707	-113	-0.2%
UH Mānoa	17,490	18,025	3.1%	17,482	543	3.1%
UH Hilo	3,372	3,165	-6.1%	3,348	-183	-5.5%
UH West Oʻahu	3,049	3,168	3.9%	3,019	149	4.9%
UH Community Colleges	26,066	25,236	-3.2%	25,908	-672	-2.6%

# Enhancing Reporting of Enrollment:

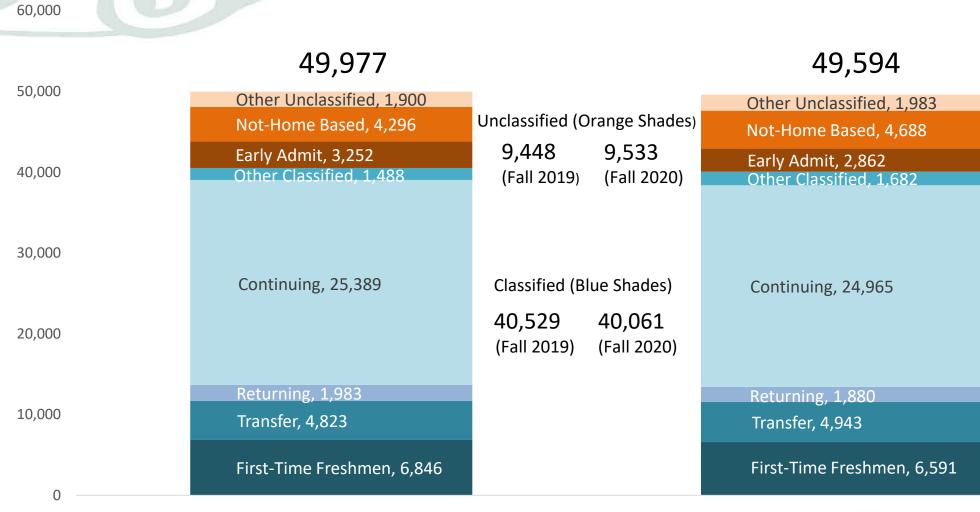
Classified Enrollment

Student Semester Hours (SSH)

**Distance Learning** 

Non-Credit Registrations

# **Enrollment Types**



Fall 2019 Fall 2020

Definitions available in Appendix 1

#### Fall 2020 UH System Enrollment Performance – Classified Students

The number of classified students (seeking degrees) declined overall, with the largest declines for the UHCC.

UH Unit	Fall 2019 Actual	Fall 2020 Actual	Percent Change
UH System	40,529	40,061	-1.2%
UH Mānoa	16,711	17,326	3.7%
UH Hilo	3,173	3,039	-4.2%
UH West Oʻahu	2,636	2,755	4.5%
UH Community Colleges	18,009	16,941	-5.9%

# Counting Students by Headcount and SSH

#### **Definitions**

- Headcount: Number of students. Part-time students count the same as full time students.
- SSH: Student Semester Hours. Total credits taken by students is a better measure than headcount for impact on tuition revenues.
- Can also be looked at for Classified students. Shows the intensity of engagement by degree-seeking students.

#### Fall 2020 UH System Enrollment Performance – SSH

Student semester hours (SSH) aligned closely with headcount changes overall, indicating that students were taking similar number of classes in F2019 as F2020

	C	lassified SSI	1		Total SSH	
UH Unit	Fall 2019	Fall 2020	Percent Change	Fall 2019	Fall 2020	Percent Change
UH System	455,867	449,161	-1.5%	497,792	491,293	-1.3%
UH Mānoa	204,772	212,220	3.6%	210,310	216,751	3.1%
UH Hilo	41,906	39,789	-5.1%	42,706	40,335	-5.6%
UH West Oʻahu	29,675	31,265	5.4%	31,208	33,066	6.0%
UH Community Colleges	179,514	165,887	-7.6%	213,568	201,141	-5.8%

#### Non-Credit Enrollment AY 2019 and AY 2020

Campus	AY 2018-19	AY 2019-20 <sup>1</sup>	% Change
UH System	28,407	31,354	10.4%
UH Mānoa – Outreach College	2,616	8,765	235.1%
COVID-19 Courses / Training		6,875	
UH Hilo – Continuing Education <sup>2</sup>	548	185	-66.2%
UH Community Colleges <sup>3</sup>	25,243	22,404	-11.2%

<sup>1/</sup> Courses that were partially or completely cancelled due to COVID-19 and its associated lockdowns are not included in the AY 2019-20 totals.

<sup>2/</sup> In Summer 2018, College of Continuing Education and Community Service (CCECS) was reorganized into The Center for Community Engagement (CCE) with significantly reduced staff, which greatly reduced course offerings.

<sup>3/</sup> Beginning AY 2018-19, Honolulu CC's Apprenticeship enrollment added to the Non-Credit Enrollment totals.

#### Online classes increase dramatically in Fall 2020

9.9% to 42.7% of classes were taught online in Fall 2019.

In Fall 2020, 73.7% to 87.9% were taught online.

The new 5 week online AA degree has been extremely successful, and is being followed by other 5-week online degrees.

Number of classes exclude courses for individualized instruction, Aerospace Studies and Military Science classes, and Early College classes.

Online classes include C19 (for UH Manoa and UH Hilo only), DCO, or classes where all meeting locations (buildings) are WWW/Online and Schedule is not HTI.

	Number of Online Classes					
UH Unit	Fall 2019	Fall 2020	Percent Chg			
UH System	1,420	6,252	340.3%			
% Online	17.0%	80.0%	370.6%			
UH Mānoa	324	2,541	684.3%			
% Online	9.9%	81.5%	715.0%			
UH Hilo	79	581	635.4%			
% Online	11.0%	83%	654.5%			
UH West Oʻahu	230	456	98.3%			
% Online	42.7%	87.9%	105.9%			
UHCC	787	2,564	225.8%			
% Online	20.6%	73.7%	257.8%			

# Highlights of Enrollment Changes for Fall 2020

- Classified undergraduate students dropped by 1.2% in Fall 2020 as compared to Fall 2019, slightly more than total enrollment.
- This difference was largely due to a small increase in unclassified students: "Not at home campus" students increased due to more classes available online which more than made up for the 12% decrease in Early Admit students.
- A slight increase in resident first time students could not make up for the 17% decline in non-resident first time students.
- Undergraduate transfer students increased, especially from non-Hawai'i based institutions.
- Continuing students saw a small decline at the undergraduate level and a larger decline at the graduate level.
- The number of online classes offered in Fall 2020 increased dramatically.
- Non-credit enrollment also increased systemwide due to new classes on Contract Tracing.
- Graduation rates continued to improve overall and retention rates fell slightly in 2020 showing successful support of student success in a difficult Spring 2020.

#### Systemwide Actions taken to maintain/boost enrollment for Fall 2020

# Recruitment and enrollment for new students

- Extended Fall admission application deadline to allow students to make late decisions to attend UH (4 years: March 1 to August 1; CCs: August 1 to August 10)
- Transitioned **recruitment and outreach** to remote and online activities: virtual tours, virtual program fairs, online information sessions
- Transitioned to remote and online **onboarding activities**: online new student orientation, online placement testing options
- Provided 2,154 recent Hawai'i public high school graduates with college and career counseling and summer UHCC classes via Next Steps to Your Future program. 80% enrolled in a UH campus in Fall 2020.
- Targeted outreach to stopped out students encouraging return in Fall 2020.
- Improved outreach to increase **FAFSA** completion by high school and UH students
- Set up **UH Fast Pass** to send letters to public high school seniors for easier entry to UH for Fall 2021

# Financial assistance for students

- Implemented new **Urgent Student Relief Fund for emergency student aid**. Raised \$1M of private donations to support 2,788 students (March August).
- Awarded federal CARES student emergency aid to offset student expenses related to disruption of campus operations due to coronavirus

# Continuing enrollment for current students

- Focused on students completing classes remotely to make progress toward educational goals and degrees.
- Loaned technology (laptops, mobile hotspots for internet connectivity) for faculty and students to teach and learn remotely.
- Created online tutoring programs
- Provided professional development for faculty to support quality online instruction.
- Moved to online appointments and services for faculty office hours and student support services.

# Campus Plans

# University of Hawai'i Mānoa

ENROLLMENT MANAGEMENT PROGRESS REPORT Fall 2020



# UH Mānoa Enrollment Projections and Actual Fall 2020

		Hist	orical Enrollment (	Count	Projected En	rollment Count
	Measure	Fall 2018	Fall 2019	Fall 2020	Fall 2020	Difference
	Total Enrollment	17,710	17,490	18,025	17,482	+543
	% Change Total	0.6%	-1.2%	3.1%		
	Classified SSH	206,891	204,772	212,220		
	% Change Total	-0.5%	-1.0%	3.6%		
	Total Undergraduate Classified Enrollment	12,609	12,255	12,864	12,221	+643
	% Change Total	0.2%	-2.8%	5.0%		
1	First-Time Freshmen Total	2,209	2,020	2,184	2,032	+152
	% Change	12.8%	-8.6%	8.1%		
2	Transfer Total	1,691	1,510	1,714		
	% Change	6.6%	-10.7%	13.5%		
3	Continuing / Returning	8,686	8,706	8,876		
4	Retention Rate – First-Time, Full-Time	79.1%	81.1%	80.0%		
5	International	1,162	1,195	1,108		
6	Classified Graduate Enrollment	4,330	4,456	4,462	4,482	-20
	% Change Total	0.2%	2.9%	0.1%		

#### Fall 2020 Assessment

#### Significantly expanded the reach of our undergraduate student recruitment

- In our second full cycle with EAB, an enrollment consulting firm, we saw a 19% increase in overall applications and an enrollment of 2,000+ first-year students for a third consecutive year, which includes a 17% increase in Resident First time Freshmen
- We also yielded a 71% increase in Transfer applications, and enrolled 1,400+ students, the highest in 5 years
- Average GPA increased from 3.61 to 3.65.
- Continued to develop and engage high school sophomore & junior prospective student database =
- Developed and implemented a virtual communication system for Students and Parents
   <a href="http://manoa.hawaii.edu/admissions/virtual/">http://manoa.hawaii.edu/admissions/virtual/</a>
   Seamless brand management for all marketing campaigns
- Ensured consistency across campus by providing recruitment and marketing support for campus departments

#### Several areas of immediate success

- 4-year graduation rate up 0.5%
- Continuing adjustment of scholarship offers to increase effectiveness of financial aid to enrollment outcomes

#### Fall 2021 Action Strategies

#### Continued expansion of recruiting activities at undergraduate and graduate levels

- Continue data analysis to more strategically target students; Using PSAT to help increase prospect pool
  with the shortage of SAT/ACT test takers due to COVID-19
- Update strategic communication plan for students, parents and counselors
- Reimagine/refresh the web presence for all Enrollment Management units
- Maintain merit scholarship program for local graduates to attract more Hawai'i excellence
- Enhanced online forms and electronic document management system for undergraduate and graduate (to be newly integrated) application processing: personal statements, letters of recommendation)

#### • Further expansion of student retention and student success initiatives

- Develop and implement next strategic retention plan to continue to increase in retention rates and improve graduation rates
- Enhance AI-enabled chatbot technology to virtually connect and communicate with students
- Expand alumni engagement to include mentoring, career advising and recruitment
- Enhance Hanai Program for Fall 2021

# University of Hawai'i at Hilo

ENROLLMENT MANAGEMENT PROGRESS REPORT Fall 2020



## UH Hilo Enrollment Projections and Actual Fall 2020

	4.0.7	Historic	al Enrollment Co	ount	Projected Enrollment Count	
	Measure	Fall 2018	Fall 2019	Fall 2020	Fall 2020	Difference
	Total Enrollment	3,406	3,372	3,165	3,348	-183
	% Change Total	-3.8%	-1.0%	-6.1%		
	Classified SSH	42,891	41,906	39,789		
	% Change Total	-3.8%	-2.3%	-5.1%		
	Total Classified Undergraduate Enrollment	2,681	2,646	2,563	2,628	-65
	% Change Total	-6.1%	-1.3%	-3.1%		
1	First-time Freshmen Total	413	449	462	460	+2
	% Change FTF	-0.5%	8.7%	2.9%		
2	Transfer Total	415	464	313	467	-154
	% Change Transfer	-18.8%	11.8%	-32.5%		
3	Continuing / Returning	1,853	1,732	1,786	1,701	+85
4	Retention Rate – First-Time, Full-Time	66.0%	72.7%	71.2%		
5	Retention Rate – Transfer Full-Time	70.4%	75.4%	79.8%		
	Classified Graduate Enrollment	562	527	476	520	-44
	% Change Total	4.9%	-6.2%	-9.7%		

#### Fall 2020 Assessment & Action Items

#### Fall 2020 Assessment

- Significantly expanded the reach of our undergraduate student recruitment
  - Entering class first-time freshmen of 462, up 3% from last year
- Several areas of immediate success
  - Freshman-to-Sophomore retention of 71.2%, second highest retention rate in past 12 years
  - Highest Fall-to-Fall retention rates for transfer students (78.9% lower level, 80.5% upper level) in the past 12 years

#### Fall 2020 Action Items

- Extended application deadline from July 1 to August 1
- Increased electronic communications and created virtual sessions for prospective students
- Added online orientation to complement in-person components
- Provided quarantine at local hotel and in residence halls for students returning from off-island

#### 2020-2021 Action Strategies

#### • Continue expansion of recruiting activities at undergraduate and graduate levels

- Implement Fast Pass initiative in partnership with DOE and P-20
  - Conditional acceptance letter went out to 5,361 eligible Hawaii high school graduating seniors
- Rebalanced admissions criteria
  - Removed SAT/ACT test score requirement
  - Reduced 3.0 GPA in core areas with 2.7 cumulative GPA
- Full implementation of EAB with increasing engagement of sophomore and junior prospective students
  - First year for students in sophomore search to apply to UH Hilo
- Improve digital communication for prospective and continuing students
  - Increased presence on social media, adding texting for continuing students
- Increase number of 2+2 pathways for UHCC transfer students

#### Further expansion of student retention and student success initiatives

- Fully implement Transfer Center to assist with orientation, onboarding and first year experiences
- Strategic and Personalized Outreach to Continuing Students
- Increase participation in peer mentoring program for new freshmen and transfer students

# University of Hawai'i — West O'ahu

ENROLLMENT MANAGEMENT PROGRESS REPORT Fall 2020



## UH West O'ahu Enrollment Projections and Actual Fall 2020

		Historical Enrollment Count			Projected Enrollment Count	
	Measure	Fall 2018	Fall 2019	Fall 2020	Fall 2020	Difference
	Total Enrollment	3,128	3,049	3,168	3,019	+149
	% Change Total	1.5%	-2.5%	3.9%		
	Classified SSH	30,471	29,675	31,265		
	% Change Total	1.6%	-2.6%	5.4%		
	Total Classified Enrollment	2,743	2,636	2,755	2,592	+163
	% Change Total	-0.1%	-3.9%	4.5%		
1	First-time Freshmen Total	242	217	232	230	+2
	% Change Total	-14.2%	-10.3%	6.9%		
2	Transfer Total	562	506	600	511	+89
	% Change Transfer	-4.1%	-10.0%	18.6%		
3	Non-Traditional Total (Age 25 to 44)	967	938	998		
	% Change Non-Traditional	-0.2%	-3.0%	6.4%		
4	Continuing / Returning <sup>1</sup>	1,940	1,913	1,921	1,851	+70
	Retention Rate First-Time, Full-Time	72.1%	76.4%	74.5%		

<sup>&</sup>lt;sup>1</sup> Degree- seeking undergraduate students.

<sup>&</sup>lt;sup>2</sup> Increase 4.6 percentage points to the retention rate in the second fall semester of enrollment, and 8.5 percentage points in the third fall semester of enrollment, to sustain 70.0% second year retention and 65.0% third year retention goals by 2020.

#### 2020 Assessment

#### Recruitment and retention actions taken in 2019-2020 for 2020 enrollment:

- Strengthened High School and UH Community College outreach via intentional partnering which led to increase in Fall 2020 enrollment
- Continued mandatory advising for freshmen to foster first year persistence
- Sustained high touch, personal interactions as service delivery simultaneously pivoted to online platforms due to pandemic
- Expanded FAFSA Completion outreach for continuing and prospective students

#### Challenges

- Need to align onboarding processes (e.g. Admissions, financial aid, health clearance, placement testing, career advising, educational planning) to be complementary and not in conflict (e.g. deadlines, sequencing, remove barriers).
- Need to strategically offer community & industry demand applied academic programs and degrees that appeal to traditional and non-traditional aged students.
- Need different models of course delivery including evening and weekends, as well as using cohort groups to assure clear academic program pathways.
- Need on-campus housing to attract regional and international students.

#### 2020-2026 Action Strategies for Enrollment Growth

# UHWO's 2020 - 2026 strategies embrace our focus of "Owning our Region"

- 1. New BA Degrees and Concentrations that serve community and industry demands
- 2. Establish coordinated pathways for all external funded programs that serve the Leeward & Central O'ahu secondary schools to maximize program efficiency and to reduce duplication of services.
- 3. Partnering with campus units to develop academic products that appeal to the needs and interests of:
  - First-Time Students from High School
  - Transfer, Returning Adults, Active Military and Veterans (Dependents)
- 4. Collective and collaborative efforts across all campus units on re-enrollment efforts of continuing students to maximize their persistence devoid of financial debt and institutional barriers which impede their matriculation progress.

# University of Hawai'i Community Colleges

ENROLLMENT MANAGEMENT PROGRESS REPORT Fall 2020



## UHCC Enrollment, by Priority Population



	Fall 2016	Fall 2017	Fall 2018	Fall 2019	Fall 2020		
FIRST TIME STUDENTS (new)	FIRST TIME STUDENTS (new)						
All	11,569	11,391	11,655	11,709	11,627		
	(-4%)	(-2%)	(+2%)	(+1%)	(-1%)		
High School Direct Entry	2,725	2,596	2,637	2,570	2,738		
(Fall following HS graduation)	(-9%)	(-5%)	(+2%)	(-3%)	(+7%)		
Working Age Adults	2,303	2,077	1,995	2,301	2,383		
(ages 25-44)	(-2%)	(-10%)	(-4%)	(+15%)	(+4%)		
Non-High School Graduates	506	466	389	334	331		
(e.g., GED)	(-9%)	(-8%)	(-17%)	(-14%)	(-1%)		
International	406	390	337	313	155		
	(4%)	(-4%)	(-14%)	(-7%)	(-51%)		
All Other	5,629	5,862	6,297	6,190	6,020		
(e.g., ages 19-24, early college)	(-3%)	(+4%)	(+7%)	(-2%)	(-3%)		
CONTINUING STUDENTS							
All	17,188	16,050	15,164	14,358	13,609		
(including retained students)	(-6%)	(-7%)	(-6%)	(-5%)	(-5%)		
TOTAL ENROLLMENT	28,757	27,441	26,819	26,066	25,236		
	(-5%)	(-5%)	(-2%)	(-3%)	(-3%)		

## 2020 Assessment

Result (change from 2019)	Strategies contributing to Fall 2020 enrollment changes
2% increase in <b>enrollment of</b> recent high school grads	<ul> <li>Next Steps summer program provided 1,500 Class of 2020 public high school grads with free UHCC career explorations and intro classes; 80% enrolled at a UH campus in Fall 2020.</li> </ul>
	<ul> <li>Momentum Scholarships were awarded to high school grads with UH credit who enrolled at UHCCs, post-HS.</li> </ul>
Increase in first to second year retention <i>and/or</i> increases in 3-year graduation rates	<ul> <li>Second year of Hawai'i Promise Scholarships helped students to afford "direct costs" of education. Recipients earned higher grades and more credits, and continued their higher rates than their peers.</li> </ul>
	<ul> <li>Campuses implemented purposeful retention strategies to help students complete Spring 2020 classes and return for Fall 2020 in spite of COVID disruptions to face to face classes.</li> </ul>
	<ul> <li>Campuses continued to implement strategies for students to complete math and English for their degree in their first 30 credits.</li> </ul>
14% decrease in early admit (high school) students	<ul> <li>Disruptions in high school schedules resulted in lower enrollment in early college classes at five campuses.</li> </ul>
Fewer UHCC students are Pell	<ul> <li>44% of classified students are Pell eligible (vs. 50% last year).</li> </ul>
eligible	<ul> <li>Hawai'i FAFSA completion rates increased (and UHCCs required FAFSA completion to access CARES student emergency aid).</li> </ul>
	32

# 2020-2021 Action Strategies

Target Population	Strategies		
"High school direct entry" (HS graduates)	<ul> <li>Increase recruitment and onboarding activities with targeted high schools</li> <li>Organize early college to engage students who may not otherwise attend college</li> <li>Recruit early college students for post-high enrollment</li> </ul>		
"Working age" students (ages 25-44)	Develop more pathways from continuing education to degree programs, especially from CARES-funded continuing education training programs and with new federal Reimagine Workforce Preparation grant.		
Returning students	<ul> <li>Increase marketing and support for "stopped out" UH students to complete degrees</li> <li>Provide scholarship opportunity for those who are returning</li> </ul>		
All	<ul> <li>Use technology to recruit and engage prospective students (e.g., email, phone, Zoom, text, podcasts, social media).</li> <li>Innovate to recruit and support students who are underrepresented at UH.</li> <li>Increase access to courses that students need with more flexible schedules (e.g., asynchronous online, shorter terms).</li> <li>Improve student experience in online classes.</li> <li>Invest in programs which meet current and projected workforce needs</li> <li>Redesign student support services to support student success and strategic enrollment management.</li> </ul>		



## **UHCC Non-Credit Programs**

- Activities include:
  - Workforce training (long and short term training and Registered Apprenticeships)
  - Personal enrichment
  - Community service
- Counts are <u>not</u> included in UH enrollment reports.

UHCCs providing short term training for workforce recovery. Current partners include:

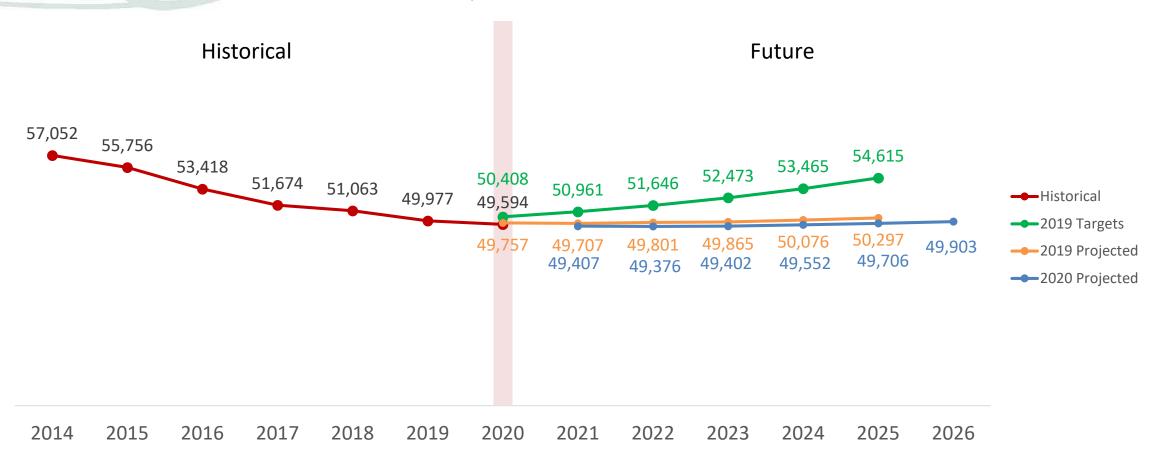
- American Jobs Centers (county one stops)
- O'ahu Back to Work with City and County of Honolulu



# Summary

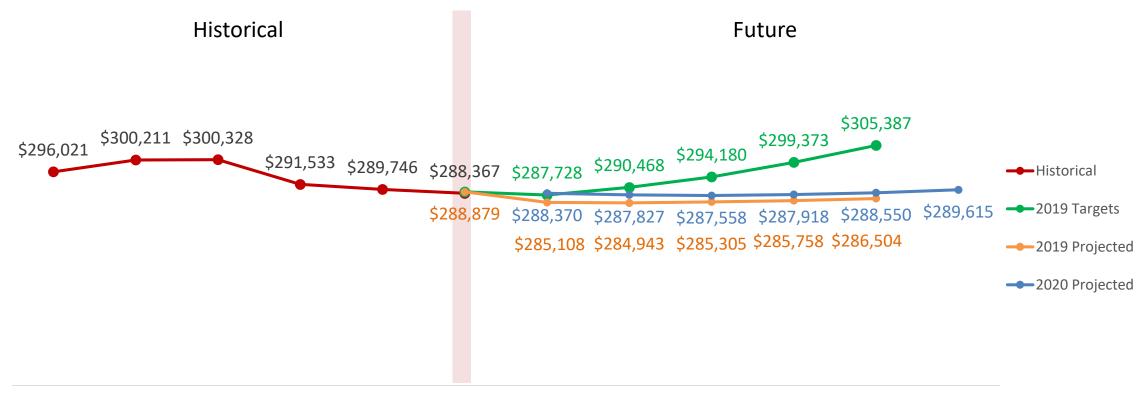
# **Enrollment Plan**

**UH System Fall Headcount** 



# Tuition Forecast Based Upon Enrollment Plan

UH System TFSF Tuition Revenue (\$1,000)



2014-15 2015-16 2016-17 2017-18 2018-19 2019-20 2020-21 2021-22 2022-23 2023-24 2024-25 2025-26

# Appendices

# Appendix 1. Enrollment Types

#### TOTAL ENROLLMENT

- 1. Classified Students (undergraduate and graduate): Students that are seeking a degree at a particular campus
  - a. First Time Freshmen: Students with no previous academic history (except for early college, or previous summer)
  - b. Transfer Students: Students who attended classes at another campus (does not include summer, requires a change in home campus for UH students)
  - c. Returning Students: Students returning to the same campus without attending another campus.
  - d. Continuing: Students continuing at the same campus without a break (does not include summer)
- 2. **Unclassified Students**: Students not seeking a degree at a particular campus
  - a. Early Admit: High school students taking college credit
  - b. Not home based
  - c. Other non-classified

# Appendix 2.

## University of Hawai`i System – Classified and Unclassified Headcount Enrollment

	Fall 2019	Fall 2020	% Change
Total	49,977	49,594	-0.8
Classified	40,529	40,061	-1.2
Undergraduate	35,546	35,123	-1.2
First-Time Students: Freshmen	6,846	6,591	-3.7
Resident	5,185	5,212	0.5
Non-Resident	1,661	1,379	-17.0
First-Time Students: Other Undergraduates	196	188	-4.1
Returning	1,910	1,795	-6.0
Transfer	4,686	4,776	1.9
Hawai'i Institution	3,033	3,078	1.5
Non-Hawaiʻi Institution	1,527	1,617	5.9
Unknown	126	81	-35.7
Continuing	21,908	21,773	-0.6
Graduate	4,983	4,938	-0.9
First-Time Students: Graduate	1,292	1,494	15.6
Returning	73	85	16.4
Transfer	137	167	21.9
Continuing	3,481	3,192	-8.3
Unclassified	9,448	9,533	0.9
Home-Based at Other UH Campus	4,296	4,688	9.1
Early Admit	3,252	2,862	-12.0
Other	1,900	1,983	4.4

# Item VIII.

#### **Executive Session**

# ITEMS TO BE DISCUSSED IN EXECUTIVE SESSION

# Item IX.A. Evaluation of the President

# NO MATERIALS