



Fiscal Year 2023-2024 Operating Budget

September 2023

Introduction and Context

University of Hawai'i (UH) Board of Regents (BOR) Policy 8.204 requires the Board's approval of an operating expenditure plan (operating budget) each year. The University of Hawai'i System Administration (Administration) hereby provides the following as the forecasted operating expenditure plan for the fiscal year to begin July 1, 2023. The Administration also notes that Fiscal Year 2023-2024 (FY24) represents the first full fiscal year available to begin implementing UH's Strategic Plan for 2023-2029, which was approved by the BOR at its November 17, 2022 meeting. This expenditure plan begins to include UH Administration's efforts and initiatives aligned with implementation of the Strategic Plan. The plan is based on five foundational principles and prioritizes four imperatives to focus on for the next six years.

The five foundational principles are:

1. Hawaiian Place of Learning
2. Statewide Need
3. Diversity and Equity
4. Sustainability
5. Stewardship of Resources

Four actionable imperatives form the heart of the Strategic Plan, with specific goals, objectives, and metrics. These four imperatives are:

1. Fulfill kuleana to Native Hawaiians and Hawai'i;
2. Develop successful students for a better future;
3. Meet Hawai'i's workforce needs of today and tomorrow; and
4. Diversify Hawai'i's economy through UH innovation and research

Additional information regarding UH's Strategic Plan can be found here:

<https://www.hawaii.edu/strategic-plan/>

The UH depends on State General Funds for approximately 48% of its operating budget and tuition and fees revenue accounts for another 34%. These two funding sources provide the vast majority of funds for all UH operations. The Research and Training Revolving Fund (RTRF) is the next largest single component of UH's budget with auxiliary units (i.e., food services, housing, facilities rentals, etc.) making up the balance. This spending plan does not incorporate the extramural funding that the UH receives, which typically have specific restrictions on their expenditure.

The operating expenditure plan is based on the most recent information available and assumes that there will be a 10% restriction of UH's General Fund appropriations, pursuant to Executive Memorandum No. 23-05 (State of Hawai'i, Department of Budget & Finance). This restriction is made up of a 5% "hard" restriction and a 5% contingency restriction, which may be lifted later in the fiscal year, depending on State General Fund revenues. Previously approved collective bargaining increases of 5% for the current fiscal year are incorporated in this spending plan. Additional assumptions regarding enrollment, utilities costs, and other factors were also included. In accordance with RP 8.204, UH Administration will provide quarterly updates comparing this spending plan with the progress of actual revenues and expenditures throughout the year.

Table of Contents

OVERVIEW 3

University of Hawai'i at Mānoa 12

University of Hawai'i at Hilo 21

University of Hawai'i West O'ahu..... 29

Community Colleges..... 35

Systemwide Administration 40

OVERVIEW

In aggregate across the entire UH System, the FY24 projected operating budget is forecasted to include \$1,188 million in revenues against \$1,245 million in expenditures and transfers. As a result, a net fiscal operating shortfall of \$57.1 million is projected across all fund types for FY24. However, this shortfall includes \$106.4 million in one-time expenditures. If those one-time expenditures were excluded, the operating plan would project a net operating gain of \$49.3 million across all funds.

In total, across all funds, the revenue projection is relatively flat with a mixture of increases and decreases among the different fund types. The General Fund appropriation was increased mostly as a result of the inclusion of previously agreed upon collective bargaining increases. Even in accounting for the 10% restriction on discretionary funding, the General Fund appropriation is \$16.7 million, or 2.9%, higher than FY23 allocation. The Other Special Funds category is projected to increase by \$17.2 million, or 16.2%, although this is primarily due to the conversion of Research Corporation of the University of Hawai'i (RCUH) direct projects to Special Fund Research Recharge Center (SRRC) accounts.

Tuition and Fees Special Fund (TFSF) revenues are projected to slightly decrease by -\$2.5 million, or -0.7%, as compared to FY23 collections. This is the result of flat or slightly declining enrollment across UH campuses. Research and Training Revolving Fund (RTRF) revenues are also projected to decrease by -\$3.6 million, or -5.0%, primarily due to reduced indirect costs collection as a result of the expiration of federal coronavirus response grants. Across all fund types, FY24 revenues are projected to increase by \$25.5 million, or 2.2%, as compared to FY23.

FY24 expenditures are projected to increase by \$269.6 million, or 27.6%, as compared to FY23 actual expenditures, primarily due to several factors: one-time investments aligned with the Strategic Imperatives, scheduled collective bargaining increases, the lifting of the hiring freeze that was imposed during the pandemic, increased fringe costs as a result of the loss of S397 and the reintroduction of Other Post-Employment Benefits (OPEB) costs, , and higher utilities and other costs as a result of inflation as well as increased utilization of on-campus resources.

Because of the significant operating gain in FY23 of \$187.0 million, fund balances are currently healthy, and FY24 ending balances are projected to total \$650.5 million, even after the projected \$57.1 million loss for FY24. It is important to remember, however, that there are reserve requirements on many of these funds, and there is another year of previously agreed upon collective bargaining raises that must be paid (FY24 is Year 3 of a four-year contract). Additionally, there is also uncertainty regarding General Fund appropriations to the UH and these fund balances may be used for investments to support the Strategic Imperatives and may be necessary to account for unforeseen downside risk, as evidenced by recent events.

BUDGET HIGHLIGHTS BY CAMPUS

Mānoa

For all funds, UH Mānoa is projecting revenues of \$711.5 million and expenditures and transfers of \$769.0 million. TFSF funds will be used to support strategic investments in new initiatives with a high potential for return on investment. These include start-up investments in the Health Sciences Institute, in the Office of Global Engagement, and in support of positions dedicated to extramural award development. Finally, projected TFSF expenditures include the following large one-time facilities improvement projects that are planned to be supported with TFSF funds:

- Pre-closing costs for graduate student housing construction (NOAA building);
- Increasing the scope of the Snyder Hall replacement project; and
- Additional costs for the new Student Success Center (Sinclair Hall), to include contingency costs, PV installation, and furnishings, and continued progress payments for Ching Field expansion.

Hilo

UH Hilo is projected to generate \$87.3 million in revenues from all funding sources for an operating budget with \$96.3 million in operating expenses. A total of \$10.1 million of unencumbered cash reserves is planned to support new initiatives and existing programs and services that are in alignment with the UH Strategic Plan reinforcing the commitment to providing a unique education and experience to our students and strengthening enrollment and revenue.

West O'ahu

UH West O'ahu (UHWO) is projecting a fiscal operating budget with \$40.1 million in revenues from all sources to fund \$37.2 million in anticipated expenses. The budget reflects attention to growing enrollment by investing in much-needed workforce development programs such as pre-nursing with UH Mānoa and early childhood through secondary teacher-preparation as well as stabilizing advising and student support to strengthen student retention and persistence outcomes. The campus is engaged in other revenue-generating initiatives, such as, leasing mauka land to AES (solar energy farm) and hosting of the DreamHouse 'Ewa Beach Public Charter School's 10th grade class on campus this academic year (their new campus will open in 2024).

Community Colleges

UH Community Colleges (UH CC) are projected to generate \$249.2 million in revenues from all sources, and will include more than \$237.7 million in operating expenditures. The UH CC budget reflects continued commitment to the UH's strategic imperatives in FY24 towards workforce development, improvements to campus infrastructure and facilities and to programs that create an environment vibrant, safe, and encourages the development of successful students. These initiatives reflect an allocation of approximately \$9 million in one-time expenditures.

Systemwide Administration (System)

The Systemwide Administration (System) budget provides funding for UH-wide services, programs, and strategies. For FY24, Systemwide Administration will operate with approximately \$99.8 million in funding sources, but deploy more than \$105.2 million in both services, (select) campus-level program support, and funding for strategic initiatives. Strategic investments that support the UH’s new strategic imperatives include one-time investments in information technology hardware and software to support student success and innovation and research. Investments will also be made to bolster information security, a conservation stewardship center, and a long-range plan for the University Avenue Ewa parcel. Funding dedicated positions will also be made to strengthen support to meet workforce development and fulfill our kuleana to Native Hawaiians and Hawai’i.

SYSTEMWIDE REVENUES

Type of Fund	FY24 Projected	FY23 Actual	FY24 Projected vs. FY23 Actual	%age
General Funds	\$599,210,938	\$582,533,240	\$16,677,698	2.9%
Tuition & Fees	\$343,130,791	\$345,646,005	(\$2,515,214)	-0.7%
RTRF	\$69,249,965	\$72,880,651	(\$3,630,686)	-5.0%
Other Special Funds	\$123,506,384	\$106,279,052	\$17,227,332	16.2%
Other Revolving Funds	\$40,621,186	\$42,159,018	(\$1,537,832)	-3.6%
Appropriated Federal Funds	\$12,350,535	\$13,072,009	(\$721,474)	-5.5%
Total Revenues	\$1,188,069,798	\$1,162,569,975	\$25,499,823	2.2%

Type of Fund	FY23 Actual	FY23 Projected	FY23 Actual vs. FY23 Projected	%age
General Funds	\$582,533,240	\$584,093,286	(\$1,560,046)	-0.3%
Tuition & Fees	\$345,646,005	\$324,742,743	\$20,903,262	6.4%
RTRF	\$72,880,651	\$51,046,237	\$21,834,414	42.8%
Other Special Funds	\$106,279,052	\$98,334,087	\$7,944,965	8.1%
Other Revolving Funds	\$42,159,018	\$39,439,905	\$2,719,113	6.9%
Appropriated Federal Funds	\$13,072,009	\$12,141,727	\$930,282	7.7%
Total Revenues	\$1,162,569,975	\$1,109,797,985	\$52,771,990	4.8%

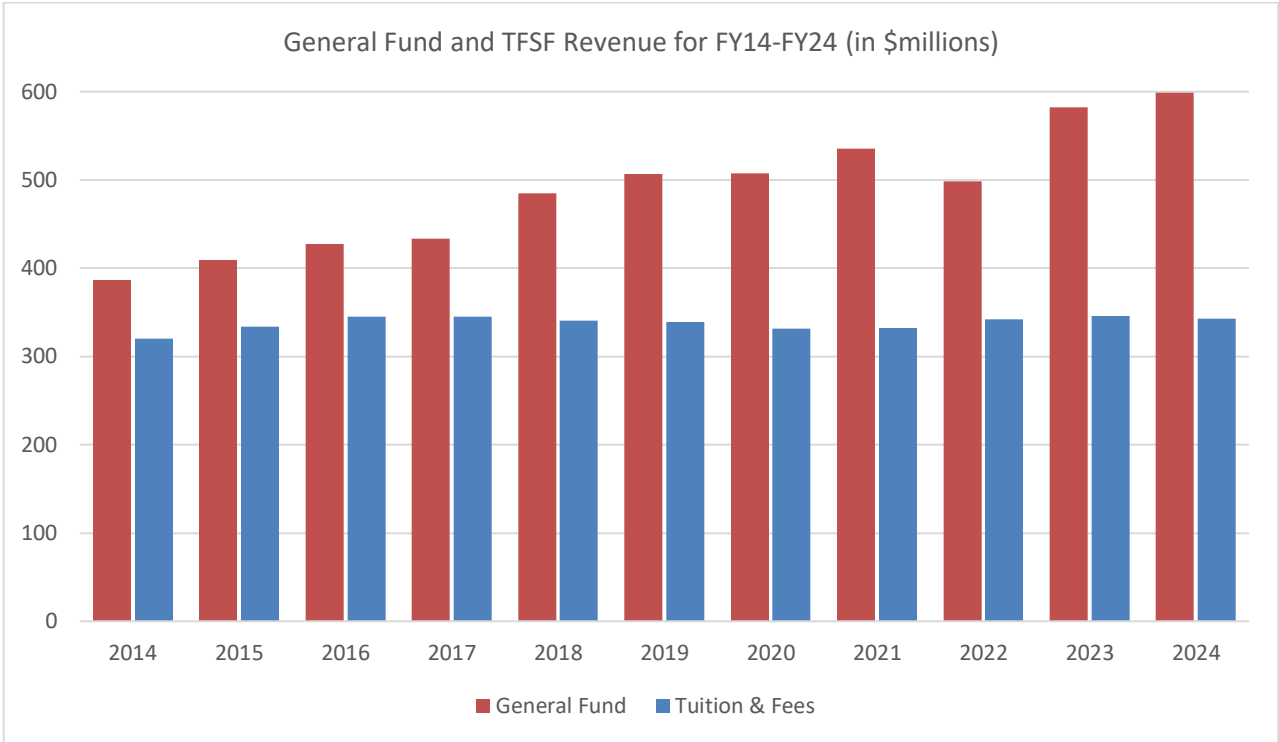
Compared to FY23 actual revenues, FY24 revenues are projected to increase by \$25.5 million, or 2.2%. This is due largely to the increase in General Fund appropriations and Other Special Funds revenues. The General Fund increase includes funding for collectively bargained pay raises and restoration of the State’s General Fund support to UH to pre-pandemic levels. The increase in Other Special Funds is due largely to the conversion of RCUH direct projects.

Revenues for TFSF, RTRF, and Other Revolving Funds are projected to decline slightly. Although enrollment for Fall 2023 is 0.6% higher than Fall 2022’s enrollment, overall TFSF revenues are projected to be slightly lower as a result of the differences in enrollment between campuses, which vary between a

6.8% decrease to a 15.6% increase. The RTRF decline is due largely to the expiration of federal coronavirus response funds, resulting in lower indirect cost collection.

Historic Revenues for General Fund and Tuition

The following chart shows historic revenues for ten years (FY14 through FY23) and projected revenues for FY24 for the General Fund and TFSE:



While tuition revenue has remained relatively steady, General Fund appropriations have increased, with the exception of FY22 as a result of the COVID-19 pandemic. However, the bulk of the General Fund growth is due to collective bargaining increases rather than new programs.

SYSTEMWIDE EXPENDITURES

Expenditures and Transfers by Fund Type

Expenditures and Transfers	FY24 Projected	FY23 Actual	FY24 Projected vs. FY23 Actual	%age
General Funds	\$599,210,938	\$576,229,413	\$22,981,525	4.0%
Tuition & Fees	\$426,878,062	\$232,173,841	\$194,704,221	83.9%
RTRF	\$54,558,772	\$39,906,430	\$14,652,342	36.7%
Other Special Funds	\$111,006,685	\$86,181,430	\$24,825,255	28.8%
Other Revolving Funds	\$41,231,553	\$28,014,384	\$13,217,169	47.2%
Appropriated Federal Funds	\$12,350,535	\$13,072,009	(\$721,474)	-5.5%
Total Expenditures	\$1,245,236,545	\$975,577,507	\$269,659,038	27.6%

Expenditures and Transfers	FY23 Actual	FY23 Projected	FY23 Actual vs. FY23 Projected	%age
General Funds	\$576,229,413	\$584,093,286	(\$7,863,873)	-1.4%
Tuition & Fees	\$232,173,841	\$356,610,116	(\$124,436,275)	-53.6%
RTRF	\$39,906,430	\$49,228,267	(\$9,321,837)	-23.4%
Other Special Funds	\$86,181,430	\$90,367,011	(\$4,185,581)	-4.9%
Other Revolving Funds	\$28,014,384	\$31,885,110	(\$3,870,726)	-13.8%
Appropriated Federal Funds	\$13,072,009	\$12,477,169	\$594,840	4.6%
Total Expenditures	\$975,577,507	\$1,124,660,959	(\$149,083,452)	-15.3%

Expenditures for FY24 are projected to increase by \$269.7 million, or 27.6%, as compared to actual FY23 expenditures. The increase is largely due to increased personnel costs, higher utilities costs, and one-time investments. Higher personnel costs are a result of the lifting of the hiring freeze, pay raises, and increased fringe costs. Utilities costs are projected to increase because of higher rates and increased utilization. Finally, one-time expenditures total \$106.4 million.

The following table breaks out expenditures by category. Because of transfers, these numbers do not match the previous table that reported expenditures and transfers by fund type.

Expenditure Category	FY24 Projected	FY23 Actual	FY24 Projected vs. FY23 Actual	%age
Regular Employee Payroll	\$681,237,072	\$595,251,552	\$85,985,520	14.4%
Lecturer Payroll	\$43,823,446	\$39,920,990	\$3,902,456	9.8%
Student Help Payroll	\$19,423,098	\$15,620,434	\$3,802,664	24.3%
Other Personnel	\$11,255,433	\$8,754,481	\$2,500,952	28.6%
<i>Subtotal Personnel</i>	<i>\$755,739,049</i>	<i>\$659,547,457</i>	<i>\$96,191,592</i>	<i>14.6%</i>
Utilities	\$86,327,186	\$50,598,021	\$35,729,165	70.6%
Scholarships, Tuition	\$66,621,725	\$62,067,604	\$4,554,121	7.3%
Other Operating Expenses	\$330,294,370	\$231,470,052	\$98,824,318	42.7%
<i>Subtotal Other</i>	<i>\$483,243,281</i>	<i>\$344,135,678</i>	<i>\$139,107,603</i>	<i>40.4%</i>
Total Expenditures	\$1,238,982,330	\$1,003,683,134	\$235,299,196	19.0%

Expenditure Category	FY23 Actual	FY23 Projected	FY23 Actual vs. FY23 Projected	%age
Regular Employee Payroll	\$595,251,552	\$641,329,580	(\$46,078,028)	-7.2%
Lecturer Payroll	\$39,920,990	\$39,569,151	\$351,839	0.9%
Student Help Payroll	\$15,620,434	\$17,743,000	(\$2,122,566)	-12.0%
Other Personnel	\$8,754,481	\$8,182,400	\$572,081	7.0%
<i>Subtotal Personnel</i>	<i>\$659,547,457</i>	<i>\$706,824,131</i>	<i>(\$47,276,674)</i>	<i>-6.7%</i>
Utilities	\$50,598,021	\$81,220,840	(\$30,622,819)	-37.7%
Scholarships, Tuition	\$62,067,604	\$63,816,352	(\$1,748,748)	-2.7%
Other Operating Expenses	\$231,470,052	\$270,265,752	(\$38,795,700)	-14.4%
<i>Subtotal Other</i>	<i>\$344,135,678</i>	<i>\$415,302,944</i>	<i>(\$71,167,266)</i>	<i>-17.1%</i>
Total Expenditures	\$1,003,683,134	\$1,122,127,075	(\$118,443,941)	-11.8%

SYSTEMWIDE NET OPERATING INCOME

Revenues less expenditures produce the Net Operating Income for the UH. When looking at recurring costs, UH shows a net gain of \$49.3 million. However, there are also \$106.4 million in one-time expenditures planned for FY24. The combined effect is a reduction of fund balances totaling \$57.1 million for FY24.

Fund Type	FY24 Projected NOI
General Fund	\$ 526,000
Tuition & Fees SF	\$ 9,762,982
RTRF	\$ 14,766,193
Other Special Funds	\$ 19,233,411
Other Revolving Funds	\$ 4,970,519
Appropriated Federal Funds	\$ 27,244
Total NOI	\$ 49,286,349

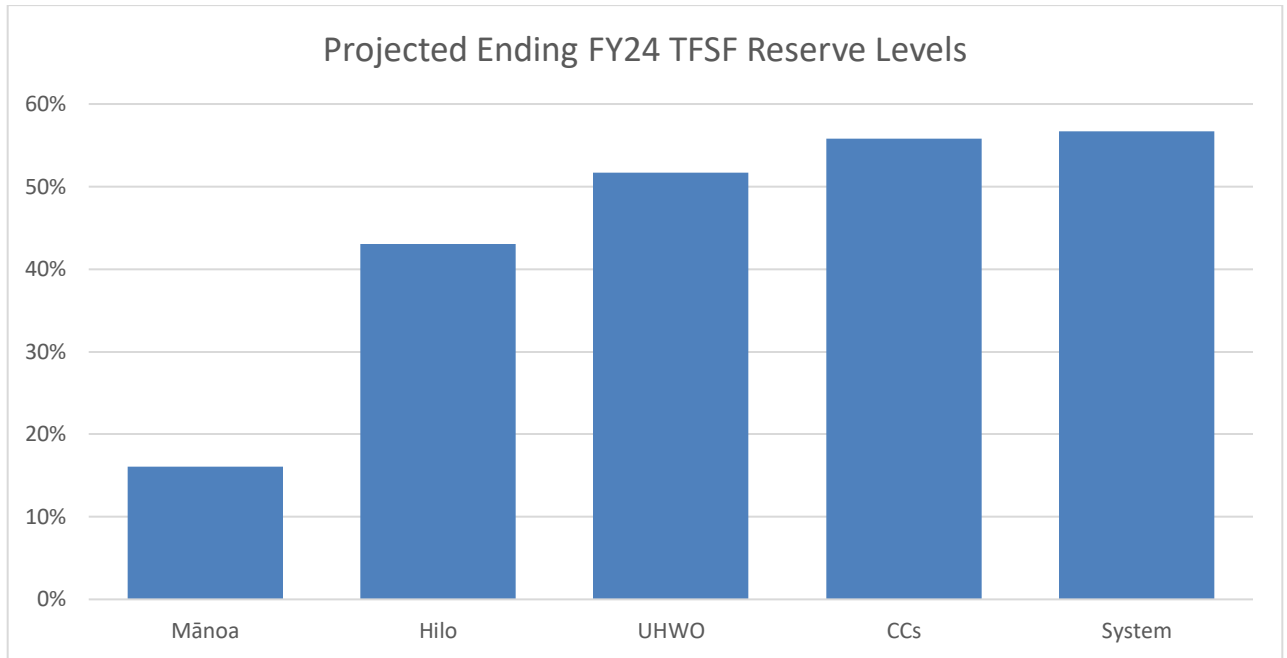
Fund Type	FY24 Projected Exp.
General Fund	\$ 526,000
Tuition & Fees SF	\$ 93,510,252
RTRF	\$ 75,000
Other Special Funds	\$ 6,733,712
Other Revolving Funds	\$ 5,580,886
Appropriated Federal Funds	
Total One-Time Expenditures	\$ 106,425,850

When looking across all UH funds, reserves can adequately satisfy the operating loss for this fiscal year. However, individual funds may be impacted more than others.

Net Operating Income (including one-time expenditures) (All Funds Summary)	FY24 Projected
Net Operating Income	(\$57,139,500)
Beginning Balance	\$707,689,140
Ending Balance	\$650,549,640
Other Reserve Requirements (R&R, Bond, RTRF Commitments)	\$162,443,575
Revised Ending Balance	\$488,106,065
Reserve Requirement (5% Minimum)	\$61,426,877
Balance Above Minimum Reserve After Adjustments	\$426,679,188

TFSF RESERVE LEVELS

TFSF reserve levels remain healthy, with all campuses above the 16% target, and several campuses significantly higher than that. However, it is expected that these balances will need to be tapped in a few fiscal years. These fund balances also provide flexibility for potential restructurings of UH activities. The following chart shows projected ending FY24 TFSF reserve levels as a percentage of FY24 expenditures:



Campus	FY24 Ending	Held at System
Mānoa	\$99,507,283	\$23,129,777
Hilo	\$34,019,266	\$3,242,307
UHWO	\$19,716,908	\$1,857,561
CCs	\$124,829,442	\$11,018,162
System	\$34,806,982	\$2,803,396
Total	\$260,271,957	\$42,051,203

When Regent Policy (RP) 8.203 was last updated, it was determined that the UH lacked substantial fiscal reserves and a conscious effort was engaged to begin to build reserves. Reserves serve many purposes: covering financial emergencies, fulfilling statutory or legally required covenants, or to launch initiatives. Reserves also assist the UH in showing fiscal health during revenue bond transactions as well.

In March of 2023, Internal Audit issued its report related to Financial Reserves. In that report, it was identified that reserves exceed the policy requirements in some areas but are not specifically identified for debt service reserves, and that the readability and usefulness of the policies can be enhanced. As a result, UH Administration is currently reviewing RP 8.203 and will have revisions for the Board to consider in the near future.

Federal Coronavirus Response Funds

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

These HEERF funds were used in FY23 to offset declines in revenues in other UH funds, and were reflected as transfers-in of HEERF funds which appeared as negative expenditures and therefore reduced total FY23 expenditures. The grant expired on June 30, 2023, and with the standard 120 “winding down” period, UH is well on-track to distribute or expend all of these funds.

CONCLUSION

As UH begins to implement its six-year Strategic Plan, this FY24 operating budget represents the first steps to quantify UH’s current investments within the framework of the Strategic Imperatives and includes initial investments along those Imperatives. As this operating expenditure plan was prepared prior to the Maui wildfires, it does not include any explicit funding for Maui disaster relief efforts. UH Administration anticipates the need to augment this budget to include additional expenditures i.e., mental health services, which can be readily accommodated within the health balances available.

UH Administration looks forward to working with all stakeholders and constituencies to advance the quality of life for all the people of Hawai’i through robust educational offerings and world-class discovery while modeling how institutions must fulfill responsibilities to indigenous people and place in the 21st century.

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 consistently ranks UH Mānoa as among the top 100 universities in the nation in federal research expenditures. UH Mānoa has widely recognized strengths in the marine sciences, earth sciences, astronomy, linguistics, Asian Studies, population sciences, tropical agriculture, tropical medicine, microbiology, Hawaiian studies, Pacific Islands studies, international business, 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, public health, and social work. It also offers doctoral programs in major intellectual disciplines. As one of just a handful of land-, sea-, space- and sun-grant universities, 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 99 bachelor's degrees, 87 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.

As we emerged from the COVID-19 pandemic, the campus continued its efforts to ensure that all spending and hiring is aligned with Mānoa's Strategic Plan, and with the Performance Indicators for Prioritization developed in 2021. The recently completed UH System Strategic Plan is perfectly aligned with the Mānoa plan and represents a reaffirmation of our shared goals. Unit-level budget allocations and faculty hiring approvals are informed by these guidance documents and ensure that investments are made with the aim of addressing the highest priorities of the State.

BUDGET SUMMARY

Overview

For all funds, UH Mānoa is projecting revenues of \$711.5 million and expenditures and transfers of \$769.0 million. Discussion of the projected net operating loss follows presentation of the summary tables below. The Tuition and Fees Special Fund is covered in a separate section following the discussion of all funds.

ALL FUNDS

Revenues

Type of Fund	FY24 Projected	FY23 Actual	FY24 Projected vs. FY23 Actual	%age
General Funds	\$295,481,355	\$290,501,270	\$4,980,085	1.7%
Tuition & Fees	\$243,957,370	\$244,106,313	(\$148,943)	-0.1%
RTRF	\$41,000,000	\$34,855,069	\$6,144,931	17.6%
Other Special Funds	\$107,339,586	\$91,710,317	\$15,629,269	17.0%
Other Revolving Funds	\$19,068,912	\$21,818,030	(\$2,749,118)	-12.6%
Appropriated Federal Funds	\$4,664,495	\$4,861,102	(\$196,607)	-4.0%
Total Revenues	\$711,511,718	\$687,852,101	\$23,659,617	3.4%

Type of Fund	FY23 Actual	FY23 Projected	FY23 Actual vs. FY23 Projected	%age
General Funds	\$290,501,270	\$290,408,801	\$92,469	0.0%
Tuition & Fees	\$244,106,313	\$233,763,038	\$10,343,275	4.4%
RTRF	\$34,855,069	\$28,984,349	\$5,870,720	20.3%
Other Special Funds	\$91,710,317	\$83,848,156	\$7,862,161	9.4%
Other Revolving Funds	\$21,818,030	\$19,563,061	\$2,254,969	11.5%
Appropriated Federal Funds	\$4,861,102	\$3,676,193	\$1,184,909	32.2%
Total Revenues	\$687,852,101	\$660,243,598	\$27,608,503	4.2%

When comparing the projected FY24 budget against FY23 actuals, revenue is expected to increase by \$24.1 million. The General Fund appropriation for FY24 is slightly higher than FY23 due to collective bargaining, but this increase is partially offset by the Governor's restriction of \$8.3 million.

TFSF revenue is currently projected to be essentially flat in comparison to FY23. As of this writing, enrollment and tuition charged for Fall are slightly up compared to the previous year. However, significant uncertainties regarding how much tuition will be collected remain to be resolved as we navigate through the semester. The uncollected tuition amount for Fall 2023 is trending higher than Fall 2022 (up about 13%) which reduces the amount of funding available to spend. Summer and credit extension revenues are projected to be lower than last year, continuing the trend from the past 2 years.

RTRF is expected to increase to \$41 million based on actual expenditure amounts subject to indirect cost. Other Special and Revolving funds have largely returned to pre-pandemic levels; these funds include campus auxiliary operations such as bookstore, parking, athletics, student activities, and student

and faculty housing. Other Special Funds revenues will increase in FY24 due to the conversion of RCUH direct projects to Special Fund Research Recharge Center (SRRC) accounts.

Expenditures and Transfers by Fund Type

Expenditures and Transfers	FY24 Projected	FY23 Actual	FY24 Projected vs. FY23 Actual	%age
General Funds	\$295,481,355	\$288,202,620	\$7,278,735	2.5%
Tuition & Fees	\$323,943,125	\$174,392,908	\$149,550,217	85.8%
RTRF	\$27,600,142	\$22,225,938	\$5,374,204	24.2%
Other Special Funds	\$94,653,193	\$78,409,057	\$16,244,136	20.7%
Other Revolving Funds	\$22,686,824	\$14,524,029	\$8,162,795	56.2%
Appropriated Federal Funds	\$4,637,251	\$4,632,387	\$4,864	0.1%
Total Expenditures	\$769,001,890	\$582,386,939	\$186,614,951	32.0%

Expenditures and Transfers	FY23 Actual	FY23 Projected	FY23 Actual vs. FY23 Projected	%age
General Funds	\$288,202,620	\$290,408,801	(\$2,206,181)	-0.8%
Tuition & Fees	\$174,392,908	\$261,611,005	(\$87,218,097)	-50.0%
RTRF	\$22,225,938	\$26,562,012	(\$4,336,074)	-19.5%
Other Special Funds	\$78,409,057	\$75,591,250	\$2,817,807	3.6%
Other Revolving Funds	\$14,524,029	\$17,642,885	(\$3,118,856)	-21.5%
Appropriated Federal Funds	\$4,632,387	\$4,011,635	\$620,752	13.4%
Total Expenditures	\$582,386,939	\$675,827,588	(\$93,440,649)	-16.0%

Across all fund types, FY24 expenditures and net transfers are projected to increase by 20.5% over FY23 actual expenditures. Overall increases can be attributed to collective bargaining and inflationary increases as well as several large one-time expenditures to improve facilities on the Manoa campus.

For General Funds, expenditures will increase by the amount of the collective bargaining agreement increases.

TFSF expenditures are projected to increase due in part to the loss of the use of S397. Fringe benefit costs for permanent employee salaries that cannot be fully covered with General Fund appropriations are now assessed on TFSF due to this change. TFSF funds will also be used to support strategic investments in new initiatives with a high potential for return on investment. These include start-up investments in the Health Sciences Institute, in the Office of Global Engagement, and in support of positions dedicated to extramural award development. Finally, projected TFSF expenditures include the following large one-time facilities improvement projects that are planned to be supported with TFSF funds:

- Pre-closing costs for graduate student housing construction (NOAA building);
- Increasing the scope of the Snyder Hall replacement project; and,
- Additional costs for the new Student Success Center (Sinclair Hall), to include contingency costs, PV installation, and furnishings, and continued progress payments for Ching Field expansion.

RTRF expenditures are projected to be consistent with prior year spending trends with increases due to collective bargaining, inflationary factors, and increased revenue amounts.

Other Special Fund expenditures are projected to increase in FY24 due in part to several repair and replacement projects scheduled to start in this fiscal year. In addition, the conversion of RCUH direct projects to SRRC accounts results in new expenditures to the special fund.

Other Revolving Fund expenditures are expected to increase primarily due to a large repair and replacement project scheduled for University Health Services.

Federal appropriated funds are typically Federal Work Study and USDA funds awarded to CTAHR. The expenditures in this fund stays fairly consistent as the level of funding is rather stable.

Expenditures by Category

Expenditure Category	FY24 Budget	FY23 Actual	FY24 Projected vs. FY23 Actual	%age
Regular Employee Payroll	\$419,719,848	\$365,622,394	\$54,097,453	14.80%
Lecturer Payroll	\$12,647,934	\$11,968,512	\$679,422	5.68%
Student Help Payroll	\$11,167,127	\$9,811,292	\$1,355,835	13.82%
Other Personnel	\$5,720,805	\$4,827,660	\$893,145	18.50%
<i>Subtotal Personnel</i>	<i>\$449,255,714</i>	<i>\$392,229,858</i>	<i>\$57,025,855</i>	<i>14.54%</i>
Utilities	\$64,205,587	\$32,527,362	\$31,678,225	97.39%
Scholarships, Tuition	\$45,231,719	\$46,354,107	(\$1,122,388)	-2.42%
Other Operating Expenses	\$203,783,862	\$112,260,977	\$91,522,885	81.53%
<i>Subtotal Other</i>	<i>\$313,221,168</i>	<i>\$191,142,445</i>	<i>\$122,078,723</i>	<i>63.87%</i>
Total Expenditures	\$762,476,882	\$583,372,303	\$179,104,578	30.70%

Expenditure Category	FY23 Actual	FY23 Projected	FY23 Actual vs. FY23 Projected	%age
Regular Employee Payroll	\$365,622,394	\$394,453,727	(\$28,831,333)	-7.31%
Lecturer Payroll	\$11,968,512	\$11,777,475	\$191,037	1.62%
Student Help Payroll	\$9,811,292	\$11,347,875	(\$1,536,583)	-13.54%
Other Personnel	\$4,827,660	\$3,652,874	\$1,174,786	32.16%
<i>Subtotal Personnel</i>	<i>\$392,229,858</i>	<i>\$421,231,951</i>	<i>(\$29,002,093)</i>	<i>-6.89%</i>
Utilities	\$32,527,362	\$59,667,866	(\$27,140,504)	-45.49%
Scholarships, Tuition	\$46,354,107	\$43,932,173	\$2,421,934	5.51%
Other Operating Expenses	\$112,260,977	\$110,064,304	\$2,196,673	2.00%
<i>Subtotal Other</i>	<i>\$191,142,445</i>	<i>\$213,664,343</i>	<i>(\$22,521,898)</i>	<i>-10.54%</i>
Total Expenditures	\$583,372,303	\$634,896,294	(\$51,523,991)	-8.12%

Expenditures in FY24 are projected to increase by 30.7% over FY23 actual expenditures. These increases are primarily in personnel, utilities and other operating expenses, due to pre-pandemic levels of on-campus activity, collective bargaining increases, and inflationary factors. Payroll costs also increase due to fringe benefit rate increases driven by the restoration of OPEB costs and the loss of S397 funds. Although utilities expenditures may appear to increase significantly in FY24; this is due to one-time federal funds that were used to pay \$30 million of the cost of utilities in FY23, resulting in a corresponding savings in TFSF expenditure on utilities. Note that the numbers in this table do not exactly match the previous table that reported expenditures by fund type, due to the impact of transfers.

Net Operating Gain (Loss)

Type of Fund	FY24 Projected	FY23 Actual	FY24 Proj. vs. FY23 Actual	%age
General Funds	\$0	\$0	\$0	
Tuition & Fees	(\$79,985,755)	\$69,713,405	(\$149,699,160)	187.2%
RTRF	\$13,399,858	\$12,629,131	\$770,727	5.8%
Other Special Funds	\$12,686,393	\$13,301,260	(\$614,867)	-4.8%
Other Revolving Funds	(\$3,617,912)	\$7,294,001	(\$10,911,913)	301.6%
Appropriated Federal Funds	\$27,244	\$228,715	(\$201,471)	-739.5%
Total Net Gain/Loss	(\$57,490,172)	\$103,166,512	(\$160,656,684)	279.5%

Type of Fund	FY23 Actual	FY23 Projected	FY23 Actual vs. FY23 Proj.	%age
General Funds	\$0	\$0	\$0	
Tuition & Fees	\$69,713,405	(\$27,847,967)	\$97,561,372	-350.3%
RTRF	\$12,629,131	\$2,422,337	\$10,206,794	421.4%
Other Special Funds	\$13,301,260	\$8,256,906	\$5,044,354	61.1%
Other Revolving Funds	\$7,294,001	\$1,920,176	\$5,373,825	279.9%
Appropriated Federal Funds	\$228,715	(\$335,442)	\$564,157	-168.2%
Total Expenditures	\$103,166,512	\$11,335,010	\$91,831,502	810.2%

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

The major reason for the projected decline in TFSF balances in FY24 is due to one-time expenditures associated with renovation and construction projects (pre-closing costs for graduate student housing, Snyder Hall replacement, Sinclair renovations, and Ching Field expansion). In total, these one-time expenditures account for \$74.9 million of the \$80.0 million loss. Higher personnel costs due to collective bargaining increases, and projected inflationary increases to utilities and other operating expenditures, are also contributing factors. Also, due to the loss of the use of S397, fringe costs for the shortfall in general funds for permanent employees are will now be assessed fringe when charged to TFSF.

RTRF revenues and expenditures are expected to increase due to the growth of awards. Timing of the spending of the allocated RTRF funds attributes to the swing of the net operating income, as funds allocated in one year may be spent in a future year.

Other Special and Other Revolving net operating balances are lower than prior years due to repair and replacement costs anticipated in FY24. These are funded through accumulated reserves in each of the respective funds.

Net Operating Gain (Loss)

Net Operating Income (including one-time expenditures) (All Funds Summary)	FY24 Projected
Net Operating Income	(\$57,490,172)
Beginning Balance	\$378,960,328
Ending Balance	\$321,470,156
Other Reserve Requirements (R&R, Bond, RTRF Commitments)	\$130,469,567
Revised Ending Balance	\$191,000,590
Reserve Requirement (5% Minimum)	\$38,218,232
Balance Above Minimum Reserve After Adjustments	\$152,782,358

After a projected net operating loss of \$57.5 million, UH Mānoa’s anticipated ending balance is \$321.5 million. Much of this balance is already committed in the form of repair and replacement reserves, bond covenants and requirements, and RTRF commitments. The total of those adjustments is projected to be \$130.5 million in FY24. This revises the projected ending balance to be \$191.0 million, which remains above the 5% minimum reserve and the 16% target reserve level of \$121.9 million. In addition, an estimated \$23.1 million in TFSF is already held centrally at UH System. Much of the additional reserve was held due to the uncertainty regarding future general fund revenues and because of one-time federal funding over the last few years. As the budget has returned to pre-pandemic levels, this year will be the first year with a consistent level of general funds, no S397, and no one-time federal funding. However, in the upcoming years, future budget restrictions and loss of PRRR funds (Program Review Reductions Restoration – general funds that were restored by the Legislature for one year only) may require the use of the remaining reserves in order to maintain a consistent level of service until adjustments can be made.

TUITION AND FEES SPECIAL FUND

Tuition and Fees Special Fund (TFSF) is projected to have revenues of \$244.0 million, expenditures of \$264.2 million and net transfers of \$59.8 million. This results in a projected net operating loss of \$80.0 million.

Revenues

FY24 Projected	FY23 Actual	FY24 Proj. vs. FY23 Actual	%age
\$243,957,370	\$244,106,313	(\$148,943)	-0.06%

FY23 Actual	FY23 Projected	FY23 Actual vs. FY23 Proj.	%age
\$244,106,313	\$233,763,038	\$10,343,275	4.42%

FY24 tuition is projected to be essentially the same as the amount in FY23. Regular term TFSF revenue is currently slightly higher for Fall 2023 compared to the prior year at this time, while a slight decrease is projected for Summer and Extension revenues for the year.

Expenditures

Expenditure Category	FY24 Budget	FY23 Actual	FY24 Proj. vs. FY23 Actual	%age
Regular Employee Payroll	\$65,036,456	\$46,750,942	\$18,285,515	39.1%
Lecturer Payroll	\$12,318,264	\$5,009,229	\$7,309,036	145.9%
Student Help Payroll	\$5,369,641	\$4,499,589	\$870,053	19.3%
Other Personnel	\$3,054,131	\$2,768,259	\$285,872	10.3%
<i>Subtotal Personnel</i>	<i>\$85,778,493</i>	<i>\$59,028,018</i>	<i>\$26,750,475</i>	<i>45.3%</i>
Utilities	\$49,510,300	\$10,422,060	\$39,088,240	375.1%
Scholarships, Tuition	\$2,212,265	\$2,480,515	(\$268,250)	-10.8%
Other Operating Expenses	\$126,656,595	\$56,082,379	\$70,574,216	125.8%
<i>Subtotal Other</i>	<i>\$178,379,160</i>	<i>\$68,984,954</i>	<i>\$109,394,206</i>	<i>158.6%</i>
Total Expenditures	\$264,157,653	\$128,012,972	\$136,144,681	106.4%

Expenditure Category	FY23 Actual	FY23 Projected	FY23 Actual vs. FY23 Proj.	%age
Regular Employee Payroll	\$46,750,942	\$58,729,995	(\$11,979,053)	-20.4%
Lecturer Payroll	\$5,009,229	\$11,310,118	(\$6,300,889)	-55.7%
Student Help Payroll	\$4,499,589	\$4,489,191	\$10,398	0.2%
Other Personnel	\$2,768,259	\$2,150,684	\$617,575	28.7%
<i>Subtotal Personnel</i>	<i>\$59,028,018</i>	<i>\$76,679,988</i>	<i>(\$17,651,970)</i>	<i>-23.0%</i>
Utilities	\$10,422,060	\$44,423,767	(\$34,001,707)	-76.5%
Scholarships, Tuition	\$2,480,515	\$4,005,325	(\$1,524,810)	-38.1%
Other Operating Expenses	\$56,082,379	\$48,121,326	\$7,961,053	16.5%
<i>Subtotal Other</i>	<i>\$68,984,954</i>	<i>\$96,550,418</i>	<i>(\$27,565,464)</i>	<i>-28.6%</i>
Total Expenditures	\$128,012,972	\$173,230,406	(\$45,217,434)	-26.1%

FY24 expenditures are projected to increase by about 106.35% in comparison to FY23 actuals.

- **Personnel Expenses:** Personnel expenditures are expected to increase by \$26.75 million over the last fiscal year. This amount reflects collective bargaining and fringe rate increases for the non-permanent salaries paid on TFSF. The amount also includes permanent salaries in excess of the current general fund appropriation, which will be assessed fringe benefit costs, and transfer of some lecturer payroll costs to TFSF funds.
- **Utilities:** Expenditures for utilities on tuition funds are projected to be higher than in FY23, due to shifting the utilities cost back onto TFSF from one-time federal funding (\$30 million), in addition to projected inflationary increases.
- **Scholarships:** Scholarship amounts directly paid from TFSF were higher in FY23 due to timing of releasing scholarships. FY24 is expected to revert to typical levels.
- **Other Operating:** Other Operating costs are projected to increase primarily due to large one-time facilities investments on the Manoa campus. These include completion of the Ching Field expansion, pre-closing costs for graduate student housing construction, Snyder Hall replacement, and Sinclair renovations (total of about \$63 million). Strategic investments in new initiatives, inflationary factors and return to higher levels of on-campus activity also attribute to the increase in expenditure.

Net Operating Gain (Loss)

Net Operating Income (including one-time expenditures) (TFSF)	FY24 Projected
Net Operating Income	(\$79,985,755)
Beginning Balance	\$179,493,038
Ending Balance	\$99,507,283
Other Reserve Requirements (R&R, Bond, RTRF Commitments)	\$6,367,319
Revised Ending Balance	\$93,139,964
Reserve Requirement (5% Minimum)	\$30,971,224
Balance Above Minimum Reserve After Adjustments	\$62,168,740

In FY24, TFSF is projected to have a net operating loss of \$80.0 million, which still places the ending balance above the 5% minimum reserve requirement of \$30.97 million outlined in Executive Policy. For TFSF the other reserve requirements include IFA’s telescope decommissioning fund and facilities tuition increase reserve used to fund long term repair and maintenance projects. The ending balance is just below the 16% reserve target of \$99.2 million. The 5% minimum reserve will be held at the system level and booked as a year-end adjustment. These reserves will be essential to maintain a consistent level of service until adjustments can be made in the event that the PRRR funds are not restored and that budget restrictions continue.

University of Hawai'i at Hilo

Introduction

UH Hilo is a comprehensive, regional university whose primary focus is providing high quality baccalaureate and select postgraduate education. In carrying out this mission, UH Hilo offers 35 undergraduate degrees, 6 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 admissions target for UH Hilo is residents of Hawai'i Island, its quality programs are attractive to prospective students from other islands, the Pacific, other states, 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 2023-2029 UH Strategic Plan guides the development of budget strategies and spending priorities. The FY24 spending plan supports the foundational principles and four imperatives of the strategic plan.

The 2021-2031 UH Hilo Strategic Plan also helps to guide the development of budget strategies and spending priorities for the campus. An action plan which advances achievement of the strategic goals was developed and implementation of the action items are currently underway.

ALL FUNDS

Revenues

Type of Fund	FY 2024 Projected	FY 23 Actual	FY24 Projected. vs. FY23 Actual	%age
General Funds	\$46,814,091	\$46,416,253	\$397,838	0.9%
Tuition & Fees	\$24,872,977	\$26,713,793	(\$1,840,816)	-6.9%
RTRF	\$2,920,301	\$3,517,903	(\$597,602)	-17.0%
Other Special Funds	\$10,844,595	\$9,225,032	\$1,619,563	17.6%
Other Revolving Funds	\$1,569,643	\$1,528,829	\$40,814	2.7%
Appropriated Federal Funds	\$291,557	\$304,638	(\$13,081)	-4.3%
Total Revenues	\$87,313,164	\$87,706,448	(\$393,284)	-0.4%

Type of Fund	FY 23 Actual	FY23 Projected	FY23 Actual vs. FY23 Projected	%age
General Funds	\$46,416,253	\$46,870,039	(\$453,786)	-1.0%
Tuition & Fees	\$26,713,793	\$25,313,849	\$1,399,944	5.2%
RTRF	\$3,517,903	\$3,247,653	\$270,250	7.7%
Other Special Funds	\$9,225,032	\$9,709,265	(\$484,233)	-5.2%
Other Revolving Funds	\$1,528,829	\$1,325,423	\$203,406	13.3%
Appropriated Federal Funds	\$304,638	\$291,557	\$13,081	4.3%
Total Revenues	\$87,706,448	\$86,757,786	\$948,662	1.1%

Overall, revenues are projected to decrease by less than 1.0% when compared to actual FY23 collections. Tuition and Fees revenue is planned to be 6.9% less than FY23 actuals due to a projected overall enrollment decline of about 6.5%. Other Special Fund revenue is projected to increase by \$1.6 million when compared with actual FY23 revenue.

The increase in Other Special Fund revenue is primarily due to a projected increase in residence hall occupancy and the integration of RCUH revolving fund accounts into the UH auxiliary enterprise special fund.

Expenditures

Expenditure Category	FY24 Budget	FY23 Actual	FY24 Projected vs. FY23 Actual	%age
Regular Employee Payroll	\$50,201,741	\$41,796,153	\$8,405,588	20.1%
Lecturer Payroll	\$2,257,989	\$1,778,859	\$479,130	26.9%
Student Help Payroll	\$2,391,404	\$1,779,443	\$611,961	34.4%
Other Personnel	\$1,778,098	\$1,549,163	\$228,935	14.8%
<i>Subtotal Personnel</i>	<i>\$56,629,232</i>	<i>\$46,903,618</i>	<i>\$9,725,614</i>	<i>20.7%</i>
Utilities	\$6,604,927	\$4,361,625	\$2,243,302	51.4%
Scholarships, Tuition	\$7,711,650	\$5,603,406	\$2,108,244	37.6%
Repairs & Maintenance	\$1,697,561	\$1,074,014	\$623,547	58.1%
Other Operating Expenses	\$23,683,886	\$16,539,681	\$7,144,205	43.2%
<i>Subtotal Other</i>	<i>\$39,698,024</i>	<i>\$27,578,726</i>	<i>\$12,119,298</i>	<i>43.9%</i>
Total Expenditures	\$96,327,256	\$74,482,344	\$21,844,912	29.3%

Expenditure Category	FY23 Actual	FY23 Projected	FY23 Actual vs. FY23 Projected	%age
Regular Employee Payroll	\$41,796,153	\$46,669,190	(\$4,873,037)	-10.4%
Lecturer Payroll	\$1,778,859	\$2,218,042	(\$439,183)	-19.8%
Student Help Payroll	\$1,779,443	\$1,671,927	\$107,516	6.4%
Other Personnel	\$1,549,163	\$1,821,651	(\$272,488)	-15.0%
<i>Subtotal Personnel</i>	<i>\$46,903,618</i>	<i>\$52,380,810</i>	<i>(\$5,477,192)</i>	<i>-10.5%</i>
Utilities	\$4,361,625	\$5,644,138	(\$1,282,513)	-22.7%
Scholarships, Tuition	\$5,603,406	\$6,860,414	(\$1,257,008)	-18.3%
Repairs & Maintenance	\$1,074,014	\$5,756,786	(\$4,682,772)	-81.3%
Other Operating Expenses	\$16,539,681	\$22,175,376	(\$5,635,695)	-25.4%
<i>Subtotal Other</i>	<i>\$27,578,726</i>	<i>\$40,436,714</i>	<i>(\$12,857,988)</i>	<i>-31.8%</i>
Total Expenditures	\$74,482,344	\$92,817,524	(\$18,335,180)	-19.8%

Overall, expenditures are projected to be 29.2% more compared to actual FY23 expenditures. Personnel cost is projected to increase by 20.7% due to collective bargaining increases, increase in minimum wage, and the strategic filling of vacant positions under recruitment. The projected FY24 utilities budget is about \$2.2 million more than actual in FY23 because the budgeted amount includes an overall increase in usage including the residence halls and the availability of federal funds to cover a portion of the FY23 electricity costs which will not be available in FY24. Repairs and Maintenance expenses projected for FY24 is \$600,000 more than actual FY23 expenditures primarily due to a one-time repair project at the Student Life Center. Other Operating Expenses are projected to be \$7.1 million more than actual FY23 expenditures due to increased operating cost for the residence halls, transfer of the RCUH revolving funds to UH and one-time spending from reserves.

A total of \$10.1 million of unencumbered cash reserves is planned to support new initiatives and existing programs and services that are in alignment with the UH Strategic Plan reinforcing the commitment to providing a unique education and experience to our students and strengthening enrollment and revenue.

New initiatives (\$7.1 million):

- Fulfill Kuleana to Native Hawaiians and Hawai'i (\$140,000)

'Āina- and community- based education – Two passenger vans are needed to transport students and employees to different communities across the island which will allow the University to provide opportunities to connect students and employees to 'āina which is a foundation to Hawaiian culture, knowledge and language. 'Āina- and community-based education with community partners is a strategy that gives students direct experience with the issues they are studying in the curriculum and with efforts to analyze and solve problems in our own community. 'Āina- and community- based education will be transformational, a pathway for our students to discover aloha 'āina, which will serve them for their entire lives, while impacting the community immediately.

- Develop Successful Students for a Better Future (\$7.0 million)

Improve campus infrastructure: Approximately \$4.1 million will be invested to upgrade, repair or replace classroom furniture, network switches, computer labs, York chiller, security cameras, and air conditioning. Also included are funds to partially fund the decommissioning of Hoku Kea and campus-wide deferred maintenance projects. The quality of campus facilities and infrastructure impacts student recruitment and student success. It is important to have a well-maintained facility that will enhance the student learning and campus living experience. Proper temperature control is important to the comfort of the students and employees and affects concentration and engagement levels.

Improve hands-on learning: \$800,000 will support the marine science program and agriculture farm. The marine science's boat is inoperable due to recent mechanical failures and needs to be replaced along with a trailer. There is a possibility of trading in the old boat which will offset some of the cost. A truck or SUV is also needed to transport the boat, which is used to support research and experiential learning for students in a range of classes such as Oceanography, Experimental Methods, Marine Mammals, and Scientific Diving. The purchase of a tractor will help to add (and maintain) more usable land at the UH Hilo Agricultural Farm Laboratory where students are able to put theory into practice with hands-on learning in various areas such as ornamental foliage, hydroponics vegetables, forestry, sustainable agriculture, livestock production, equine science, beekeeping, and more.

Enhance student engagement and achievement: Approximately \$2.1 million will be invested towards recruitment and retention initiatives. We are investing in temporary internship, transfer student, and retention coordinator positions to enable students to make more informed decisions about their academic and career pathways. These temporary positions will be funded with reserves for two years with plans to request permanent positions and general funds in the 2025-2027 biennium budget if proven successful. Reserves will also be committed for peer mentoring, enhanced new student orientation program, additional student workers, and a pilot program to provide opportunity grants to non-resident undergraduate students. UH Hilo recognizes the critical need to implement high-impact practices that enhance student success and well-being. Comprehensive orientation programs and peer mentoring as well as an integrated approach for transferring, advising and career/internship coordination are key components, each contributing to the holistic advancement of student engagement and achievement.

In pursuit of our strategic goal to educate more students and empower them to achieve their goals while contributing to society, UH Hilo recognizes the correlation and importance of having a sound strategic enrollment plan to do this. This would include bringing in a consultant, integrating new technology due to the loss of EAB in our enrollment strategy, and to build a pipeline for future enrollment with name purchasing and communications being critical in that venture.

Fund current programs and critical services (\$3.0 million)

Reserves will be utilized to minimize impact to programs and services due to a decline in tuition and fee revenue, general fund restriction and increased operating expenses (utilities, fringe benefit, bank service fees, minimum wage, etc.). Use of reserves will enable the campus to continue activities that address University strategic imperatives:

- Fulfill Kuleana to Native Hawaiians and Hawai'i (\$500,000)

Continue educational programs at the 'Imiloa Astronomy Center and continue planning and completing the 'Imiloa-Ka Haka 'Ula O Ke'elikōlani Hawaiian Immersion Pathway program.

- Developing Successful Students for a Better Future (\$2.0 million)

Continue to provide library, tutoring, advising and counseling services which are necessary for students to achieve academic success and persist in their academic journey.

Continue to provide courses and applied research opportunities that will prepare students to successfully reach their academic, personal and professional goals.

- Meet Hawai'i's Workforce Needs of Today and Tomorrow (\$500,000)

Continue to offer courses in education, nursing, computer science, aeronautical science, counseling psychology and administration of justice to meet the workforce needs of the state of Hawai'i.

Net Operating Gain (Loss)

Net Operating Income (including one-time expenditures) (All Funds Summary)	FY24 Projected
Net Operating Income	(\$8,334,520)
Beginning Balance	\$56,888,670
Ending Balance	\$48,554,150
Other Reserve Requirements (R&R, Bond, RTRF Commitments)	\$8,500,000
Revised Ending Balance	\$40,054,150
Reserve Requirement (5% Minimum)	\$4,767,806
Balance Above Minimum Reserve After Adjustments	\$35,286,344

Pursuant to Executive Policy EP2.212, 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 Daniel K. Inouye College of Pharmacy (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 \$8.5 million.

Although UH Hilo proposes to spend \$8.3 million more than its revenues, the remaining balance of \$48.6 million is still above the minimum threshold.

TUITION AND FEES SPECIAL FUND

Revenues

FY24 Projected	FY23 Actual	FY24 Projected vs. FY23 Actual	%age
\$24,872,977	\$26,713,793	(\$1,840,816)	-6.89%

FY23 Actual	FY23 Projected	FY23 Actual vs. FY23 Projected	%age
\$26,713,793	\$25,313,849	\$1,399,944	5.24%

Tuition and Fee revenues are planned to be 6.89% less than the FY23 actual amount due to a projected overall enrollment decline of 6.5%.

Expenditures

Expenditure Category	FY24 Budget	FY23 Actual	FY24 Projected vs. FY23 Actual	%age
Regular Employee Payroll	\$5,050,015	\$3,779,723	\$1,270,292	33.6%
Lecturer Payroll	\$820,755	\$213,367	\$607,388	284.7%
Student Help Payroll	\$1,065,277	\$817,731	\$247,546	30.3%
Other Personnel	\$733,450	\$398,871	\$334,579	83.9%
<i>Subtotal Personnel</i>	<i>\$7,669,497</i>	<i>\$5,209,692</i>	<i>\$2,459,805</i>	<i>47.2%</i>
Utilities	\$5,615,408	\$1,095,405	\$4,520,003	412.6%
Scholarships, Tuition	\$150,000	\$126,387	\$23,613	18.7%
Repairs & Maintenance	\$1,105,000	\$907,328	\$197,672	21.8%
Other Operating Expenses	\$9,833,056	\$5,918,223	\$3,914,833	66.1%
<i>Subtotal Other</i>	<i>\$16,703,464</i>	<i>\$8,047,343</i>	<i>\$8,656,121</i>	<i>107.6%</i>
Total Expenditures	\$24,372,961	\$13,257,035	\$11,115,926	83.8%

Expenditure Category	FY23 Actual	FY23 Projected	FY23 Actual vs. FY23 Projected	%age
Regular Employee Payroll	\$3,779,723	\$4,896,397	(\$1,116,674)	-22.8%
Lecturer Payroll	\$213,367	\$209,942	\$3,425	1.6%
Student Help Payroll	\$817,731	\$629,590	\$188,141	29.9%
Other Personnel	\$398,871	\$1,014,857	(\$615,986)	-60.7%
<i>Subtotal Personnel</i>	<i>\$5,209,692</i>	<i>\$6,750,786</i>	<i>(\$1,541,094)</i>	<i>-22.8%</i>
Utilities	\$1,095,405	\$3,526,780	(\$2,431,375)	-68.9%
Scholarships, Tuition	\$126,387	\$200,000	(\$73,613)	-36.8%
Repairs & Maintenance	\$907,328	\$2,899,401	(\$1,992,073)	-68.7%
Other Operating Expenses	\$5,918,223	\$8,653,533	(\$2,735,310)	-31.6%
<i>Subtotal Other</i>	<i>\$8,047,343</i>	<i>\$15,279,714</i>	<i>(\$7,232,371)</i>	<i>-47.3%</i>
Total Expenditures	\$13,257,035	\$22,030,500	(\$8,773,465)	-39.8%

FY24 personnel expenditures are planned to be \$2.5 million more compared to FY23 actual expenditures due to several factors: 1) collective bargaining increases, 2) availability of general funds due to vacancies in FY23, 3) increased fringe benefit costs, and 4) planned one-time expenditures.

The projected FY24 utilities budget is about \$4.5 million more than a uniquely low actual expenditure in FY23. General funds and federal funds were available last year but are not available in FY24. The FY24 projected amount also includes an increase in electricity usage.

Other operating expenses are projected to increase by \$3.9 million when compared to FY23 actual expenditures due to planned one-time spending of reserves.

Net Operating Gain (Loss)

Net Operating Income (including one-time expenditures) (TFSF)	FY24 Budget
Net Operating Income	(\$7,385,450)
Beginning Balance	\$41,404,716
Ending Balance	\$34,019,266
Other Reserve Requirements (R&R, Bond, RTRF Commitments)	
Revised Ending Balance	\$34,019,266
Reserve Requirement (5% Minimum)	\$3,953,626
Balance Above Minimum Reserve After Adjustments	\$30,065,640

UH Hilo’s TFSF ending balance of \$34.0 million is above the 5% minimum reserve requirement set in Executive Policy EP8.210 Systemwide Financial Reserves.

The net operating loss of \$7.4 million is due to planned one-time expenditures to support the strategic imperatives. Approximately \$6.26 million will be used toward “Developing Successful Students for a Better Future”, \$640,000 toward “Fulfill Kuleana to Native Hawaiians and Hawai’i” and \$500,000 toward “Meet Hawai’i’s Workforce Needs of Today and Tomorrow”. Additional information was included in the expenditure section for all funds earlier in this document.

University of Hawai'i West O'ahu

Introduction

The University of Hawai'i West O'ahu (UHWO) offers a distinct, learner-centered workforce-aligned baccalaureate education that integrates humanities, education, social sciences, business, public administration, creative media, and STEM with professional and applied fields. As a diverse and inclusive indigenous-grounded institution, UHWO balances Native Hawaiian knowledge and cultural practices with other cultures and world views to provide dynamic learning environments delivered via online, in-person, and hybrid platforms. Students learn, discover, innovate, engage, and thrive as they become our 21st Century leaders.

UHWO is focused on supporting prioritized activities that are closely aligned with the University of Hawai'i Strategic Imperatives (2023) and the UHWO Strategic Action Plan (2018). Hence, the overall budget is intentionally conservative reflecting consecutive years of limited new financial support from the legislature, inflationary impacts on the cost of goods and services, and the uncertain short and long-term impacts of the tragic wildfires on Maui and Hawai'i Island. The budget reflects our attention to growing enrollment by investing in much-needed workforce development programs such as pre-nursing with UH Mānoa and early childhood through secondary teacher-preparation as well as stabilizing advising and student support to strengthen student retention and persistence outcomes. The campus is engaged in other revenue-generating initiatives, such as, leasing mauka land to AES (solar energy farm) and hosting of the DreamHouse 'Ewa Beach Public Charter School's 10th grade class on campus this academic year (their new campus will open in 2024).

To effectively monitor and manage our fiscal stability, UHWO employs a comprehensive review process for all personnel and position action requests, assesses all operational costs to ensure they are operationally necessary, and maintains financial monitoring through monthly reporting and analyses to the University Budget Advisory Council and campus Executive Team. This year we will also utilize Higher Education Emergency Relief Funds (HEERF) transferred in early FY24 for revenue losses incurred through June 30, 2023, and a portion of generated RTRF to assist with FY24 operational and investment costs.

Over the course of this fiscal year, UHWO will continue to assess and implement cost-saving measures as well as explore and seek out alternative streams of funding to enhance our fiscal sustainability. For example, expanding the university's photovoltaic capacity is a strategic opportunity that the university is actively exploring. In addition, UHWO will develop and implement a Strategic Enrollment Management plan that will guide enrollment growth over the next five years. Another key enrollment action will be the development of a plan to add student housing.

BUDGET SUMMARY
ALL FUNDS

Revenues

Type of Fund	FY24 Projected	FY 23 Actual	FY24 Proj. vs. FY23 Actual	%age
General Funds	\$20,982,353	\$21,503,465	(\$521,112)	-2.4%
Tuition & Fees	\$16,847,698	\$16,864,416	(\$16,718)	-0.1%
RTRF	\$1,178,570	\$988,280	\$190,290	19.3%
Other Special Funds	\$203,550	\$231,085	(\$27,535)	-11.9%
Other Revolving Funds	\$800,302	\$643,585	\$156,717	24.4%
Appropriated Federal	\$108,000	\$86,514	\$21,486	24.8%
Total Revenues	\$40,120,473	\$40,317,345	(\$196,872)	-0.5%

Type of Fund	FY 23 Actual	FY23 Projected	FY23 Actual vs. FY23 Proj.	%age
General Funds	\$21,503,465	\$20,766,813	\$736,652	3.5%
Tuition & Fees	\$16,864,416	\$16,724,824	\$139,592	0.8%
RTRF	\$988,280	\$243,639	\$744,641	305.6%
Other Special Funds	\$231,085	\$130,900	\$100,185	76.5%
Other Revolving Funds	\$643,585	\$719,730	(\$76,145)	-10.6%
Appropriated Federal	\$86,514	\$100,000	(\$13,486)	-13.5%
Total Revenues	\$40,317,345	\$38,685,906	\$1,631,439	4.2%

Total FY24 revenues are projected to decrease by 0.5% as compared to FY23 actual revenues. The primary reason for the decrease is due to a one-time adjustment of \$1 million to appropriated General Funds in FY23. Had this adjustment not occurred the net change of the nearly 5% increase in collective bargaining and decrease of 5% restriction and 5% contingency restriction would have been an increase of approximately \$480,000 in General Fund revenues. RTRF is projected to grow by \$190,290 due to an increase in indirect costs associated with FY23 extramural awards. Other Revolving Funds is projecting growth of \$156,717 due to additional rental income.

RTRF revenues exceeded projections in FY23 by 305.6% as we received our first RTRF distributions related to HEERF. Other Special Fund revenues exceeded projections in FY23 by 76.5% as International/Global Engagement Programs continue to return to pre-pandemic levels and interest earnings increase on interest bearing accounts.

Expenditures

Expenditure Category	FY24 Budget	FY23 Actual	FY24 Projected vs. FY23 Actual	%age
Regular Employee	\$24,257,800	\$21,507,485	\$2,750,315	12.8%
Lecturer Payroll	\$3,789,330	\$2,855,911	\$933,419	32.7%
Student Help Payroll	\$879,884	\$420,598	\$459,286	109.2%
Other Personnel	\$442,815	\$95,723	\$347,092	362.6%
<i>Subtotal Personnel</i>	\$29,369,829	\$24,879,717	\$4,490,112	18.0%
Utilities	\$1,967,633	\$1,026,079	\$941,554	91.8%
Scholarships, Tuition	\$2,226,153	\$2,656,041	(\$429,888)	-16.2%
Other Operating Expenses	\$3,668,356	\$3,480,274	\$188,082	5.4%
<i>Subtotal Other</i>	\$7,862,142	\$7,162,394	\$699,748	9.8%
Total Expenditures	\$37,231,971	\$32,042,111	\$5,189,860	16.2%

Expenditure Category	FY23 Actual	FY23 Projected	FY23 Actual vs. FY23 Projected	%age
Regular Employee	\$21,507,485	\$22,488,587	(\$981,102)	-4.4%
Lecturer Payroll	\$2,855,911	\$3,595,941	(\$740,030)	-20.6%
Student Help Payroll	\$420,598	\$807,919	(\$387,321)	-47.9%
Other Personnel	\$95,723	\$209,370	(\$113,647)	-54.3%
<i>Subtotal Personnel</i>	\$24,879,717	\$27,101,817	(\$2,222,100)	-8.2%
Utilities	\$1,026,079	\$2,100,000	(\$1,073,921)	-51.1%
Scholarships, Tuition	\$2,656,041	\$2,530,000	\$126,041	5.0%
Other Operating Expenses	\$3,480,274	\$4,014,537	(\$534,263)	-13.3%
<i>Subtotal Other</i>	\$7,162,394	\$8,644,537	(\$1,482,143)	-17.1%
Total Expenditures	\$32,042,111	\$35,746,354	(\$3,704,243)	-10.4%

Overall, expenditures in FY24 are projected to increase by 16.2% compared to FY23. Personnel increases are due to collective bargaining raises and an increase in fringe benefit rates. Increases in “Student Help Payroll” and “Other Personnel” are due primarily to increases in minimum wage and additional student support services/activities within the Office of Student Affairs. Utilities and other operating expenses are expected to increase due to additional on-campus enrollments and inflationary rates. Scholarships are expected to decrease because of decreased TFSF revenues and an adjustment to campus initiatives.

In FY23, UHWO expended approximately \$3.7 million less than projected. Factors contributing to this savings included the continued review of purchase requests by the Chancellor for institutional funds to maximize cash preservation, receipt of \$800,000 in one-time federal funds, strategic use of COVID relief funds, and personnel savings realized due to the hiring freeze and strategic hiring.

Net Operating Gain (Loss)

Net Operating Income (including one-time expenditures) (All Funds Summary)	FY24 Projected
Net Operating Income	\$491,983
Beginning Balance	\$29,983,411
Ending Balance	\$30,475,394
Other Reserve Requirements (R&R, Bond, RTRF Commitments)	\$5,310,008
Revised Ending Balance	\$25,165,386
Reserve Requirement (5% Minimum)	\$1,976,025
Balance Above Minimum Reserve After Adjustments	\$23,189,361

UHWO is projecting to have an ending balance of \$25.2 million, sufficient to meet its 5% and 16% reserve requirements.

Other Reserve Requirements include contributions made pursuant to Executive Policy EP2.212, towards the repair and replacement reserve.

TUITION AND FEES SPECIAL FUND

Revenues

FY24 Projected	FY23 Actual	FY24 Proj. vs. FY23 Actual	%age
\$16,847,698	\$16,864,416	(\$16,718)	-0.1%

FY23 Actual	FY23 Projected	FY23 Actual vs. FY23 Proj.	%age
\$16,864,416	\$16,724,824	\$139,592	0.8%

Tuition and fee revenues are projected to decline by 0.1% as compared to FY23 actuals because of an anticipated small decline in academic year enrollment. Summer session tuition revenue is expected to remain in alignment with FY23.

During FY23, tuition and fee revenues were 0.8% above projections because of yearlong efforts to increase student enrollment with activities that ranged from recruitment to retention and persistence.

Expenditures

Expenditure Category	FY24 Budget	FY23 Actual	FY24 Projected vs. FY23 Actual	%age
Regular Employee	\$3,020,774	\$1,934,087	\$1,086,687	56.2%
Lecturer Payroll	\$3,789,330	\$667,328	\$3,122,002	467.8%
Student Help Payroll	\$608,154	\$301,280	\$306,874	101.9%
Other Personnel	\$182,252	\$66,619	\$115,633	173.6%
<i>Subtotal Personnel</i>	\$7,600,510	\$2,969,314	\$4,631,196	156.0%
Utilities	\$1,967,633	\$928,155	\$1,039,478	112.0%
Scholarships, Tuition	\$0	\$0	\$0	
Other Operating	\$2,613,361	\$2,600,331	\$13,030	0.5%
<i>Subtotal Other</i>	\$4,580,994	\$3,528,486	\$1,052,508	29.8%
Total Expenditures	\$12,181,504	\$6,497,800	\$5,683,704	87.5%

Expenditure Category	FY23 Actual	FY23 Projected	FY23 Actual vs. FY23 Projected	%age
Regular Employee	\$1,934,087	\$2,021,707	(\$87,620)	-4.3%
Lecturer Payroll	\$667,328	\$3,004,560	(\$2,337,232)	-77.8%
Student Help Payroll	\$301,280	\$521,603	(\$220,323)	-42.2%
Other Personnel	\$66,619	\$105,975	(\$39,356)	-37.1%
<i>Subtotal Personnel</i>	\$2,969,314	\$5,653,845	(\$2,684,531)	-47.5%
Utilities	\$928,155	\$2,100,000	(\$1,171,845)	-55.8%
Scholarships, Tuition	\$0	\$0	\$0	
Other Operating	\$2,600,331	\$2,815,104	(\$214,773)	-7.6%
<i>Subtotal Other</i>	\$3,528,486	\$4,915,104	(\$1,386,618)	-28.2%
Total Expenditures	\$6,497,800	\$10,568,949	(\$4,071,149)	-38.5%

FY24 TFSF expenditures are projected to increase by 87.5% or \$5.7 million over the actual amount expended in FY23. The increase in personnel expenditures is due to collective bargaining raises and increases in fringe benefit rates, funding mix, and strategic investments in critical student success and workforce initiatives. Increases in student help and other personnel are due primarily to an increase in student support services/activities within the Office of Student Affairs. Increases in other expenditures are due primarily to campus re-engagement and inflationary rate projections. The utilities increase in FY24 projected expenditures as compared to FY23 actuals is due to an estimated 15% inflationary rate adjustment and an offset of \$800K in utilities due to the one-time receipt of federal funds in FY23.

Transfers

In FY24, UHWO will transfer approximately \$6.2 million, or 37% of its estimated tuition revenue, for debt service commitments (\$3.8 million), UHWO scholarships (\$2.2 million) per EP 6.204, R&R reserve (\$10K) per EP 2.212, and various system assessments (~\$156K).

Net Operating Gain (Loss) _

UHWO continues to diligently work to manage expenses and maximize revenues. The FY24 budget is a bridge budget from the challenges of the pandemic and the need to address some of the long-term challenges that were either created or exasperated by the pandemic. One of those areas of need is healthcare. The FY24 projected TFSF deficit of \$343,841 includes funding for personnel in the nursing program that UHWO operates in partnership with UH Manoa.

These investments align with the following UH imperatives:

- developing students for a better future; and
- meeting Hawai'i workforce needs of today and tomorrow.

Net Operating Income (including one-time expenditures) (TFSF)	FY24 Projected
Net Operating Income	(\$343,841)
Beginning Balance	\$20,060,749
Ending Balance	\$19,716,908
Other Reserve Requirements (R&R, Bond, RTRF Commitments)	\$0
Revised Ending Balance	\$19,716,908
Reserve Requirement (5% Minimum)	\$1,908,695
Balance Above Minimum Reserve After Adjustments	\$17,808,213

UHWO is projected to have an ending balance of \$19.7 million, sufficient to meet its 5% and 16% reserve requirements.

Community Colleges

Introduction

The University of Hawai'i Community Colleges (UH CC) are committed to broadening access to postsecondary education in Hawai'i by providing general education and other introductory liberal arts, pre-professional and selected baccalaureate courses and programs, and career technical education. In addition, UH CC is dedicated to providing a trained workforce in occupational, technical, and professional programs which prepare students for immediate employment and career advancement as well as provide opportunities for personal enrichment, occupational upgrading and career mobility through both credit and non-credit courses and activities. These overarching directives in combination with additional initiatives align the UH CC's operational spending plan favorably with the UH's 2023–2029 Strategic Plan's imperatives.

UH CC recognizes the role of the UH in fulfilling our kuleana to Native Hawaiians and Hawai'i and in doing so, has been tracking the degrees and certificates awarded to Native Hawaiians since 2012 to ensure that we support the success of Native Hawaiians and nurture Native Hawaiians as leaders. As an example, the Good Jobs Hawaii initiative which aims to accelerate Hawai'i's local workforce for a better future actively seeks to partner with organizations that support pathways for underserved groups including Native Hawaiians.

UHCC is committed to the development of successful students for a better future and supports the creation of programs that reach all sectors of Hawai'i's population both traditional, recent high school graduates, and non-traditional, early college, returning adults including incarcerated students. Financial barriers to access programs are being addressed through scholarships, e.g. Hawai'i Promise, and programs such as Good Jobs Hawaii which offer free skills training in Hawai'i's high-demand sectors. Furthermore, recent legislation was passed removing the FAFSA barrier for qualified Hawai'i Promise scholarship applicants enrolled in certificate programs allowing more students access to post-graduate certificates while alleviating the financial burden they may encounter in doing so. In addition to assisting the student financially, UH CC recognizes the changing times and offers multiple modalities of instruction (in person, on-line, and hybrid courses) to assist students who may be facing competing familial needs. UH CC has hired instructional designers who work to assist instructors to be more successful at multiple modalities of instruction by introducing them to new tools and methods of creating more interactive and engaging courses. Programs such as Early College that allow high school students to take college classes and earn both high school and college credits upon successful completion provide innovative learning experiences and produce participants who are more likely to enroll, persist, and complete college.

UH CC continues to work towards meeting of Hawai'i's workforce needs both today and tomorrow. Grants such as Good Jobs Hawaii partner with employers in high demand fields such as health, technology, skilled trades, and sustainability to assure students leaving the program have the necessary skills needed to enter the workforce upon completion. Employers and students are able to build relationships while the student is in the program allowing both employers and potential employees the ability to establish a connection prior to the student

completing the program. While programs are designed to be a year or less, they are intended to guide the student to a pathway to a career if desired and not just a means of job upscaling.

UH CC looks for opportunities to diversify Hawai'i's economy through innovation and research through initiatives such as the Culinary Institute of the Pacific which is a research and product development hub with an emphasis on sustainable, island-based food systems. Cross-disciplinary programs and services are offered for both academic credit and professional certifications in the areas of new product development, sensory evaluation & flavor science, and wellness and nutritional health. In addition, we are working with the State to develop a program that would contribute to the growth of Hawai'i's agricultural industry and the entrepreneurial community. The Wahiawa Value-added Product Development Center (WVAPDC) will increase the opportunity for local farmers and growers to sell their products to value-added producers, build residents' capacity to develop entrepreneurial skills and incubate their business through access to small business resources, production kitchens, and in-house product development, and provide premier education to students and community members, supporting Hawai'i's entrepreneurial ecosystem for generations to come.

BUDGET SUMMARY
ALL FUNDS

Revenues

Type of Fund	FY24 Projected	FY 23 Actual	FY24 Projected vs. FY23 Actual	%age
General Funds	\$173,895,641	\$166,445,574	\$7,450,067	4.5%
Tuition & Fees	\$48,947,646	\$49,330,146	(\$382,500)	-0.8%
RTRF	\$5,095,511	\$5,095,511	\$0	0.0%
Other Special Funds	\$38,439	\$38,439	\$0	0.0%
Other Revolving Funds	\$18,285,850	\$17,832,592	\$453,258	2.5%
Appropriated Federal Funds	\$2,944,483	\$2,600,682	\$343,801	13.2%
Total Revenues	\$249,207,570	\$241,342,944	\$7,864,626	3.3%

Type of Fund	FY 23 Actual	FY23 Projected	FY23 Actual vs. FY23 Projected	%age
General Funds	\$166,445,574	\$166,217,399	\$228,175	0.1%
Tuition & Fees	\$49,330,146	\$47,324,452	\$2,005,694	4.2%
RTRF	\$5,095,511	\$1,501,403	\$3,594,108	239.4%
Other Special Funds	\$38,439	\$4,198	\$34,241	815.7%
Other Revolving Funds	\$17,832,592	\$17,153,785	\$678,807	4.0%
Appropriated Federal Funds	\$2,600,682	\$2,222,977	\$377,705	17.0%
Total Revenues	\$241,342,944	\$234,424,214	\$6,918,730	3.0%

Revenues for General Funds show an increase of \$7.45 million or 4.5% largely due to collective bargaining increases. As of this writing, IRAPO projected a decrease in registered student semester hours which translates to an 0.8% decrease in TFSF revenues. The decline

mimics the national trend of the undergraduate slide stabilizing yet total postsecondary enrollment continuing to be substantially below pre-pandemic levels.

Expenses

Expenditure Category	FY24 Budget	FY23 Actual	FY24 Projected vs. FY23 Actual	%age
Regular Employee Payroll	\$139,748,291	\$121,828,981	\$17,919,310	14.7%
Lecturer Payroll	\$25,128,193	\$23,310,817	\$1,817,376	7.8%
Student Help Payroll	\$3,252,514	\$2,325,598	\$926,916	39.9%
Other Personnel	\$2,215,048	\$1,615,498	\$599,550	37.1%
<i>Subtotal Personnel</i>	<i>\$170,344,046</i>	<i>\$149,080,894</i>	<i>\$21,263,152</i>	<i>14.3%</i>
Utilities	\$11,912,462	\$11,052,325	\$860,137	7.8%
Scholarships, Tuition	\$8,452,204	\$4,473,832	\$3,978,372	88.9%
Other Operating Expenses	\$47,030,586	\$63,347,772	(\$16,317,186)	-25.8%
<i>Subtotal Other</i>	<i>\$67,395,252</i>	<i>\$78,873,929</i>	<i>(\$11,478,677)</i>	<i>-14.6%</i>
Total Expenditures	\$237,739,298	\$227,954,823	\$9,784,475	4.3%

Expenditure Category	FY23 Actual	FY23 Projected	FY23 Actual vs. FY23 Projected	%age
Regular Employee Payroll	\$121,828,981	\$132,883,231	(\$11,054,250)	-8.3%
Lecturer Payroll	\$23,310,817	\$21,977,692	\$1,333,125	6.1%
Student Help Payroll	\$2,325,598	\$2,388,983	(\$63,385)	-2.7%
Other Personnel	\$1,615,498	\$1,228,714	\$386,784	31.5%
<i>Subtotal Personnel</i>	<i>\$149,080,894</i>	<i>\$158,478,620</i>	<i>(\$9,397,726)</i>	<i>-5.9%</i>
Utilities	\$11,052,325	\$12,334,261	(\$1,281,936)	-10.4%
Scholarships, Tuition	\$4,473,832	\$7,493,765	(\$3,019,933)	-40.3%
Other Operating Expenses	\$63,347,772	\$59,268,717	\$4,079,055	6.9%
<i>Subtotal Other</i>	<i>\$78,873,929</i>	<i>\$79,096,743</i>	<i>(\$222,814)</i>	<i>-0.3%</i>
Total Expenditures	\$227,954,823	\$237,575,363	(\$9,620,540)	-4.0%

Overall personnel cost projections indicate an increase of 14.3% primarily due to the filling of regular positions that remained vacant during FY23. Additionally, student hire budgets include an increase of \$926,916, or 39.9%, to provide students with additional opportunities to learn valuable job skills and contribute toward their educational expenses. The increase in scholarship expenditures of \$3.97 million or 88.9% is mainly the result of this past legislative session which appropriated \$3.7 million in FY24 for Hawai'i Promise. The decrease in Other Operating Expenses of \$16.3M or 25.8% is largely due to a one-time expenditure in FY23 related to the buyout of the Phase I power purchase agreement that was in place in support of UHCC's net zero initiative.

UH CC continues the commitment to the UH's strategic imperatives in FY24 to improve campus infrastructure and create an environment that is vibrant and safe and encourages the development of successful students with the allocation of \$9 million in one-time expenditures.

Net Operating Gain (Loss)

Net Operating Income (including one-time expenditures) (All Funds Summary)	FY24 Projected
Net Operating Income	\$7,440,834
Beginning Balance	\$171,716,532
Ending Balance	\$179,157,366
Other Reserve Requirements (R&R, Bond, RTRF Commitments)	\$2,300,000
Revised Ending Balance	\$176,857,366
Reserve Requirement (5% Minimum)	\$12,033,877
Balance Above Minimum Reserve After Adjustments	\$164,823,489

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 are required pursuant to Executive Policy EP2.212.

TUITION AND FEES SPECIAL FUND

Revenues

FY24 Projected	FY23 Actual	FY24 Proj. vs. FY23 Actual	%age
\$48,947,646	\$49,330,146	(\$382,500)	-0.8%

FY23 Actual	FY23 Projected	FY23 Actual vs. FY23 Proj.	%age
\$49,330,146	\$47,324,452	\$2,005,694	4.2%

TFSF revenues are projected to decrease by \$382,500, or 0.8%. Please refer to the TFSF portion of the All Fund Summary for additional information.

Expenditures

Expenditure Category	FY24 Budget	FY23 Actual	FY24 Projected vs. FY23 Actual	%age
Regular Employee Payroll	\$4,003,489	\$3,603,469	\$400,020	11.1%
Lecturer Payroll	\$402,790	\$377,450	\$25,340	6.7%
Student Help Payroll	\$2,296,685	\$1,513,604	\$783,081	51.7%
Other Personnel	\$1,163,607	\$868,952	\$294,655	33.9%

<i>Subtotal Personnel</i>	\$7,866,571	\$6,363,475	\$1,503,096	23.6%
Utilities	\$6,270,864	\$6,252,012	\$18,852	0.3%
Scholarships, Tuition	\$2,664,182	\$2,712,686	(\$48,504)	-1.8%
Other Operating Expenses	\$25,987,165	\$31,070,484	(\$5,083,319)	-16.4%
<i>Subtotal Other</i>	\$34,922,211	\$40,035,182	(\$5,112,971)	-12.8%
Total Expenditures	\$42,788,782	\$46,398,657	(\$3,609,875)	-7.8%

Expenditure Category	FY23 Actual	FY23 Projected	FY23 Actual vs. FY23 Projected	%age
Regular Employee Payroll	\$3,603,469	\$2,818,815	\$784,654	27.8%
Lecturer Payroll	\$377,450	\$242,635	\$134,815	55.6%
Student Help Payroll	\$1,513,604	\$1,791,362	(\$277,758)	-15.5%
Other Personnel	\$868,952	\$691,213	\$177,739	25.7%
<i>Subtotal Personnel</i>	\$6,363,475	\$5,544,025	\$819,450	14.8%
Utilities	\$6,252,012	\$3,948,854	\$2,303,158	58.3%
Scholarships, Tuition	\$2,712,686	\$5,556,610	(\$2,843,924)	-51.2%
Other Operating Expenses	\$31,070,484	\$39,474,904	(\$8,404,420)	-21.3%
<i>Subtotal Other</i>	\$40,035,182	\$48,980,368	(\$8,945,186)	-18.3%
Total Expenditures	\$46,398,657	\$54,524,393	(\$8,125,736)	-14.9%

Student Help cost is projected to increase due to a concerted effort to provide students with additional opportunities to learn valuable job skills and contribute toward their educational expenses.

Net Operating Gain (Loss)

Net Operating Income (including one-time expenditures) (TFSF)	FY24 Projected
Net Operating Income	\$1,042,569
Beginning Balance	\$123,786,873
Ending Balance	\$124,829,442
Other Reserve Requirements (R&R, Bond, RTRF Commitments)	\$2,300,000
Revised Ending Balance	\$122,529,442
Reserve Requirement (5% Minimum)	\$11,182,800
Balance Above Minimum Reserve After Adjustments	\$111,346,642

Other Reserve Requirements include debt service payments for energy projects and new facilities that were financed using revenue bonds. It also includes contributions toward a repair and replacement reserve fund that are required pursuant to Executive Policy EP2.212.

Systemwide Administration

Introduction

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

The UH embarked on developing a new Strategic Plan for 2023 – 2029 in March 2022, and at the November 2022 Board of Regent's meeting, the new strategic plan was approved. The latest strategic plan is built on five Foundational Principles and Four Imperatives. Included in the five Foundational Principles are: 1) Hawaiian Place of Learning; 2) Statewide Need; 3) Diversity and Equity; 4) Sustainability; and 5) Stewardship of Resources. The four Imperatives include: Fulfilling Kuleana to Native Hawaiians and Hawai'i, Developing successful students for a better future, Meeting Hawai'i's workforce needs of today and tomorrow, and Diversifying Hawai'i's economy through UH innovation and research.

UH System provides funding for programs such as supporting Hawai'i Papa O Ke Ao, Na Pua No'eau, and the Pūko'a Council to fulfill our kuleana to native Hawaiians and Hawai'i. UH System also helps to develop successful students for a better future through the B+ and Western Interstate Commission for Higher Education (WIICHE) scholarships, support for a safe environment and infrastructure improvement, and academic units that support student success across our ten campuses, and connecting with K-12 partners through Early College and the Jump Start programs. Career and Technical Education and the Hawai'i Commission for National and Community Service are programs that help meet Hawai'i's workforce needs of today and tomorrow. The UH System budget also helps to diversify Hawai'i's economy through UH innovation and research through a broad range of support to the UH research community including research compliance, research services, and cost studies, as well as supporting emerging technology transfer and commercialization, the Academy for Creative Media, and STEM programs.

UH System programs will commence on various new strategic investments of \$3.4 million in FY24 and will commit additional funding of \$9.7 million over the next five years in order to support efforts in all four Imperatives. The UH System will be supporting its commitment to kuleana to Native Hawaiians and Hawai'i by hiring a full-time Director for Hawai'i Papa O Ke Ao. Similarly, a full-time Director for Workforce Initiatives will be hired to

coordinate and lead meeting Hawai'i's workforce needs. Student Success initiatives include several investments in Information Security, updating the student information system Banner, and to replace the LMS system LauLima, and a feasibility study of the University Avenue Ewa parcel. Lastly, there are plans to invest in innovation and research by opening a Conservation Stewardship Center, updating the electronic research administration software, and to support efforts of our faculty through patent legal fees.

**BUDGET SUMMARY
ALL FUNDS**

Revenues

Type of Fund	FY24 Projected	FY23 Actual	FY24 Proj. vs. FY23 Actual	%age
General Funds	\$61,920,181	\$57,666,678	\$4,253,503	7.4%
Tuition & Fees	\$8,505,100	\$8,631,336	(\$126,236)	-1.5%
RTRF	\$19,055,583	\$29,893,736	(\$10,838,153)	-36.3%
Other Special Funds	\$5,080,214	\$5,035,741	\$44,473	0.9%
Other Revolving Funds	\$896,479	\$893,075	\$3,404	0.4%
Appropriated Federal Funds	\$4,342,000	\$4,914,504	(\$572,504)	-11.6%
Total Revenues	\$99,799,557	\$107,035,070	(\$7,235,513)	-6.8%

Type of Fund	FY23 Actual	FY23 Projected	FY23 Actual vs. FY23 Proj.	%age
General Funds	\$57,666,678	\$58,626,876	(\$960,198)	-1.6%
Tuition & Fees	\$8,631,336	\$1,616,580	\$7,014,756	433.9%
RTRF	\$29,893,736	\$17,069,193	\$12,824,543	75.1%
Other Special Funds	\$5,035,741	\$4,641,568	\$394,173	8.5%
Other Revolving Funds	\$893,075	\$677,906	\$215,169	31.7%
Appropriated Federal Funds	\$4,914,504	\$5,851,000	(\$936,496)	-16.0%
Total Revenues	\$107,035,070	\$88,483,123	\$18,551,947	21.0%

Total UH System revenue is projected to trend higher than last year across two sources of funds which are the General and Other Special Funds. The General Fund boost is due to the restoration of reduction in FY23 and collective bargaining augmentation. The slight increase in other special funds is primarily due to projected increase for Innovation & Commercialization Initiatives (MIC).

Tuition and Fees revenue are projected to remain flat. Other Revolving Funds projection remain conservative due to the uncertainty of program revenues rebounding this year. The difference in FY24 RTRF is mainly due to decreased overhead income from federal relief funds such as HEERF and other COVID-19 related awards as these funds come to an end.

Expenditures

Expenditure Category	FY24 Projected	FY23 Actual	FY24 Proj. vs. FY23 Actual	%age
Regular Employee Payroll	\$47,309,393	\$45,628,147	\$1,681,246	3.7%
Lecturer Payroll	\$0	\$0	\$0	100.0%
Student Help Payroll	\$1,732,169	\$1,283,503	\$448,666	35.0%
Other Personnel	\$1,098,667	\$755,410	\$343,257	45.4%
<i>Subtotal Personnel</i>	<i>\$50,140,229</i>	<i>\$47,667,060</i>	<i>\$2,473,169</i>	<i>5.2%</i>
Utilities	\$1,636,577	\$1,630,690	\$5,887	0.4%
Scholarships, Tuition	\$3,000,000	\$2,999,361	\$639	0.0%
Other Operating Expenses	\$50,430,119	\$37,294,919	\$13,135,200	35.2%
<i>Subtotal Other</i>	<i>\$55,066,696</i>	<i>\$41,924,970</i>	<i>\$13,141,726</i>	<i>31.3%</i>
Total Expenditures	\$105,206,925	\$89,592,030	\$15,614,895	17.4%

Expenditure Category	FY23 Actual	FY23 Projected	FY23 Actual vs. FY23 Proj.	%age
Regular Employee Payroll	\$45,628,147	\$44,834,844	\$793,303	1.8%
Lecturer Payroll	\$0	\$0	\$0	100.0%
Student Help Payroll	\$1,283,503	\$1,526,296	(\$242,793)	-15.9%
Other Personnel	\$755,410	\$1,269,791	(\$514,381)	-40.5%
<i>Subtotal Personnel</i>	<i>\$47,667,060</i>	<i>\$47,630,931</i>	<i>\$36,129</i>	<i>0.1%</i>
Utilities	\$1,630,690	\$1,474,575	\$156,115	10.6%
Scholarships, Tuition	\$2,999,361	\$3,000,000	(\$639)	0.0%
Other Operating Expenses	\$37,294,919	\$42,067,032	(\$4,772,113)	-11.3%
<i>Subtotal Other</i>	<i>\$41,924,970</i>	<i>\$46,541,607</i>	<i>(\$4,616,637)</i>	<i>-9.9%</i>
Total Expenditures	\$89,592,030	\$94,172,538	(\$4,580,508)	-4.9%

Personnel costs increased due to the collective bargaining increases awarded in the past Legislative session.

Strategic investments that support the University's new strategic imperatives will increase our operating expenses this year. One-time investments in information technology hardware and software will support student success and innovation and research. Investments will also be made to bolster information security, a conservation stewardship center, and a long-range plan for the University Avenue Ewa parcel. Funding dedicated positions will also be made to strengthen support to meet workforce development and fulfill our kuleana to Native Hawaiians and Hawai'i.

Net Operating Gain (Loss)

Net Operating Income (All Funds)	FY24 Projected
Net Operating Income	\$752,373
Beginning Balance	\$70,140,199
Ending Balance	\$70,892,572
Other Reserve Requirements (R&R, Debt service, and Other Commitments)	15,864,000
Revised Ending Balance	\$55,028,572
Reserve Requirement (5% Minimum)	\$4,430,938
Balance Above Minimum Reserve After Adjustments	\$50,597,634

Net operating income is projected to be positive by continued diligence of keeping operating expenditures in check for this fiscal year, and to maximize carryover cash balances to fund UH System strategic imperatives identified in the new UH Strategic Plan. The UH System currently has well over the minimum reserve requirements at 45%. With the standard rule of thumb for businesses to have a cash buffer or three to six months of operating expenses, the equivalent reserves should be between 25%-50%. System reserves are necessary and critical to respond quickly to central services such as Information Technology ongoing needs including investments in technology infrastructure, software licensing, and data security measures.

Other reserve requirements include \$1.5 million for IT building debt service, \$364 thousand for Sinclair debt service, \$3 million University Foundation annual payment, \$5 million Risk Management special fund for self-insurance, \$1.5 million in IT Special Fund for ongoing operational cost and building maintenance, \$3 million for B+ scholarships for ensuing academic year, and \$1.5 million in Revenue Undertaking Fund by bond covenants.

GENERAL FUND

The UH System offices rely predominantly on the General Fund for both salary and operating costs as there is no direct student population, which would provide supplemental tuition funds. Based on the current budget allocation from State Budget & Finance, and the restoration of the General Fund reduction, System programs will be able to operate closer to pre-pandemic levels.

Legislative appropriations for specific initiatives in the System budget will continue to be disseminated to the campuses. In FY24, 10.75% or \$6.66 million, of the General Fund budget will be transferred to the campuses for scholarships and other program expenses. Moreover, while the WICHE scholarship budget of \$1.45 million is managed by UH System, the scholarships directly support higher education options for students at the campuses. Consequently, a total of 13.1% or \$8.1 million of the General Fund budget is in fact spent by the campuses rather than UH System operations.

General Fund Transfers	FY24 Budget	FY23 Actual	FY24 Budget vs. FY23 Actual	%age
Performance Funding	\$1,848,028	\$1,445,681	\$402,347	27.80%
B Plus Scholarships	\$3,000,000	\$3,000,000	\$0	0.00%
Workers Comp/UI	\$800,000	\$800,000	\$0	0.00%
Na Pua Noeau	\$322,242	\$322,242	\$0	0.00%
Student Affairs	\$187,000	\$187,000	\$0	0.00%
Academy for Creative Media	\$500,000	\$316,717	\$183,283	57.90%
Cybersecurity Workforce Development	\$0	\$1,115,000	(\$1,115,000)	-100.00%
Total Transfers	\$6,657,270	\$7,186,640	(\$529,370)	-7.40%
WICHE	\$1,447,465	\$1,447,455	\$10	0.00%
Grand Total	\$8,104,735	\$8,634,095	(\$529,360)	-6.10%

TUITION AND FEES SPECIAL FUND

Revenues

FY24 Projected	FY23 Actual	FY24 Proj. vs. FY23 Actual	%age
\$8,505,100	\$8,631,336	(\$126,236)	-1.50%

FY23 Actual	FY23 Projected	FY23 Actual vs. FY23 Proj.	%age
\$8,631,336	\$1,616,580	\$7,014,756	433.90%

TFSF revenues in UH 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. FY24 interest income projections are projected to remain flat in anticipation of the campuses use of their tuition balances.

Expenditures

Expenditure Category	FY24 Projected	FY23 Actual	FY24 Proj. vs. FY23 Actual	%age
Regular Employee Payroll	\$956,705	\$995,320	(\$38,615)	-3.90%
Lecturer Payroll	\$0	\$0	\$0	0.00%
Student Help Payroll	\$0	\$0	\$0	0.00%
Other Personnel	\$92,597	\$6,173	\$86,424	0.00%
<i>Subtotal Personnel</i>	<i>\$1,049,302</i>	<i>\$1,001,493</i>	<i>\$47,809</i>	<i>4.80%</i>
Utilities	\$241,610	\$27,270	\$214,340	786.00%
Scholarships, Tuition	\$0	\$0	\$0	0.00%
Other Operating Expenses	\$12,011,574	\$3,939,344	\$8,072,230	204.90%
<i>Subtotal Other</i>	<i>\$12,253,184</i>	<i>\$3,966,614</i>	<i>\$8,286,570</i>	<i>208.90%</i>
Total Expenditures	\$13,302,486	\$4,968,107	\$8,334,379	167.80%

Expenditure Category	FY23 Actual	FY23 Projected	FY23 Actual vs. FY23 Proj.	%age
Regular Employee Payroll	\$995,320	\$690,741	\$304,579	44.10%
Lecturer Payroll	\$0	\$0	\$0	0.00%
Student Help Payroll	\$0	\$0	\$0	0.00%
Other Personnel	\$6,173	\$0	\$6,173	100.00%
<i>Subtotal Personnel</i>	<i>\$1,001,493</i>	<i>\$690,741</i>	<i>\$310,752</i>	<i>45.00%</i>
Utilities	\$27,270	\$123,256	(\$95,986)	-77.90%
Scholarships, Tuition	\$0	\$0	\$0	0.00%
Other Operating Expenses	\$3,939,344	\$5,577,647	(\$1,638,303)	-29.40%
<i>Subtotal Other</i>	<i>\$3,966,614</i>	<i>\$5,700,903</i>	<i>(\$1,734,289)</i>	<i>-30.40%</i>
Total Expenditures	\$4,968,107	\$6,391,644	(\$1,423,537)	-22.30%

In an effort to support the success of the UH's new Strategic Imperatives, one-time investments in technology infrastructure and software to streamline and improve processes and efficiency will be made. There are plans to also invest in technology transfer, sustainable stewardship of natural and cultural resources, and long-range planning for the University Avenue Ewa parcel. All investments are anticipated to be covered by projected revenue for the year.

Net Operating Income

Net Operating Income (TFSF)	FY24 Projected
Net Operating Income	\$2,925,206
Beginning Balance	\$31,881,776
Ending Balance	\$34,806,982
Other Reserve Requirements (IT debt service, UHF payment)	\$4,500,000
Revised Ending Balance	\$30,306,982
Reserve Requirement (5% Minimum)	\$3,070,683
Balance Above Minimum Reserve After Adjustments	\$27,236,299

RESERVES

In 2015, the Legislature passed Act 236 which annually requires moneys from each campus's TFSF account to lapse to the credit of System. As a result, UH System begins FY24 with campus reserves of \$42.1 million. All campuses now have reached the minimum reserves as required by Board policy.

Systemwide reserves are well above the minimum reserve requirement at 44.35%. These reserves are in line with the standard rule of thumb for businesses, which is to have a cash buffer or three to six months of operating expenses (between 25%-50% of the annual budget). Systemwide reserves are able to address unforeseen expenses in the year and to allow funding of strategic initiatives.