Talk Story Highlights  
September 15, 2016

Vice Chancellor for Research & Interim Vice Chancellor for Academic Affairs (Michael Bruno)

- Encouraging promotion of undergraduate research among current instructional and research units
- Discussed ways to increase revenue and maximize utilization of resources
  - Continuation of budget review process
  - Joint hires
  - Centralization of vacant positions due to retirements/resignations
  - Creation/development of professional programs

Enrollment Trends (Ryan Yamaguchi, Associate Director of Admissions)

- Fall 2016 freshman enrollment increased by 78 students to a total of 5,100
- A record high 3,100 students graduated in academic year 2015-2016
- Recruitment efforts focus on in-state, U.S. mainland, and international high school students
- Enrollment decline is due in part to decline in transfer students from community colleges (especially Kapiolani)

FY 16 4th Quarter Report (Kathy Cutshaw)

- Tuition (Regular, Summer and Outreach):
  - Projected $2.6M increase to balance; actual increase $17.1M
  - Revenue $1.4M higher than projected
  - Personnel expenditures $9.3M lower than projected, based on BOR-approved budget projections
  - Other expenditures and transfers $3.8M lower than projected
- Release of 5% GF restriction at end of year ($2.4M) swapped for tuition and applied towards campus structural tuition deficit
- Outreach and campus unit balances offset campus tuition deficit
- Campus tuition deficit improved from ($30M) to ($19M)
- Individual unit budget-to-actual are posted on VCAFO web site

FY 17 Budget Update (Kathy Cutshaw)

- BOR approved revised FY 17 budget at August meeting
  - Approved budget will be basis for budget to actual comparisons and quarterly variance analysis
  - Will distribute web link to review BOR-approved budgets
- Manoa received initial allocation from UH System Budget Office last week
  - Does not include allocations for performance based funding, Athletics, and Title IX
  - Includes System’s estimate of CB; we are reconciling estimates
MBO finalizing allocations to units now
  - Initial allocations to units will be rolled out next week

**Biennium Budget**
- VC Young described the FY 17 – 19 biennium budget proposal process at the recent FMO FA meeting
- Referred to budget instructions for biennium – these are UH System instructions to campuses; Manoa will not be issuing budget instructions for biennium budget
- Denise Konan, Dean of College of Social Sciences, has been charged with compiling the biennium budget request for Manoa
- Focus is on campus-wide initiatives, not individual PCR’s
- PCR’s will be due 10/3/2016; most field units not impacted
- Biennium budget proposal for all campuses will be reviewed at October BOR meeting

**FY 17 Budget Instructions (Sandy French)**
- Initial allocations will not include performance-based funding or Athletics funding
- Budget execution policies similar to last year
  - Cannot expend tuition carryover funds
  - Prior authorization required to fill faculty and APT positions, if unit in deficit. If not operating in deficit, need approval to fill faculty positions from cognizant VC
  - 5% restriction governor’s restriction remains in place
- New provisions
  - Vacation assessment: 1.8% fringe assessment for employees on non-imposed accounts (GF & S397)
    - Will be assessed against each unit’s budget control account on a quarterly basis, following last payroll paid date of quarter
    - Will be processed as a cash transfer
  - MBO will load allocation, revenue, and expenditure budgets based on BOR-approved budget – using “Base Budget” in KFS
    - Units will update revenue and expenditure budgets using “Current Budget” in KFS
  - Expenditure budget object codes will be slightly different
- Instructions will be distributed with allocations next week
- Plan for department-level budgeting for FY 18

**Vacation Pool Assessment and Payouts (Sandy French)**
- Charges are initially recorded to the GF/S397 account, NI Campus, O/C 2049
- Can be viewed on KFS labor ledger screens
- GALC runs automated process to reverse charges on NI campus account, charge to UHM campus assessment account
  - Reversal on NI account is recorded on O/C 8100, not 2049
MBO will prepare cash transfer from unit’s TFSF budget control account quarterly, in the amount actually charged to the campus assessment account for each unit
  - Final cash transfer will follow the recording of the 6/20/17 payroll
  - Plan ahead to leave sufficient unencumbered TFSF for the transfer

Payments are made from SW 4432920
  - Can view if payment was made via Labor Distribution, Account Status (Current Funds), sort of Person.
  - Payment date details not available due to labor ledger restriction

New AP 8.686 (Terminal Vacation Payout) issued in July

Whistleblower Program (Sandy French)
- System launched in June 2016
- Software allows for web-based or telephone hotline reporting
- Reports for Manoa are reviewed at Chancellor’s Office level and directed to appropriate department for investigation and resolution
- If a report goes to your department and you are asked to assist, the investigation should be handled in the same way that any other investigation is conducted

Announcements
- Documents for Interim Chancellor Approval: continue to route as before; be sure that documents reflect “Interim Chancellor” title
- Fringe rates for FY 18 and FY 19: State B&F has advised programs should plan for the fringe benefit assessment rate to increase to 60% from FY 18, mostly due to projected costs for funding Other Post-Employment Benefits (other than pensions, such as retiree health insurance). This is the new fringe rate that went into effect in FY 16 at 7.8%.
- Relocation-related exemptions from Chapter 103D are becoming more common; requests for exemptions must focus on how procurement by standard competitive means is not practicable or advantageous (the inconvenience of using SuperQUOTE or becoming compliant on Hawaii Compliance Express is not a valid basis for requesting an exception)

Next Talk Story meeting is scheduled for Thursday, October 13, 2016