

**Budget Workgroup**

Summary Points of Meeting

January 23, 2009

Hawai'i Hall Room 309

8:00 am – 9:30 am

Attendees: Kathy Cutshaw, Christine Sorensen, Klaus Keil, Annette Chang, Tom Bingham (CC), Ross Christensen, Gary Ostrander, Peter Crouch, Peter Quigley, Francisco Hernandez, Maenette Benham (CC), Marla Acosta, Ann Sakuma

Not in attendance: Alan Teramura

CC = Conference Call-in

A joint legislative hearing (Senate Committee on Ways and Means and the House Finance Committee) was held on Wednesday January 21<sup>st</sup> with the Director of the State Department of Budget and Finance, Georgia Kawamura. Kathy Cutshaw gave a brief overview of this hearing and the budget discussion points that were made by the State Budget Director. The Governor is looking at various ways to meet the projected budgetary shortfall including personnel, budget and revenue increasing possibilities. Some of the items that were discussed were: salary reductions for all state employees; furloughs; across the board budget cuts to all State Departments; repealing Act 221; using special fund balances (such as the hurricane relief fund or the transit fund); increasing the “sin tax” on cigarettes & alcohol; and gambling. The Director of Budget and Finance did not present a definitive budget proposal from the Governor. At the request of the Legislators, the Budget Director will draft budget recommendations for their review.

The budget workgroup will be provided data as required to help facilitate discussions. The committee was reminded that quality of data output is only as good as the quality of data input. Thus data must be verified before used in determining final recommendations.

As the committee brainstorms budget items to consider, it is important to keep in mind that not all items will result in decreasing expenditures or increasing revenues. There may be items for consideration which would result in a cost investment in order to gain long or mid-term savings. Other items for consideration may be defined as cost avoidance issues or productivity measures which may be cost neutral.

Kathy passed out a binder of information to help facilitate the discussions. A major portion of the meeting revolved around discussing the information in the binder. Current sections include the Mānoa organizational charts, the CAB sponsored campus priorities survey, current budget background, and potential budget topics.

The committee requested additional information on the use of overload and overtime and RTRF funds. Kathy and Gary will provide more detail on these items.

A possibility that has been raised as an option is to manage RTRF funds as a “bank” where dollars to units would be issued on an “as needed” basis, like writing a check. This may create better cash flow management, but a reliable system that is trustworthy would first need to be established.

Utility savings is clearly an item that needs more detailed discussion. The campus is currently reviewing “lessons learned” and the results from the Manoa Green Days pilot project. Based on preliminary information, continuation of this project is a viable means of saving energy costs in the future. The campus is intending to move forward with this project and will do analysis on which buildings can be shut off on the weekends and holidays and do further research on the impact of shutting down again during the 2009 holidays (Thanksgiving and Christmas). One challenge as we move forward is addressing the number and location of the individual servers that we have on campus.

Some of the committee members expressed concern about our ability to meet the self-imposed March 6<sup>th</sup> deadline for submitting a draft report to the Chancellor. It was agreed that this deadline is extremely ambitious but that we would continue to try to meet that date. In order to gather and analyze as much data as possible, the committee agreed to break into subgroups to cover the following areas:

- Administration & Self-Supporting Activities: Kathy, Marla, Alan, Ann
- Student Services: Francisco, Ross, Maenette
- Research: Gary, Klaus, Peter C.
- Instruction: Peter Q., Chris, Tom, Annette

Before the next group meeting, Friday, January 30<sup>th</sup>, each subgroup agreed to meet and develop a list of possible budget discussion items within their assigned area. Each subgroup will report out to the full committee at the next meeting. In addition to providing a list of potential budget items, each group will provide clear definitions of what these items are and whether the items could be implemented in a short, intermediate or long-term timeframe.

Next Meeting: January 30, 2009, Hawaii Hall, 8:00 a.m. – 10:00 a.m.