

## **Budget Workgroup (BW)**

Summary Points of Meeting

March 19, 2009

Hawai'i Hall Room 309

1:30 pm – 3:30 pm

Attendees: Kathy Cutshaw, Christine Sorensen, Tom Bingham, Ross Christensen, Peter Crouch, Peter Quigley, Alan Teramura, Marla Acosta, Tom Ramsey, Gary Ostrander, Maenette Benham, Annette Chang, Francisco Hernandez, Ann Sakuma

Not in Attendance: Klaus Keil

### Budget Update:

The University is awaiting key budget info which is not projected to be available until mid-April, including the following:

- Stimulus money: Will UH get stimulus money and, if so, how much will be made available to UH Mānoa? If we get the stimulus money, we will have two (2) years to spend it. This will allow the campus the opportunity to review the results of the prioritization process and to undertake appropriate procedures to achieve budget results. If we do not get stimulus money, we will need to prepare for the House Finance recommendation of a \$33.6M in G-fund cuts effective July 1, 2009.
- Senate side of the budget proposal is still pending. Their budget is scheduled to be decked on April 6<sup>th</sup> with the conference starting on April 16<sup>th</sup>. The next Council on Revenues meeting is set for May 28, 2009.
- There is still an estimated \$90M additional shortfall due to the revised Council on Revenues downward projections. The Governor has not yet addressed how this shortfall will be covered.

Information from the above points will enable the BW to make recommendations. As agreed, if we do not have information on the stimulus money package by Friday March 27<sup>th</sup>, we will proceed based on the assumption that we will not receive the stimulus money and prepare for the House Finance recommendations of a \$33.6M cut. In the meantime, the following reviews will be conducted to plan for various scenarios.

### Snapshot of the Budget Situation:

\$33M total in budget cuts required annually for the current biennium

- \$2.6M restriction July 1, 2008 to be continued

- \$5M stimulus aid: conservative estimate

- \$8M proposed options identified in the BW working documents

\$17M balance need to meet budget cuts = approximately 5% of base budget (G plus tuition)

There is currently \$35M in temporary positions at UH Mānoa. The BW proposes that a target number of \$8.5M be passed on to the academic group headed by Peter Q to review and recommend course of action to meet half of the \$17M balance needed to meet budget cuts. The other half of the balance is proposed to be met by the other units, including additional cuts to research and administration, by requiring the units to come up with an additional 5% cut in each of their g-funded areas.

Opportunities for Review:

- ATHLETICS – request for business plan to become a more self-sustaining unit. Potential impact if Manoa were to transition to a NCAA Division II athletics program
- OUTREACH - invite Peter Tanaka to provide an overview of the College and their situation
- INTERNATIONAL PROGRAMS
- UH PRESS
- DISTANCE LEARNING – Peter C and Chris: Where should it be and how should it be organized? Where can the University gain efficiencies for basic courses across the islands? Possible advantage for faculty members who are on travel, etc. Modular approach. No campus space needed.

Current Allocated Fund Distribution, June 30, 2008

The attached spreadsheet presents a summary of Manoa's revenues, expenditures, and carry-forward balances for year ending June 30, 2008.

The current University financial system can only capture actual expenditures and encumbrances. It is unable to provide data on commitments (unencumbered funds) to reflect a more accurate bottom line. This is a problem when trying to explain our carry-forward balances.

Notes:

In order to plan accordingly for the upcoming Fall semester, the committee recommended that schools and colleges focus on primary degree programs/courses and secure freshman courses. A growing number of senior faculty members will most likely have to teach basic courses. Workload and course management will need to be reviewed. Performance metrics for deans need to be in place to facilitate this change.

Sabbaticals: Deans are allowed to turn down requests due to financial and/or budgetary reasons. In such cases, the recipient will be able to secure their place in the queue once the financial situation improves.

It is the committee's understanding that the Unions are not supporting furloughs or across the board cuts. Given the realities of the budget situation, UHM is expected to look different in 5-6 years. The campus needs to focus on its core mission.

Chancellor asked Peter Q to incorporate the School of Medicine and the Law School into his prioritization process.

The prioritization process will help UH Mānoa in the planning process to rebalance and right-size itself in the intermediate and long-term.

Legislature is looking at redirecting the \$33M reserved for the Cancer Center to balance the state budget. If this happens, the center will not be built.

A 4-day work week with shutdown of 60% of campus buildings for 3-day weekends will generate approximately \$3M in utility cost savings.

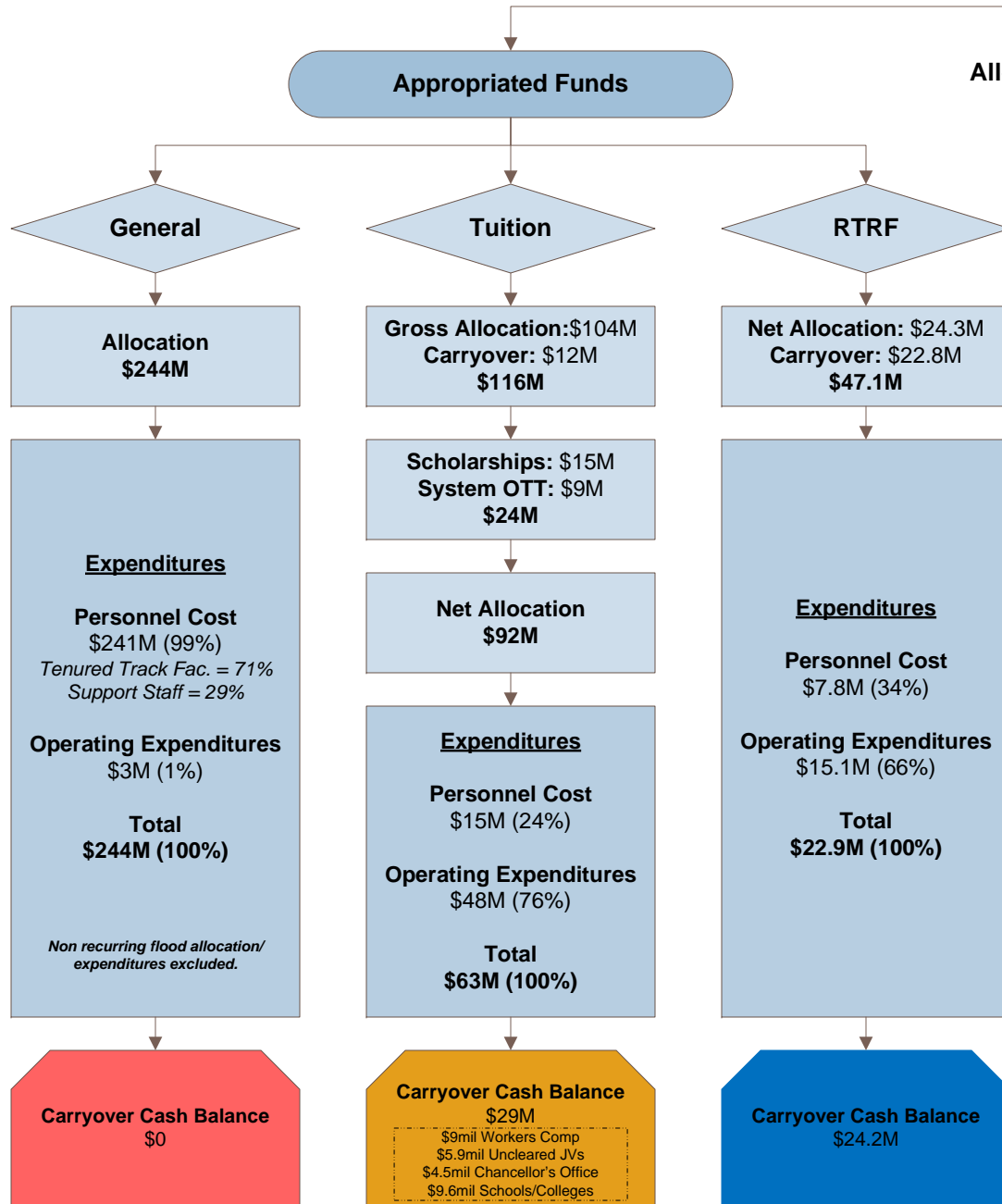
Peter Q will be out next week. Tom B to represent the Academic sub-group.

Next Meeting: Friday, March 27, 2009 in Hawai'i Hall Room 309.

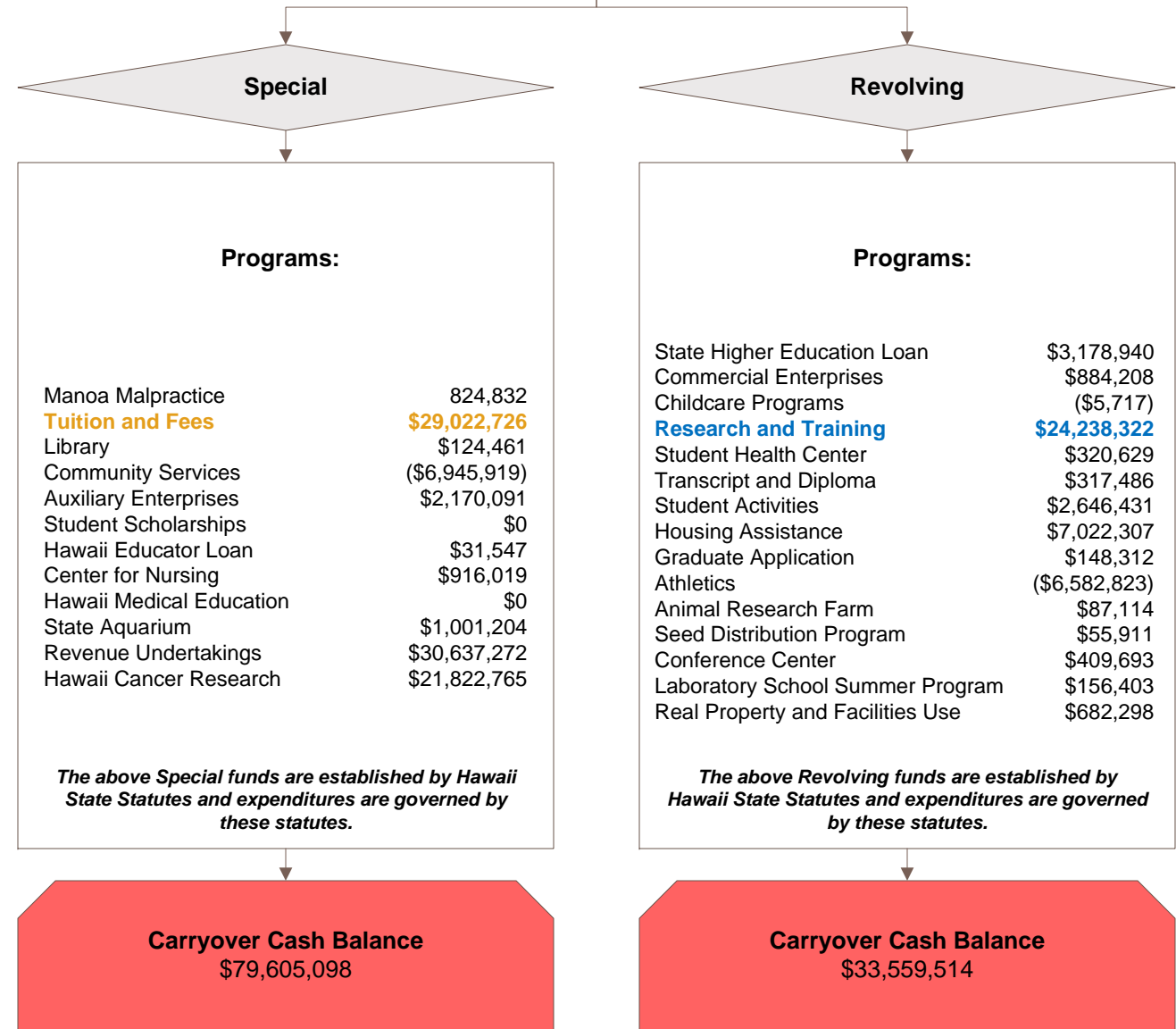
# Allocated Fund Distribution June 30, 2008



## Allocated Funds



## Revenue Generating Funds



**Special Programs:**

Manoa Malpractice	824,832
<b>Tuition and Fees</b>	<b>\$29,022,726</b>
Library	\$124,461
Community Services	(\$6,945,919)
Auxiliary Enterprises	\$2,170,091
Student Scholarships	\$0
Hawaii Educator Loan	\$31,547
Center for Nursing	\$916,019
Hawaii Medical Education	\$0
State Aquarium	\$1,001,204
Revenue Undertakings	\$30,637,272
Hawaii Cancer Research	\$21,822,765

*The above Special funds are established by Hawaii State Statutes and expenditures are governed by these statutes.*

**Revolving Programs:**

State Higher Education Loan	\$3,178,940
Commercial Enterprises	\$884,208
Childcare Programs	(\$5,717)
<b>Research and Training</b>	<b>\$24,238,322</b>
Student Health Center	\$320,629
Transcript and Diploma	\$317,486
Student Activities	\$2,646,431
Housing Assistance	\$7,022,307
Graduate Application	\$148,312
Athletics	(\$6,582,823)
Animal Research Farm	\$87,114
Seed Distribution Program	\$55,911
Conference Center	\$409,693
Laboratory School Summer Program	\$156,403
Real Property and Facilities Use	\$682,298

*The above Revolving funds are established by Hawaii State Statutes and expenditures are governed by these statutes.*