Budget Committee Meeting
Public Policy Center
October 8, 2020 @ 1pm

ATTENDEES:
Provost Michael Bruno, Dean Denise Konan, Colin Moore, Diane Chang, Jaret Leong, Laura Lyons, Lester Lusher, Morgen Johansen, Pat Pimental, Sherilyn Hayashida, Wendy Pearson,

SUMMARY OF DISCUSSION:

Budget Situation
We are facing a short-term and long-term budget crisis in the State and at the university. The Governor intends to borrow $750 million from the federal reserve in the current fiscal year 2020-2021 (FY21) to address the State’s current budget shortfall; this loan must be repaid by the State within 3 years beginning July 1, 2021. The State and unions are currently in discussions related to possible furloughs (two days per month = 9.23% pay cut) for State employees over the course of the next four years. All University E/M employees will receive a pay cut beginning November 1, 2020.

While the University has not yet received its budget allocation from the State, we are confident that we will be in a good budget position for FY21 due to the current freeze on hiring, travel freeze and strong restrictions on equipment and other expenditures. However, we must plan now to position the University to withstand the future budget cuts and move away from furloughs and the painful cuts currently in place.

Process
The University cannot continue as a premiere R1 research university with four years of pay cuts and freezes; this is not sustainable. We must start now to identify cost-saving efficiencies and increase revenue, primarily through enrollment growth.

Cost savings measures will not come on the backs solely of the academic side of the University. On the administrative end, Phase 2 of the Mānoa reorg is currently under development and identifies for elimination approximately 12 E/M positions that will result in significant cost savings for the Mānoa campus. Additionally, a blue ribbon committee is currently reviewing the Athletics program to assess the current program and identify a sustainable future. We are also looking for efficiencies in other programs such as student housing, facilities, auxiliary services, and other areas of administration.

The Mānoa Budget Committee suggestions to academic units are not intended to be top-down mandates. The suggestions were based on external reports, information and data on hand, and are intended to be provocative and provoke conversations. The Committee is committed to meeting with highly impacted departments, listening to their thoughts/feedback, and working collaboratively to best position programs, departments and the University for success.

Review, approval and consultation with unions and affected stakeholders will continue through Spring 2021, it will take time to implement these plans. The aim is to be transparent and collaborative throughout the process as we continue to work to identify cost-saving efficiencies and increase enrollment revenue. Mānoa Staff Senate representatives will participate in these meetings as staff are also affected.

Details:
The unit concurs with the Committee’s recommendation to eliminate the Public Policy Center. Furthermore, the unit proposes to merge the PPC faculty/staff and its resources with the UH Economic Research Organization (UHERO) to help strengthen both programs. PPC provides the following:
- PPC is a tiny institute. Two faculty members serve as department chairs in other units. PPC faculty hold split positions and would like to retain split positions moving forward.
● UHERO is a small institute interested in expanding beyond economic analysis into other forms of research analysis that PPC performs. UHERO needs more capacity to expand.
● These two institutions were developed along parallel paths; there is no administrative or intellectual reason for them to be separate.
● The State has extremely limited capacity to engage in public policy analysis and relies heavily on the University with regard to economic and social science analyses, as we have experienced as we work through the COVID crisis.
● A merger would allow the institutes to combine resources and increase capacity to better position UHERO and PPC on a more sustainable path to support the needs of the State.

The idea behind the merger would be to maintain the strong UHERO brand, but expand its mission to recognize more multidisciplinary initiatives where possible. Both institutes would maintain their relations with Legislators, public-facing programs and the public.

A major fundraising initiative within the unit is showing success with UHERO and can provide philanthropic support for research that happens in both UHERO and PPC.

The College of Social Sciences Dean, UHERO Director Carl Bonham, PPC Director Colin Moore, faculty and staff appreciate the Committee’s suggestions, support the merger and are excited about opportunities to work collaboratively.

The Committee is also in strong support of the proposal to merge the two institutes and is available to assist with logistics to move this forward.

The College wishes to table its initial counterproposal to create a new School of Public Policy.

Outcomes:
The unit concurs with the Committee’s recommendation to eliminate the Public Policy Center.

The Committee supports the proposal to merge the PPC and its resources with the UH Economic Research Organization (UHERO) to help strengthen both programs.

Next Step:
Dean Konan will share the idea for the UHERO/PPC merger at the October 12, 2020 deans and directors update meeting.