EXECUTIVE COMMITTEE

Meeting of Friday, November 16, 2018

Minutes

1. Attendance. Vice Chancellor David Tamanaha convened the meeting of the Executive Committee at 9:39 a.m. Present were: Nani Azman; David Grooms; T. Karen Hanada; Kaleikoa Ka‘eo; Vice Chancellor John McKee; Diane Meyer; Flora Mora; Brian Moto; Vice Chancellor Debra Nakama; Jocelyn Romero-Demirbag; Jay Vanzandt; Nicole Vida.

2. Program Reports.

Jocelyn Romero-Demirbag, newly appointed Director of Institutional Advancement, UH Foundation, was introduced. She said that she is trying to learn about the University and the priorities of the campus. She is also learning about, and meeting with, Foundation donors and is working to identify new donors.

Vice Chancellor McKee reported that the business lab in Kalama is being closed. A team is working on a solution to support the business program. The business lab won’t be closed until after the semester is over.

Flora Mora reported that APTs have not met recently, but they are trying to understand UHMC’s budget and its consequences.

Kaleikoa Ka‘eo reported that Lau‘ulu meets once a month. Planning has begun for spring semester events such as Makahiki. Lau‘ulu is also trying to understand the proposed budget, the process for its development, and answers to questions from faculty and others.

Jay Vanzandt reported that the O&M Assistant Manager has been on duty since December. Robert Burton has said that he will be retiring next year. Jay said that he has heard about enrollment figures and wonders why UHMC is moving away from hard copy schedules and catalogs. Jay works as a counselor with Aloha House and brings catalogs to Aloha House to inform and inspire people to consider school and promote the College. Jay said that the elimination of print catalogs and schedules worries him because not everyone has access to digital catalogs.

Jocelyn Romero-Demirbag reported that she and a friend have not been receiving printed copies of EdVenture. Karen Hanada said she will look into it.

Diane Meyer commented that a lot of work has to be done in preparing schedules and catalogs, so it would make sense to print a few copies anyway.

Vice Chancellor Tamanaha reported that WACUBO (Western Association of College and University Business Officers) institutions promote the use of Apps in distributing information.

Regarding the Net Zero PV project, Vice Chancellor Tamanaha reported that last week Monday UH officials met with JCI and others and decided to waive County building and electrical permit requirements. However, UH will still need SHPD (State Historic Preservation Division) clearances, which should be forthcoming. Vice Chancellor Tamanaha said that the PV installation could start in early January. The faster the project is finished the earlier UHMC will benefit from energy savings.

Vice Chancellor Tamanaha spoke on the subject of open air preachers who have been on campus. He noted that this is a return visit. He said that, on this and previous occasions, security reports regarding incidents have been submitted to UH General Counsel for review and advice. He said that the behavior of preachers has been borderline. He personally monitored them almost all day Tuesday. Recently, the preachers have been accompanied by others who are more confrontational. UHMC is awaiting word from legal counsel regarding possible remedies or actions. Vice Chancellor Tamanaha reported that the preachers have been told not to impede or target students who are walking by. He has also spoken with students.

Vice Chancellor Debra Nakama reported that Student Government elections are today.

3. UHMC Budget.

Vice Chancellor Tamanaha reported that this has been one of the hardest years to develop a budget proposal. It has taken time to come up with an acceptable budget. The proposed FY 2019 Budget has been presented to the Budget Committee and the Academic Senate. In response to comments received the budget has been further refined and revised. Changes have been made and the budget is ready for Executive Committee review and action.

Vice Chancellor Tamanaha said that, traditionally, annual budgets reflect prior budgets and are adjusted for changes in lecturer costs, power costs, known changes in contracting, and salary increases. After such changes are made, budget drafts are prepared.

Vice Chancellor Tamanaha reported that initial FY 2019 budget projections indicated a negative ending cash reserve of more than $1 million, as summarized in a Proposed Initial Budget Forecast. He discussed a summary of the initial major budget changes for FY 20019. The changes included the following:

* 10% decline in SSH (-$700K)
* UHCC 2% TFSF assessment for Repair & Maintenance Pool (about $132K)
* UHCC performance funding reduction (-$330K)
* UH performance funding reduction (-$75K)
* Vacation Reserve assessment (-$156K)
* Electricity cost increase (-$200K)
* International Student Office assessment (-$140K)
* Eliminate RTRF electricity support (-$225K)
* 7.5% reduction in lecturer budget ($220k)
* New electricity support administrative recovery ($100K)

Regarding projected electricity costs, Vice Chancellor Tamanaha said that MECO is increasing its electricity rates and that payments due under Power Purchase Agreements are increasing incrementally each year. Overall electricity consumption has increased due to efforts to reduce internal humidity by running air conditioning longer.

Vice Chancellor Tamanaha said that Net Zero means we will generate as much or more electricity as we consume. It does not mean zero electricity costs.

Kaleikoa Ka‘eo said that classrooms are warmer due to higher thermostat settings, so people have been running fans and dehumidifiers to compensate, thus using more electricity.

Vice Chancellor Tamanaha said that, after listening to comments and further consideration of budget issues, a revised budget proposal has been prepared. He distributed copies of the revised budget that projects an ending cash reserve of $645K. The revised budget freezes thirteen vacant positions until next fiscal year. The thirteen positions are:

* Business Office Clerk
* Vice Chancellor of Information Technology
* Janitor
* OM Clerk
* Accounts Receivable Clerk
* Recruiter
* Instructor – Molokai Farm
* Instructor – ABRP
* Instructor – Business Hospitality
* Instructor – Business Hospitality
* Instructor – Allied Health
* Instructor – Spanish
* Library Tech

Vice Chancellor Tamanaha said that the filling of several other positions will be deferred until January 2019:

* Fiscal Admin
* Chief of Security
* OCET Admin Assistant

In response to questions regarding how decisions on vacant positions were made, Vice Chancellors Tamanaha and McKee said that recommendations from department chairs helped shape the list. Factors that were considered include enrollment demand and the cost of permanent faculty versus lecturers.

Vice Chancellor Tamanaha said that, once the budget is set, other positions will become vacant and other unanticipated changes may occur. In such circumstances, Budget Committee review of changes would be sought.

Vice Chancellor Tamanaha estimated salary savings at approximately $744K under the revised budget. In addition, the revised budget proposes:

* Reducing contract security guard coverage and eliminating 24x7 weekend security coverage.
* Reducing student help, casual hire, and supply costs in Instruction, by a total of $193,900.
* Restoring RTRF support for campus electricity and increasing it to $300K to offset budget imbalance.
* Reducing OCET and UH Center operating budgets by $104K.
* Revising projected decline in tuition revenue to -9% instead of -10%.
* Reducing the lecturer budget by 9%.
* Eliminating the General Fund allocation for the International Education Office. Instead, other funds, possibly Foundation moneys, will be sought to pay for the Office.
* Deferring hazardous waste disposal.
* Reducing campus postage.

Kaleikoa Ka‘eo asked how did the International Education Office become a priority. Karen Hanada said that, when enrollments dropped and revenues declined, enrollment management came to the fore, and international education was identified as something that could offer new enrollment and revenue. Flora Mora said that international students are required to take 12 credits for visa purposes.

Vice Chancellor McKee and Karen Hanada said that UHMC’s International Education Committee needs to be revived. They also said that international education is among the University’s strategic goals.

Flora Mora said that it is tough to do enrollment management and serve students when her office is short two positions.

Karen Hanada and Vice Chancellor Tamanaha said that UHMC enrollment has declined for 6-7 years in a row. Karen Hanada noted that Student Semester Hours are down 22%. Fall 2014 SSH was 32,102; Fall 2018 SSH is 25,054.

Vice Chancellor Tamanaha said that the proposed budget measures would save approximately $1.6 million.

Total projected operating expenditures under the revised budget are about $23.9 million, with a projected net operating loss of about $337K. He noted that, even though some faculty and APT positions will be filled going forward, hiring will be done on a temporary, not permanent, basis.

Flora Mora expressed concern regarding the aging of vacant positions and the need to plan ahead so that positions are not swept by UHCC. Vice Chancellor Tamanaha responded that, for FY 2019, this was taken into consideration.

Nani Azman reported that the Academic Senate approved the proposed budget subject to continued dialogue and increased transparency.

Nani Azman moved to approve the new budget, subject to continued dialogue and increased transparency. Kaleikoa Ka‘eo seconded the motion, subject to the same conditions.

The Motion passed unanimously.

The Executive Committee discussed the University biennium budget request for the 2019 legislative session.