EXECUTIVE COMMITTEE

Meeting of Friday, September 20, 2019

MINUTES

1. Attendance. Chancellor Lui Hokoana convened the meeting of the Executive Committee at 9:35 a.m. Present were: Angela Gannon; T. Karen Hanada; Kahele Dukelow; Laura Lees Nagle; Brian Moto; Vice Chancellor Debra Nakama; Barbara Ornellas; Vice Chancellor David Tamanaha; Jay Vanzandt; Nicole Vida; and Rosemary Vierra.
2. FY 2020 Budget Presentation and Action. Vice Chancellor David Tamanaha gave a brief overview of the proposed FY 2020 UHMC Budget. He stated that his PowerPoint presentation was the same as that presented to the Budget Committee and the Academic Senate. Among the points he discussed were the following:

* For FY 2019, UHMC had planned to realize approximately $24.1 million in revenue, a net operating loss of about $351K, and ending cash balance of $632K. However, FY 2019 actual results showed a net loss of more than $1.1 million, and a negative ending cash balance of $130K.
* The worse than expected FY 2019 financial results are attributable to a shortfall in revenues of $79K and greater than projected expenditures of $682K.
* The two major areas of concern in terms of FY 2019 expenditures were: the lecturer budget (deficit of about $631K); and campus air conditioning maintenance (deficit of about $225K).
* The lecturer budget has remained relatively stable each fiscal year since 2015, ranging from $3.23 million to $3.48 million annually. However, during this same period, UHMC has experienced annual declines in total enrollment and student semester hours, ranging from -2.3% to -9.1%.
* As of the date of the Executive Committee meeting (September 20, 2019), UHMC enrollment is down 3.1% and total student semester hours is down 1.4%.
* UHMC is also anticipating a smaller allocation of UHCC performance funds (in FY 2019, total performance funding was $637K, down from $1 million in FY 2016).
* Without immediate corrective action, FY 2020 is projected to result in a negative ending cash balance of $1.6 million.
* For FY 2020, the following measures are proposed, and have in large part already been undertaken, to reduce UHMC expenditures and reduce the projected deficit:
  + Cancel low-enrolled classes.
  + Increase minimum class size.
  + Convert non-instructional faculty to instructional faculty.
  + Reduce faculty assigned time.
* Based on the foregoing measures, total FY 2020 lecturer costs are projected to be about $2.29 million, a reduction of $886K.
* Certain vacant positions are proposed to be filled upon budget approval. Some positions, like the Dean of Arts and Sciences and the Dean of Career and Technical Education, have already been filled. Among the positions to be filled are: Assistant Physical Plant Manager; Molokai General Laborer; Transcript Evaluator; Disabilities Counselor; Marketing; Library Specialist; Director of IT; Maui Food Innovation Center APT; International Education; and Janitor.
* Certain positions funded by the State Legislature will also be filled. These include: HI NET; Student Tutors and Mentors; and Creative Media (FY 2020 only).
* Other vacant positions are proposed to be filled on or after January 1, 2020. Among these positions are: Business Office Cashier; Business Office Travel Specialist; Janitor; Landscaper; History Faculty; Math Faculty; Early Childhood Faculty; Allied Health Faculty; Vice Chancellor for Academic Affairs; and MFIC Faculty.
* There are also more than 20 vacant positions that are proposed to remain vacant and be re-assessed in FY 2021. These positions constitute almost 10% of all UHMC positions.
* The net salary savings from the vacant positions is estimated to be about $772K.
* FY 2020 Student Assistant Budgets will be offset by extramural grants in the amount of $70,600.
* FY 2020 Department Operating Supply Budgets will remain generally unchanged.
* FY 2020 UHCC Equipment Funds will be determined soon.
* The net result of all of the foregoing budget measures is a projected FY 2020 income of about $372K and an ending cash balance of about $243K.
* Under the proposed FY 2020 Budget, Instruction will account for about 42% of total UHMC expenditures, down from 51% in FY 2014. For accreditation purposes, 50% is normally expected.
* Vice Chancellor Tamanaha recommends that all departments and programs spend conservatively for the first three quarters of FY 2020, and save the “good to have but not a real necessity” type of purchases for the fourth quarter.
* During the budget review process, a number of questions were posed, and comments received, regarding the FY 2020 Budget. Vice Chancellor Tamanaha reported that responses to these recommendations and comments were provided.

During discussion, Vice Chancellor Tamanaha reported that UHCC has several criteria for new supplemental General Fund requests to be submitted to the State Legislature: facility support for new buildings (for example, janitor position for ʽIke Leʽa); security officers for all campuses to replace contract guards; and strategic enrollment and student success initiatives (for example, My Success, Distance Learning, and tutors).

Academic Senate President Rosemary Vierra reported, and the Committee discussed, the following comments from the Academic Senate regarding the FY 2020 Budget:

* Assess the cost and benefit of hiring faculty to replace lecturers.
* Prioritize janitorial positions.
* Postpone filling of Director of IT position until 2020.
* Work towards having a minimum of two faculty for each program.
* Develop a protocol for the review and refilling of vacant positions.

The Committee discussed APT merit-based pay adjustments and the consequences of budget cuts and restrictions on such compensation arrangements. Vice Chancellor Tamanaha said that the FY 2020 Budget does not provide for APT merit-based pay adjustments.

After discussion, the Executive Committee approved the proposed FY 2020 Budget by unanimous consent.

3. UHMC Shared Governance. Chancellor Hokoana led a discussion of the role the Executive Committee plays in UHMC shared governance. In discussing this role, the following observations were made:

* Decision Making Authority: Approve budget and campus policies.
* Advisory Only: [blank]
* Committee Composition:
  + Operations & Maintenance (BU 01)
  + Civil Service (BU 03)
  + APT (BU 08)
  + Security
  + Lauʽulu
  + Academic Senate (BU 07)
  + Student Government
  + UH Foundation
  + Campus Administrators (EM)
* Communication Flow:
  + Operations & Maintenance: written reports distributed
  + Civil Service: oral report at occasional meetings
  + APT: email
  + Security: meetings
  + Lauʽulu: meetings
  + Academic Senate: reports to Academic Senate executive committee
  + Student Government: meetings, SG channels
  + Campus Administrators: email, meetings (including meetings with Department Chairs and Program Coordinators)

It was noted that Civil Service does not have a formal assembly for the regular discussion of campus issues.

It was suggested that matters relating to the composition and selection of members of the Executive Committee be reflected in the bylaws of the Executive Committee.

4. Adjournment. The meeting was adjourned at 10:40 a.m.