



FACULTY CONGRESS MEETING MINUTES

October 21, 2020

Virtual meeting via Zoom

4:30 PM - 5:00 PM

Attendees: 168

1. CALL TO ORDER

Called to order at 4:33pm by Chair McKimmy.

2. MINUTES

[May 13, 2020 Special Congress Minutes](#)

Motion to approve made by Senator S. Ní Dhonacha. Seconded by Senator B. Sipes.

Minutes approved by acclamation.

3. CHAIR'S REPORT

Chair McKimmy welcomed Congress members and guests.

Chair McKimmy stated that the previous Senate meeting was extended by 30 minutes and the Congress meeting was shortened by 30 minutes because of recognition of the need to give more time to the Senate meeting. Apologies were offered for not being able to complete the business of the Senate.

Chair McKimmy stated that the Senate Executive Committee has been working on communications with the Provost and President Offices on the post pandemic Hawai'i planning and made several recommendations. Chair McKimmy advised Congress members to check the UHMFS website for updates and copies of communications with Provost Bruno under the section, Issues.

4. BUSINESS

Chair McKimmy introduced Dr. Eugene Tian, State of Hawai'i Chief Economist, and expressed gratitude to him for coming today to present based on potential state economic impacts on UH Mānoa.



Guest Speaker: Dr. Eugene Tian, State of Hawaii Chief Economist

Presentation: The State of Hawaii's Economy and Possible Impacts on UH-Manoa
Transcript is available

- In Hawai'i COVID-19 cases are the third lowest in the nation. Data was shown on the states that send more visitors to Hawai'i. During the first 6 days of the Safe-Travel Program (started on 10/15), there were about 4,500 visitors per day to Hawai'i. The number included visitors, not crew members, returning residents, and military members. In the previous two months, the number was about 170 a day. The recovery is about 18% from October of last year.
- In a survey of businesses completed Sep 30, Dr. Tian explained that 24% of businesses remain closed compared to 16% from the first survey in July 2020.
- Regarding the labor market, two industries showed an increase--federal government and construction--whereas we lost jobs in all other markets, especially in hospitality, tourism, and the transportation sector. Overall, the state lost about 176% of the payroll jobs. Industries like finance and healthcare will play some role in terms of recovery.
- In unemployment, Hawai'i had the second highest unemployment rate for the first few months of the pandemic but in September became the state with the highest unemployment rate in the nation. Looking at 2015-2019, Hawai'i actually had the second lowest in the nation. Last week ending October 10, the initial unemployment claim number came down to under 5,000 since March 21.
- Building permits are a bright spot in our economy. The volume increased by 2.4% for the first eight months of 2020. In future months, the construction industry will be busy. Hotels are using this opportunity to make improvements, renovating their hotels while there are no guests.
- Real estate is doing well if you look at median prices of single family homes, which are still increasing. Condo prices have decreased on Kauai, but increased on all other islands. Sales can be viewed as three categories--local sales, mainland purchaser sales, and international sales. Local resident sales have been increasing, but decreased in the third quarter. Mainland and international sales have decreased.
- New tourism charts were shown by Dr. Tian for the first time to any group. In 2019, 16% of Hawai'i's economy was from tourism. The second and third were real estate and federal government respectively. In 1988, tourism was 33% of Hawai'i's economy. Dr. Tian viewed this as having diversified our economy in the last 23 years. Kauai and Maui were more heavy in tourism than other counties. In November, the visitor recovery projection is about 27%; December 40%, and increasing to 70% recovery by the end of 2021. Dr. Tian said the projection is that the visitor industry will not recover until 2024.

UNIVERSITY OF HAWAII AT MĀNOA FACULTY SENATE

2500 Campus Road • Hawai'i Hall 208 • Honolulu, Hawai'i 96822

Phone: (808) 956-7725 • Polycom: (808) 956-9813

E-Mail: uhmfs@hawaii.edu • Website: <http://www.hawaii.edu/uhmfs/>

An Equal Opportunity/Affirmative Action Institution



UNIVERSITY
of HAWAII®
MĀNOA

He shared that in the last two recessions, it took Hawai'i five years for the visitor arrivals to recover to pre-recession levels.

- Looking at the economic projections in the Blue Chip Economic Indicators of October 10, most countries are under recession. US is -4% and the UK the largest at -10.1%. Countries with positive growth were Taiwan at 0.6% and China at 2.2%.
- Hawai'i's economic projection was released in August. UHERO also released a projection. Dr. Tian said their projection for this year was 2.9 million visitors as compared to last year's 10 million visitors. In 2021, their projection is a 70% recovery, of 7.2 million visitors.
- In regard to the impact on UH Mānoa, student enrollment has been declining since 2012. Dr. Tian said some literature indicated that people go back to school during recessions, but he does not see that supported by the data. He pointed out enrollment data from 1993 to 1998 during the economic recession as decreasing. He then pointed out enrollment data during the 2001 and 2009 recessions. In 2001 there was no increase. In 2009, there was a slight increase, then a leveling, then a decrease. He stated that he thought there were two factors. First, the number of school-aged children in Hawai'i has been declining. Second, we lost population numbers in 2017, 2018, and 2019 with people moving to the mainland. Dr. Tian thinks that with the current economy, the population migration out will continue related to the high cost of living and highest in the nation unemployment rate. In undergraduate, graduate and unclassified categories of students, there is the same trend, all decreased. The peak for the undergraduates was in 2012, and the peak was in 2010 for graduate students. The unclassified peak was even earlier. The high school graduate numbers show a declining trend, which will affect future enrollment at UH Mānoa.

Senator Cooney thanked Dr. Tian for his presentation. He asked why the focus for projected enrollments for UH is on Hawai'i high school population when UHM as a university with an international reputation should be marketing and recruiting from around the world. Senator Cooney suggested that perhaps the university should decide if we're going to start increasing our percentage of overseas students. Senator Cooney asked to what extent Dr. Tian believed that the university can promote education tourism, that it can contribute positively as a legitimate significant contributor to the overall Hawai'i economy that is a university that has a much larger population of out of state overseas students who pay higher tuition rates.

Senator Miyamoto asked if Dr. Tian knew the projected budget impact for UH Mānoa based on the state of Hawaii economy. Dr. Tian said that he didn't have the number and that Kalbert Young is the person who is working on it. But he did know that the state will have a budget shortfall of about \$1.2 billion for this current fiscal year 2021. So he indicated that it will impact

UNIVERSITY OF HAWAII AT MĀNOA FACULTY SENATE

2500 Campus Road • Hawai'i Hall 208 • Honolulu, Hawai'i 96822

Phone: (808) 956-7725 • Polycom: (808) 956-9813

E-Mail: uhmfs@hawaii.edu • Website: <http://www.hawaii.edu/uhmfs/>

An Equal Opportunity/Affirmative Action Institution



UNIVERSITY
of HAWAI'I®
MĀNOA

UH Mānoa, because UH, the whole system, gets about \$500 million from the state general fund, which is the largest among all the categories.

Senator Sand asked about unemployment figures and if they included discouraged workers. Dr. Tian replied that the figure was high because it represented what is called the U-6 minus U-3. Dr. Tian referenced a report released by the Labor Department on Monday, which includes the U-6 rate of those people who are unemployed for economic reasons.

Chair McKimmy thanked Dr. Tian for his presentation.

5. NEW BUSINESS

None

6. ADJOURNMENT

Chair McKimmy adjourned the meeting at the appointed time of 5:00 pm.

Respectfully submitted by Trúc Nguyễn, MFS Secretary
Approved on May 12, 2021