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COMMITTEE ON ADMINISTRATION AND BUDGET
MEETING MINUTES

MEETING DATE: 1 Nov 2016
LOCATION: Hawaii Hall, Room 208
ATTENDANCE: [P = Present; A = Absent; E = Excused]

MEMBERS		MEMBERS		MEMBERS		GUESTS	TIME
Brian Glazer (BG), Chair	P	Ann Sakaguchi (AS), Vice-chair	E	Garrett Apuzen-Ito (GI), Secretary	P	VCAA Kathy Cutshaw (KC)	
Adrian Franke (AF)	E	Kara Miller (KM)	P	Douglas Vincent (DV)	E	VP Jan Gouveia (JG) and AVP Donna Kiyosaki (DK)	
		Robert Paull (RP)	P	Lilikala Kame'eleihiwa (LK) -SEC Liaison	P		

SUBJECT	DISCUSSION / INFORMATION	ACTION / STRATEGY / RESPONSIBLE PERSON
CALL TO ORDER	3:33 by Brian Glazer	
APPROVAL OF PRIOR MINUTES	5:36	
MINUTES	BG reminds us that all CAB's internal documents are on Google Drive. All present confirm.	



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**Discussion with
VCAA Kathy
Cutshaw (KC)**

KC's explanation of the move to a centralized position pool is as follows. There are 303 vacant BOR positions at UHM. Her office is in the progress of updating their database on these positions, esp the status (i.e., if it in progress of being filled, imminent plans for filling them, or not) of each position. By the end of November, they aim to have all data up-to-date. Those position numbers not in progress of being filled now or imminently will be swept into a UHM position pool and the tie to individual units will be dissolved. This will not impact funds to the currently holding units because the funds originally allocated for them (by the BOR) have been subsumed by legislature cuts and salary raises.

The new centralized position vacancy system will work as follows. Request for new positions from individual units will go to the deans/directors and then to the VC's. Approximately annually, the VC's will decide on and present their hiring plans, and final decisions will be made on draws from the centralized pool. UHM will reserve all fall-back numbers (e.g., administrators returning to the faculty) as well as a portion (about 10%) of vacancies for strategic hires. Position numbers for negative tenure actions will stay with units. Positions numbers for retirements will be swept to the pool along with 75% of funds for that position. That is, 25% of the funds from retirements will stay with the unit.

The reported \$17 M surplus for FY 2016 is what was projected but the finalized budget shows no such surplus. The practice of reporting projections before the budget is finalized often leads to such confusion.

Status of transition to new funds allocation procedures. BG reemphasized the 2015-16 UHM senate resolution to move to an RCM budget model, and asked about progress. KC explained that they are moving to adopt the recommendation of Bill Chismar's budget committee presented (40%--gross or net?--of tuition dollars stays with schools/units). Currently all changes to gross tuition goes



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	<p>back (positive or negative) will be applied to the responsible units. Professional schools will now get 100% of their tuition back and be fully responsible for their 20% scholarship funds. KC's office is now modeling the "spaghetti plan" for FY 16 and 17. The next step to be considered is collecting infrastructure costs (utilities) into a central pool. G-funds currently cover about 85% FTE.</p> <p><u>UHM Biennium Budget Legislative Request 2018-19</u> has been sent to UH system and system just sent the request to the legislature.</p>	
<p>Discussion with VP Jan Gouveia (JG) and AVP Donna Kiyosaki (DK) about JG's reorganization proposal.</p>	<p>Summary of proposed reorganization:</p> <p>I. UHM Office of Planning and Facilities (OPF, 300+employees currently reporting to the OVC for Admin, Finance, & Oper.) will report to the UH system Office of Capital Improvements (OCI).</p> <p>II. UHM Communications Office (currently reporting to the Chancellor's office) will report to the System Communication Office.</p> <p>The discussion focused on bullet I. JG expressed concern about the effectiveness of OCI and OPF the prioritization and timely handling of work orders and capital improvements at UHM. Issues include no clear way to prioritize needs in a strategic manner, lost communication for capital improvements sent to OCI, lack of computerized system of work orders and documentation, and the weaknesses of the traditional method of allocating State funds to UH system based solely on campus square-footage. RP agreed that the effectiveness at UHM is problematic. JG and DK argued that the proposed reorganization will improve effectiveness with a net zero impact on budget or current personnel.</p> <p>DK is now managing the UHM-OPF (after Steve Meder left late in 2015). This past year, \$45M was allocated to system, and JG was</p>	<p>CAB members are to review the UHMFS checklist completed by JG, and form a recommendation to UHMFS</p>



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	<p>able to negotiate with the other campuses so that, for the first time, deferred maintenance (not just campus square-footage) was used in a formula for allocation. UHM got \$43M.</p> <p>System OCI has 8 employees, including a recently hired expert in procurement, as well as two developers with experience/expertise in design-build.</p> <p>This conversation gives CAB the impression that JG and DK and the OVPA will bring significant value and expertise to the OPF and improve the marriage of strategic planning, project prioritization, project execution, and, importantly, effective relations with the BOR and state legislature.</p>	
	Next CAB meeting is tentatively scheduled for Nov 29	
ADJOURNMENT	5:44	

Respectfully submitted by Garrett Apuzen-Ito, Secretary

Approved on 12/6/16 with 4 votes in favor of approval, 3 abstentions, and 0 against.