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Manoa Faculty Senate Committee on

Administration and Budget Meeting Minutes

February 2, 2009, 12 noon, Hawaii Hall 208

Present: Ross Christensen (chair), Shirley Daniel, Bob McHenry, David Duffy, David Chin, Matt McGranaghan, Judith Inazu, Dave Sanders, and Mary Tiles UHM Faculty Senate liaison

Excused: Denise Antolini, CN Lee

Invited: Vice Chancellor Kathy Cutshaw

The meeting was called to order at 12:05 p.m.

Chair Christensen noted that the committee meetings for the semester are planned for the first Monday of each month, specifically March 2, April 6 and May 4.

The committee began the discussion with VC Cutshaw on matters relating to the budget.

VC Cutshaw indicated that the UH administration was surprised to learn that an additional 2% budget cuts would be required by July. This is about \$1.3 million and may be made up partially by not releasing supplemental budget personnel lines and a variety of other cuts, which are not yet known.

The UH Administration met with the State of Hawaii budget director. The UH is being asked to cut 20% or about \$20 million from the biennium budget request in the first year, which is considered a permanent decrease in base funding. The State budget director provided a "laundry list" of ways that the State budget shortfalls might be remedied, including across the board salary cuts of 1%, use of special funds resources, increases in "sin" taxes, etc. There is a projected shortfall of \$125 million statewide.

The committee discussed whether the federal stimulus package might help with State budget shortfalls. VC Cutshaw noted that stimulus funds were primarily focused on CIP budget items, rather than the operating budget. Relating to the stimulus package, the UH has provided a list of \$50 million in "shovel ready" CIP projects to Hawaii federal representatives which are already finished with the planning and design phase and could be started within 90 days if funding is available. Many of these projects include re-roofing and solar panel installation. A committee member noted that UC Berkeley has a number of building demolition and reconstruction projects that relate to earthquake damage mitigation that they are hoping to get stimulus funds to build. VC Cutshaw noted that State procurement laws have prevented UH from having more larger projects ready that fit the guidelines given that projects could be started in 90 days.

The discussion moved to a review of the Process Committee progress. Details of the committee activities are on the VC's website. This committee is primarily concerned with the long-term planning and prioritization process.

The Budget Committee notes are also on the VC's website. It will deal with not only short-term

issues but also medium and long-term issues. Eventually the prioritization process developed by the Process Committee and Budget Committee will probably be merged.

The Chancellor will be coming out with a new memo and timeline for the prioritization process this week. While there will be more time to complete the process, there is still an urgency to get this done before the semester ends so that faculty can provide feedback before they leave for the summer.

VC Cutshaw and committee members who are on both committees will try to articulate between the 2 groups. However, currently there is a lot of confusion about issues of short-term and across the board cuts versus more strategic and long-term planning that could involve more vertical cuts. If we get a 20% cut in discretionary funds, then the UHM budget will be cut by almost \$20m for the first year of the biennium, which will be a permanent reduction in the base budget.

One of the biggest challenges is that this is moving very quickly. This is creating more tension between faculty and administration at campuses across the nation. VC Cutshaw is trying to make sure the website is up to date. However, there are still communication gaps at lower levels in the organization. VC Cutshaw encouraged faculty senators to communicate with their constituents to keep them informed as much as possible.

Deans should also meet with departments. The Process Committee intent was that Deans would work collaboratively with their departments in the process. The Process Committee was originally developed to come up with a prioritization process to deal with long-term issues surrounding faculty retirements and potential long-term decreases in state funding for higher education. However, faculty retirements might be delayed due to the impact of the downturn in the stock market on personal retirement portfolios, as well as the State ERS. In the meantime, the urgency of short and medium term budget cuts has created a merging of the short-term budget planning and longer term planning and prioritization efforts.

VC Cutshaw indicated that RTRF distributions and unspent funds will have to be looked at as well. Environmental and compliance costs for research grants are significant and might need to be funded more fully through RTRF. The cost of graduate student tuition waivers may also have to be reconsidered.

The committee discussed other revenue sources including special funds and grants. A committee member recommended that a process be developed to address potential revenue increases through grants and gifts to mitigate the budget cuts. Particularly in the areas of student services, access to higher education and scientific research, there may be new funds and programs available under the Obama administration. The committee discussed how UHM should put more efforts into revenue generation and not only consider cost cuts. Perhaps a special committee or task force to address this issue should be formed. Resources for writing institutional grants might have a positive payback, and greater support for scientific researchers who wish to apply for funding might be a good investment now, considering anticipated increases in NSF budgets. The faculty senate Committee on Research might be able to assist with the latter issue.

VC Cutshaw left the meeting.

The committee discussed the issue of additional revenue generation further, and agreed to ask VCs Ostrander, Quigley, Hernandez and Cutshaw to our next meeting to discuss the issue of developing strategies and processes for increasing revenues from grants and gifts under the new administration. The committee also recommended to Mary Tiles that the Executive Committee bring this up at their meeting with administrators sooner.

The minutes of the January 2009 meeting were approved.

Chair Christensen provided a review of his work on the Process Committee. There was a

special meeting discussing the time frame which resulted in the motion that was made in the last faculty senate meeting. Other concerns relating to the Process Committee were already covered in the VC's report.

There may be a more formal resolution addressing the time frame for the Process Committee and related items that may be introduced in the next faculty senate meeting. The executive committee is addressing this.

With regard to PBRC, Chair Christensen met with VC Ostrander and the Chair of the Committee on Research, Patrick Henry, to discuss the matter of the reorganization of PBRC. The final conclusion of this meeting was that VC Ostrander should move forward with the formal reorganization process as provided in UH policies and procedures. No further action by CAB is needed at this time.

Mary Tiles provided details on the proposed new timeline for the Process Committee. Chair Christensen noted that the Budget Group Website was the best source for details relating to the immediate activities for the budget.

The meeting adjourned at 1:45 p.m.

Respectfully submitted,

Shirley J. Daniel

Contact dave at [math.hawaii.edu](mailto:dave@math.hawaii.edu) with comments regarding this site.