

## Repositioning the University of Hawai'i

Sept. 10, 2020

- The state budget crisis and impacts to the University
  - The University is expected to have a \$100m shortfall
  - Two phases of financial planning
    - FY21 - actions such as hiring freezes, travel bans, deferral of equipment purchases, across-the-board reductions
    - FY22 and beyond – planning for long-term budget challenge

# Repositioning the University of Hawai'i

- What does this mean for the community colleges?
  - Reduce Expenses
    - Evaluate our physical footprint
      - Shared administrative & support functions
    - Program consolidation, sharing, realignment and elimination

## Repositioning the University of Hawai'i

- What does this mean for the community colleges?
  - Be ready to pivot and respond to changing needs of our community in the post COVID environment
    - Flexible educational delivery options for students
    - Educate more Hawai'i residents for living wage jobs
      - Education
      - Health Care & Social Welfare
      - Construction, Design & the Built Environment
      - Computer Science & Engineering
      - Create Media Industries

What does this mean for the community colleges?

- Educate more Hawai'i residents for living wage jobs
  - Climate Change, Energy, Resilience & Conservation
  - Food, Agriculture, Aqua culture
  - Sustainable Tourism
- All University units have important missions
- All units are being asked to evaluate operations and program offerings

All ideas are welcome!



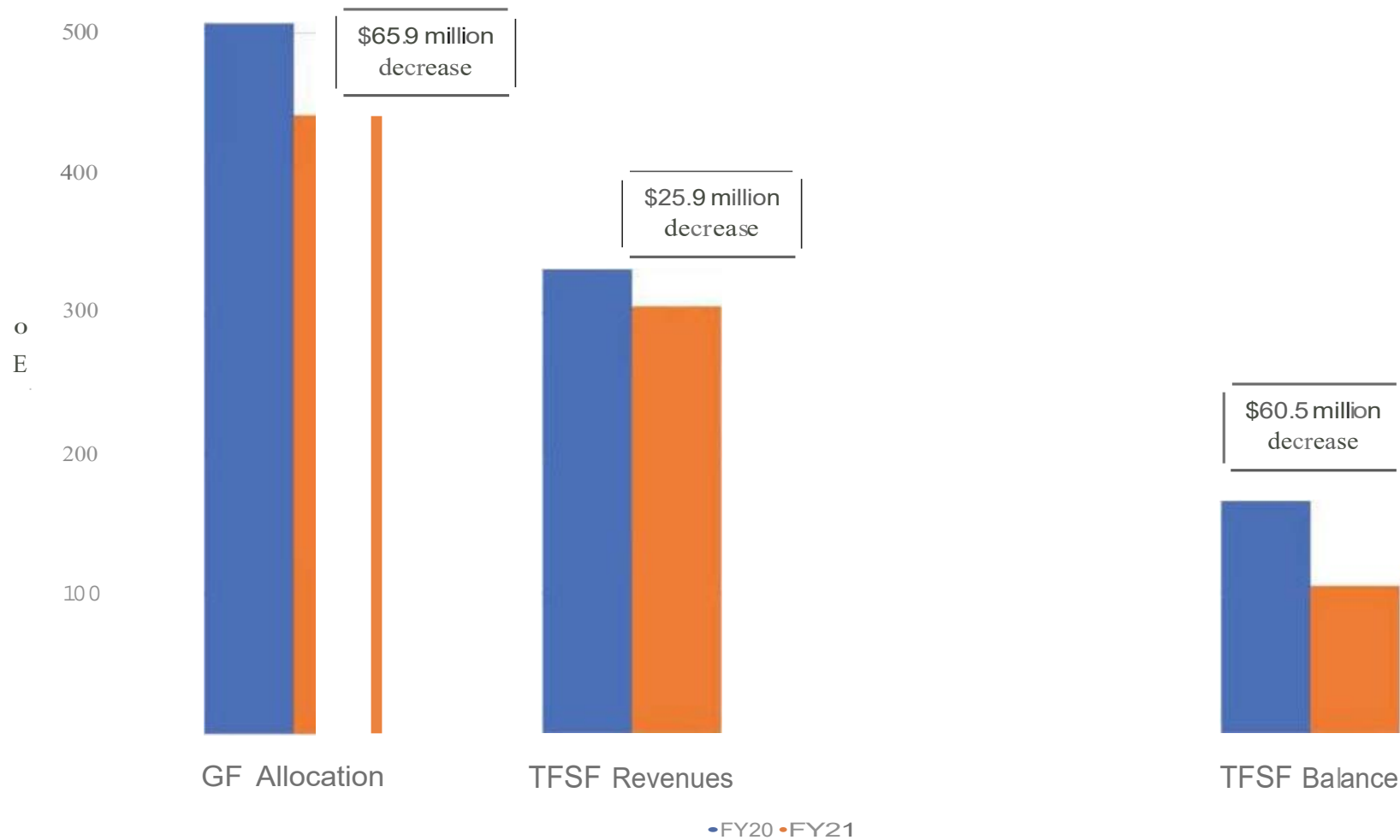
# UH Assumptions

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- General Fund restriction of 16% from Act 9, SLH 2020 (budget bill).
- Tuition and Fees (TFSF) revenues were based on a point-in-time enrollment comparison with the previous year. The enrollment gaps have been shrinking and it is hoped that the revenue projection in this plan is conservative.
- This presentation only considers the General Fund and TFSF, the two largest components of UH operations.
- Use of reserves nearly certain for FY21. But, use will have to be managed. Previous analysis has illustrated that some campuses are more at risk of depleting TFSF fund balances sooner.



# Aggregated UH





# Aggregated UH

	in \$millions		
<b>Revenues</b>	<b>FY20 Actual</b>	<b>FY21 Projected</b>	<b>FY21-FY20</b>
General Fund Allocation	507.6	441.7	(65.9)
Tuition & Fees Revenues	331.4	305.5	(25.9)
Total GF+TFSF	839.0	747.2	(91.7)
<b>GF Expenditures</b>	<b>FY20 Actual</b>	<b>FY21 Projected</b>	<b>FY21-FY20</b>
Personnel	482.6	434.9	{47.7}
Non-Personnel	17.3	6.6	{10.7}
Utilities	7.7	0.2	(7.5)
Total GF Expenditures	507.5	441.7	(65.8)
<b>TFSF Expenditures</b>	<b>FY20 Actual</b>	<b>FY21 Projected</b>	<b>FY21-FY20</b>
Personnel	114.5	183.1	68.7
Non-Personnel	85.3	76.7	(8.6)
Utilities	40.5	47.4	6.9
Transfers	54.6	58.8	4.2
Total TFSF Exp+Transfers	295.0	366.0	71.1
TFSF Ending Balance	165.5	104.9	(60.5)



# Aggregated U H

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- Projected General Funds \$65.9 million less than FY20 Actual and Tuition and Fees \$25.9 million less than FY20. Total \$91.7 million revenue decline.
- General Fund Personnel expenditures to be reduced by \$47.7 million. Non-Personnel reduced by \$10.7 million. Utilities reduced by \$7.5 million. Total GF expenditures reduced by \$65.8 million.
- TFSF Expenditures Personnel expenditures increasing by \$68.7 million. Non-Personnel reduced by \$8.6 million. Net increase of \$71.1million.
- Expected decline in TFSF reserves of \$60.5 million. Aggregate ending balance is \$104.9 million, still above 5% target of \$41.2 million.





# UHCC Expenditure Assumptions

Using FY 20 Expenditures as a Base

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## 1. Regular Payroll

- Includes funding for all filled positions charged to the GF & TFSF
- Includes all CB augmentations except for one-time negotiated retroactive amounts
- Does not include funds required for the filling of any vacant positions

2 Lecturer expenditures reduced by 25%

3 Overtime/Overload reduced by 75%

4 Casuals reduced by 75%



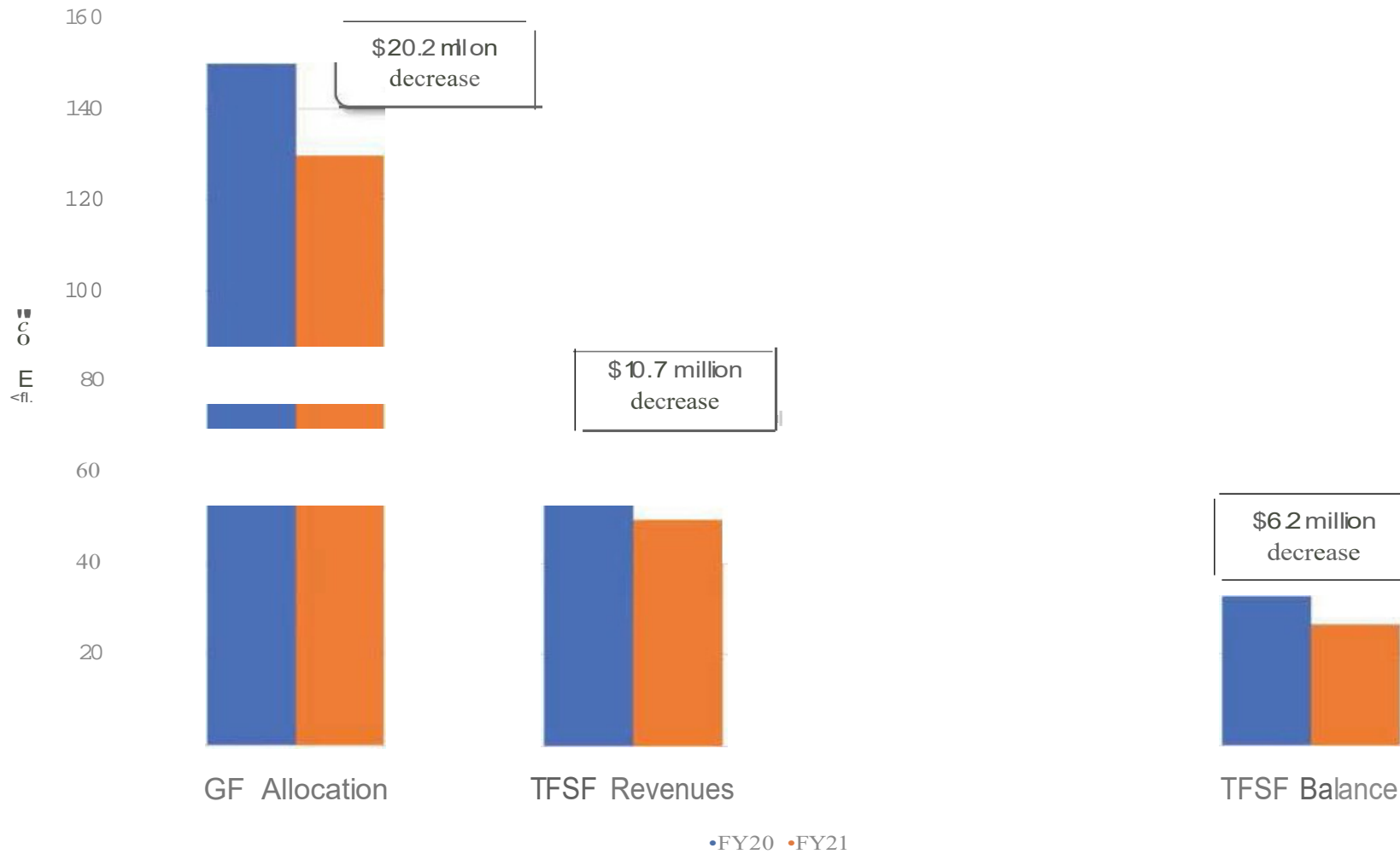
# UHCC Expenditure Assumptions (Cont.)

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5. Student Help reduced by 25%
6. All travel reduced by 100%
7. Utilities reduced by 20%
8. Equipment reduced by 100%
9. All remaining Other Current Expenses reduced by 25%



# Community Colleges





# Community Colleges

	in \$millions			
Revenues	FY20Actual	FY21Projected	FY21-FY20	
General Fund Allocation \$	149.7	<del>129.5</del>	\$	(20.2)
Tuition & Fees Revenues \$	60.3	49.6	\$	(10.7)
<b>Total GF+TFSF</b>	<b>\$ 210.0</b>	<b>\$ 179.1</b>	<b>\$</b>	<b>(30.9)</b>
GF Expenditures	FY20Actual	FY21Projected	FY21-FY20	
Personnel \$	140.1	<del>129.5</del>	\$	(10.6)
Non-Personnel \$	4.2		\$	(4.2)
Utilities \$	5.4		\$	(5.4)
<b>Total GF Expenditures</b>	<b>\$ 149.7</b>	<b>\$ 129.5</b>	<b>\$</b>	<b>(20.2)</b>
TFSF Expenditures	FY20 Actual	FY21Projected	FY21-FY20	
Personnel \$	12.0	<del>15.6</del>	\$	3.6
Non-Personnel \$	26.0	26.1	\$	0.1
Utilities \$	4.8	9.0	\$	4.2
Transfers \$	8.3	5.1	\$	(3.2)
<b>TotalTFSF Exp+Trfs</b>	<b>\$ 51.1</b>	<b>\$ 55.8</b>	<b>\$</b>	<b>4.7</b>
GF + TFSF Expenditures	FY20Actual	FY21Projected	FY21-FY20	
Personnel \$	<del>152.1</del>	145.1	\$	(7.0)
Non-Personnel \$	30.2	26.1	\$	(4.1)
Utilities \$	<del>10.2</del>	9.0	\$	(12)
Transfers \$	8.3	5.1	\$	(3.2)
<b>TotalTFSF Exp+Trfs</b>	<b>\$ 200.8</b>	<b>\$ 185.3</b>	<b>\$</b>	<b>(15.5)</b>
<b>TFSF Ending Balance</b>	<b>\$ 32.7</b>	<b>\$ 26.5</b>	<b>\$</b>	<b>(6.2)</b>



# Leeward CC

Revenues	FY20Actual	FY21Projected	FY21-FY20
General Fund Allocation	\$ 27.6	\$ 24.2	\$ (3.4)
Tuition & Fees Revenues	\$ 14.6	\$ 13.3	\$ (1.3)
<b>Total GF+TFSF</b>	<b>\$ 42.2</b>	<b>\$ 37.5</b>	<b>\$ (4.7)</b>

GF Expenditures	FY20Actual	FY21 Projected	FY21-FY20
Personnel	\$ 26.0	\$ 24.2	\$ (1.8)
Non-Personnel	\$ 0.7	\$	\$ (0.7)
Utilities	\$ 0.9	\$	\$ (0.9)
<b>Total GF Expenditures</b>	<b>\$ 27.6</b>	<b>\$ 24.2</b>	<b>\$ (3.4)</b>

TFSF Expenditures	FY20Actual	FY21Projected	FY21-FY20
Personnel	\$ 3.1	\$ 3.5	\$ 0.4
Non-Personnel	\$ 4.4	\$ 3.6	\$ (0.8)
Utilities	\$ 0.9	\$ 16	\$ 0.7
Transfers	\$ 4.8	\$ 6.7	\$ 1.9
<b>Total TFSF Exp+Trfs</b>	<b>\$ 13.2</b>	<b>\$ 15.4</b>	<b>\$ 2.2</b>

GF+TFSF Expenditures	FY20Actual	FY21 Projected	FY21-FY20
Personnel	\$ 29.1	\$ 27.7	\$ (1.4)
Non-Personnel	\$ 5.1	\$ 3.6	\$ (1.5)
Utilities	\$ 18	\$ 16	\$ (0.2)
Transfers	\$ 4.8	\$ 6.7	\$ 1.9
<b>Total TFSF Exp+Trfs</b>	<b>\$ 40.8</b>	<b>\$ 39.6</b>	<b>\$ (1.2)</b>

<b>TFSF Ending Balance</b>	<b>\$ 8.5</b>	<b>\$ 6.4</b>	<b>\$ (2.1)</b>
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## We are Challenged With Austerity, Urgency and Uncertainty that We Don't Control

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- The state budget crisis is real, deep, immediate and continuing
- The "\$100m hole in our budget will not simply disappear
  - The State financial challenges are deepening every day
  - Full economic recovery is more than 4 years away
  - Even if there is federal assistance, it will be short-term
- Tactical actions like hiring freezes, travel bans, deferral of equipment purchases, across-the-board reductions can help in FY21, but the longer we delay strategic structural changes, the longer we stay in an FY21 world
- Our path forward must be grounded in vision, principles and priorities



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