



BUDGET & PLANNING COMMITTEE of the Leeward Community College Faculty Senate

A standing committee of the Faculty Senate seeks to improve transparencies and provide an interpretation of the budget, or key aspects of the budget, for the Faculty Senate. Focus on issues that impact academic policy and curriculum.

Date: September 1, 2020

Members: Matthew Egami, Gholam Khaleghi (Chair), Alyssa MacDonald, Michael Moser, James West

From: Gholam Khaleghi

Subject: Leeward CC Budget updates

Hawaii has received about \$4 billion in coronavirus relief funding, and the government approximate funding receivers are:

- \$1.25 billion for state and county response efforts
- \$1.14 billion (estimated) in unemployment assistance
- \$1.24 billion (estimated) in direct cash payments to Hawaii residents
- \$130 million (estimated) for food stamps
- \$53 million to support local schools and colleges
- \$11 million for community health centers in Hawaii
- \$8 million in community development block grants

The State needs to fill \$2.5 billion gap and that has made the Governor waiting to receive more stimulus money similar to 2008-09 before making any funding decisions on General Fund budget reductions; employees' furloughs; and employees' pay cuts.

Currently, the impact of the budget cuts on the UH System in general and Leeward CC in particular are as follows:

- The UH System's potential budget shortfall for fiscal year 2021 (this year) is estimated to be \$91.7 million. This is based on a 16% reduction in General Funds and a 5% reduction in tuition, the primary sources of our operating budget.
- The UH expenditure freeze, hiring, equipment, traveling, any contact over 25000.
- Defer all spending, except Covet related, fixed cost, prior obligations.

- The UHCC's share of the \$91.7 million shortfall is nearly 34%, or \$30.9 million. Leeward CC's share of the total UHCC expenses have hovered around 19% historically,
- The Leeward total revenues for this year are projected to be in the neighborhood of \$32 million with a shortfall may be in the neighborhood of \$5.8 million, which is about 18% budget reduction for us.
- \$9.5 million balance with \$4.5 million deficits. The net balance of \$4.5 million left for this year.
- From 35 vacant Leeward positions, 11 vacant positions are left to be filled and the remaining 24 positions will be abolished. Teaching education will be able to fill 4 instructional positions because these positions are within the workforce development of the Fed priority funding guidelines.
- Please see the attached slides from the UH Board of Regent meeting on August 20, 2020. Note that slides 4-14 emphasize programs that focus on workforce development. Slide 12 calls for "Structural Rebalancing."

Note the Timeline for Determining Campus Budget Reductions:

- September 2020: Open discussions and consultation throughout UH.
- October-November 2020: Refine ideas and calculate financial impacts.
- December 2020: Present comprehensive approach to the BOR.
- January 2021: Begin implementation.