BIENNIAL BUDGET DEVELOPMENT UPDATE  (agenda attached)

- Discussion of the process and Strategic Plan Budget Documents – (attachments to the email dated June 17, 2004). Mike Rota, Associate Vice President Academic Affairs Community Colleges, reviewed the clusters (Workforce Development, Campus Infrastructure, System Priority Initiatives, and Other) and noted the use of the term “operational improvement” in line with the language used by ACCJC. The UHCC process is part of the systemwide biennial budget process.
  - Chancellor Meixell (along with Chancellor Morton represents the community colleges on the systemwide biennial budget planning group) reported on the last meeting:
    - Systemwide group is working within the projected 5-6% state budget growth
    - Community colleges will need a larger portion of state general funds.
    - Leveraging Pell Grants to tuition increases
    - Collective bargaining expense to be shown as a separate item
    - Discussion of systemwide priorities (collective bargaining, IT, Hawaiian Studies, Nursing/Teaching) and whether or not they should be in unit budget requests or requested at the system level

UHCC STRATEGIC FINANCIAL PLAN 2002-2010

- Mike Rota and Mike Unebasami, Associate Vice President for Administration and Community College Operations facilitated discussion (see attached plan 06/15/04 – Please note: Summary Sheet was for discussion in June 18th meeting. These numbers will be updated)
  - Community college budget achieved through general fund increases, tuition increases, and reallocation
  - Biennial Budget based on 10% increase over biennium
  - Goal to balance everything with exception of collective bargaining costs
  - UHCC Strategic Financial Plan 2002-2010; UHS System Enrollment Management Plan and Directions – Attachment C Middle Series Projections; Summary:
    - Budget sheet has been updated with actual fall 2003 enrollments.
    - Enrollment, FTE, Student Semester Hours, and average class size along with non-residents drive community college increase in tuition
    - Beginning with 2007-08 net revenues are negative due to collective bargaining expenses
Per Mike Unebasami for the next budget request, the working documents should include line items for all funding sources available to a unit.

- The fringe benefit costs as currently structured by state law are exceeding units’ ability to cover. Per Mike Unebasami, discussions are being held.
- Discussion on unit items that may be part of the system request. Leave in unit budgets at this point.
- Timelines:
  - End of September (at latest), provide BOR with UH biennial budget request. Administrative Services directors at the system and campus levels submitting an outline for the July BOR meeting.

**NEXT STEPS**

- By end of June, campuses should “lock-down” justifications for their individual requests.
- There should only be technical issues/adjustments for items that may be requested as “system” requests.
- Ordering of priorities should await system budget priorities. System budget planning group meets June 24th.

**FUTURE MEETING DATES**

Friday, July 16, 2004
1:00pm
Dole Street Conference Room

Attachment I  June 18th Agenda
Attachment II  UHCC Strategic Financial Plan 2002-2010 (summary dated 06/15/04)