The Long Range Budget Planning Committee (LRBPC) met on March 14, 2014 to discuss recent announcements and to continue discussion of performance measures.

Announcements

HB 1700 passed the House and includes $19.5 million general fund augmentation for the 3% faculty salary increases agreed to in the 5th and 6th years of our collective bargaining agreement. The bill also includes a request for restoration of the $14 million reduction in general funds to restore faculty salary reductions agreed to in the first two years of the same agreement.

The latest Council on Revenues projection is for 0% growth this year and reduced forecast for growth over the next two years. The Senate has since deferred decision on the House bill, so both sides will meet in conference to work out their differences.

Our committee also discussed the College of Pharmacy and the House bill to recognize the building with $11 million cash, $11 million revenue bonds and $11 million general bonds in funding. The building will now be considered in conference negotiation. HB1652 is a separate bill that establishes a five-year pilot project at UHH to ensure the financial self-sufficiency of the college.

Our committee discussed SB3092, which appropriates funds for an international flight training center and associated aeronautical training programs at UHH and Hawaii CC. The 4-year program is to include $450K for new positions and renovation of the old airport tower as classrooms.

Biennium Budget Policy Paper

The Committee discussed a memorandum from UH System to the Board of Regents on the 2015-2017 Biennium Budget Policy Paper. A few points discussed from this memo were:

- An initiative to eliminate the deferred maintenance backlog (with a commitment of $14 million per year to pay debt service on revenue bonds to reduce approximately $200 million of the $478 million in projects should the System receive the aforementioned restoration of general funds from the legislature).
A review to be conducted by a BOR task group and members of the UH administration to evaluate changes to the current tuition schedule.

A recommendation to campuses to maintain a minimum 5% operating reserve in unencumbered cash. Campuses with reserves greater than 16% may be subject to reallocation.

**Performance Measures**

The Committee discussed how to prepare for the Biennium Budget and its goal to link biennium budget allocations to productivity and efficiency measures. Potential measures being discussed include number and rate of students who graduate and graduate on time, number and success rate of students who transfer, and efficiency measures such as educational and institutional costs per completion or transfer. In our campus economy of scale, UHH needs to raise enrollments for better efficiency.

Lastly, the Committee continued our discussion of a strategic enrollment plan and how the administration could move forward to implement such a plan.

Respectfully submitted,

Brian Bays,
Budget Committee Chair