1. Committee members are as follows:
   a. Hiapo Perreira
   b. Kevin Hopkins
   c. Ghee Tan
   d. Vladimir Skorikov
   e. Joan Thompson
   f. Ken Hon
   g. Michael Marshall
   h. Roberta Barra

2. The Governor has held back a little over $800,000 of General Funds appropriated for UHH. The Council on revenues, in their November 5, 2015 report (attached), indicate no change in their projections. This is relatively good news as they project 4% growth for the 2015 fiscal year and 4.5% growth for the 2016 fiscal year. We should be optimistic that once actual numbers are forthcoming in Spring 2016 the Governor will release some or all of the funds held back.

3. Tuition revenues are down because enrollments are declining. Each 100 students represent approximately $1 million in tuition revenues. Any ideas for increasing enrollments should be directed to one of the Vice Chancellors.

4. Marcia Sakai, VC Admin, has formed a committee to identify IT expenditures to improve pedagogy and increase/retain student enrollment. Forward any thoughts to Tam Vu.

5. Matt Platz, VC Academic Affairs, has indicated that our organizational structure is out of balance. He would like to see 4 entities with about 50 faculty each. Any ideas on which programs, divisions, departments, etc. should be combined to that end should be presented to either Matt or one of the committee members, including myself.

6. Matt Platz’s budget for FY 2015-2016 is as follows. Note the only degrees of freedom available to a College is in their hiring of Spring Lecturers and the amounts set aside as discretionary funds. To the extent that a college does NOT hire lecturers those amount “saved” can be used as discretionary funds. Note that $2,224,690 are budgeted for lecturers for FY 2015-2016. Discretionary funds are about 50% of last year’s discretionary at $697,250. This is largely due to union negotiated Salary increases eating away at the discretionary portion of the budget.
Total amount allocated by the legislature: $84,681,679. Thus, Academic Affairs receives about 30% of these funds. The remainder of the budget is allocated to Administrative Affairs, Student Services, Pharmacy, and so forth. Keep in mind, the governor has held back over $800,000 of these funds.

7. Matt Platz donated $3,000 to the Hawai‘i Sociological Association. In future he intends to query this committee regarding the advisability of this expenditure.
November 5, 2015

The Honorable David Y. Ige
Governor, State of Hawaii
Executive Chambers
State Capitol, Fifth Floor
Honolulu, HI 96813

Dear Governor Ige:

In its meeting on November 2, 2015, the Council on Revenues (the “Council”) kept its forecast for the growth rate in Hawaii total personal income (TPI) for calendar year 2015 at 4.0%. The Council also revised and increased the TPI growth rate from 4.0% to 4.5% for calendar year 2016.

The Council’s November TPI forecasts were very slightly different from the averages of the forecasts for TPI that the members had submitted for the Council’s General Fund meeting of September 3, 2015. The Council expects that the rate of inflation, as measured by changes in the Honolulu Consumer Price Index, is likely to be increased in calendar year 2016.

The updated data for Hawaii’s TPI for calendar years 2010 through 2014, along with the Council’s current forecasts for 2015 and for 2016, are shown below:

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Millions of Dollars</th>
<th>% Growth From Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$56,732</td>
<td>2.5%</td>
</tr>
<tr>
<td>2011</td>
<td>$59,179</td>
<td>4.3%</td>
</tr>
<tr>
<td>2012</td>
<td>$61,994</td>
<td>4.7%</td>
</tr>
<tr>
<td>2013</td>
<td>$62,437</td>
<td>0.7%</td>
</tr>
<tr>
<td>2014</td>
<td>$65,348</td>
<td>4.7%</td>
</tr>
<tr>
<td>2015 (Forecast)</td>
<td>$67,962</td>
<td>4.0%</td>
</tr>
<tr>
<td>2016 (Forecast)</td>
<td>$71,020</td>
<td>4.5%</td>
</tr>
</tbody>
</table>

The Honorable David Y. Ige
November 5, 2015
Page 2

Please advise us if we can be of further assistance or if you have any questions concerning the foregoing estimates.

Sincerely yours,

Hurt Kawaruchi
Chair, Council on Revenues