Mike Rota reminded the Subcommittee:

1. New budget process limits the ways to allocate funds. The four ways are:
   a. Current Service Budget to deliver the current instructional programs and student and administrative support.
   b. Implementation plan to achieve the College’s Strategic Plan (FY 2010-2015) Goals.
   c. Program improvement items from program review or assessment.
   d. Additional Operation Requirements, such as enrollment growth, repairs and maintenance, additional space requirements, health and safety, etc.

2. The Honolulu CC policy, UHCCP 4.101 Integrated Planning, Resource Allocation, and Assessment and the requirement to follow the time deadlines to develop a fair and participatory budget. However, due to time constraints at the end of May 2011, the Subcommittee was not given sufficient time to review the various components of the FY 2012 Budget Request. Only the FY 2012 Current Service Budget will be released on time per the time schedule.

Mike updated the Subcommittee:

1. Reviewed and explained the Strategic Implementation Plan worksheet:
   a. Bases of assigning numeric values to the rankings:
      i. High (H)=3
      ii. Medium (M)=2
      iii. Low (L)=1
   b. Based on summation of the numeric values of the committees’ rankings, Mike recommended that the Subcommittee accept the following rankings:
      i. H=2.5-3.0
      ii. M=1.5-2.4
      iii. L=0-1.4
   c. To ensure the financial stability of the College, utilized 1b to distribute the funding to several fiscal years.
      i. H=FY 12
      ii. M=FY 13
      iii. L=FY 14
   d. Projects approved for the out years (FY 13 to FY 15) will be evaluated this fiscal year and accordingly prioritized.
2. The Subcommittee accepted the methodology of 1a, 1b and 1c.

3. Mike also reviewed the Program Improvement Budget Requests.
   a. These requests based on program review or assessment was also ranked by H, M and L.
      i. H=FY 2011 (due to funding from the CC Systems Office in May 2011)
      ii. M=FY 2012
      iii. L=FY 2013

4. Mike noted that no requests were received for Health and Safety and the other Additional Operation Requirements categories.

5. Mike also reviewed and explained the College’s Long Term Financial Plan (2010 to 2015) especially the two major sections, which are Estimated Revenues and Estimated Expenditures.
   b. The important aspect to understand is this a plan based on the best known facts and that it is the College Plan to ensure that we have sufficient funds to meet the needs of the College programs.
   c. Items of importance:
      i. The CC system has established a new reserve policy of 5% of the prior year’s unrestricted funds expenditures for the current year and this reserve amount will be deposited into an account. This account can only be used for emergency situations, such as covering flood and/or wind damages or other catastrophic events.
      ii. The tuition and fees revenue has been adjusted based on the UH System’s proposal to increase tuition over the next five years. This proposal is:
         1. $4 per credit=FY 13
         2. $5 per credit=FY 14
         3. $8 per credit per fiscal year for the next 3 years.
   d. Mike explained that this long term financial plan will allow the College to assess the feasibility of making changes while maintaining this financial stability over the years. He also noted that it is easier to reduce the College’s excess financial reserves in a systemic way.

6. Mike proposed to the Subcommittee that this implementation plan and the program improvement plan be recommended to the full Planning Council on September 9, 2011.
   e. The Subcommittee accepted Mike’s proposal but Mike allowed the Subcommittee Members to make additional comments or recommendations to Ken Kato by September 7, 2011. NOTE: No comments were received.