CAC Emergency meeting on the Budget - April 2

Place: ‘Iliahi 123 ABC
Date: Tuesday, April 2, 2019
Time: 2:30-4:30 p.m.

CAC Members: Lisa Aganon, Kevin Andreshak, Karen Boyer, Kelli Brandvold, Reid Sunahara for Candy Branson, Sarah Bremer, Laure Burke, Martin Chong, Jeri Lynn Enokawa, Dave Evans, Bob Franco, Shirl Fujihara, Brian Furuto, Carl Hefner, Carol Hoshiko, Grant Itomitsu, Brenda Ivelisse, Lisa Kanae, Justin Kashiwaeda, Deneen Kawamoto, Susan Kazama, No‘eau Keopuhiwa, Sheila Kitamura, Kapulani Landgraf, Karl Naito, Nāwa’a Napoleon, Veronica Ogata, Joe Overton, Louise Pagotto, John Richards, Shannon Sakaue, Annie Thomas, Jan Thurman, Allyson Villanueva, Cathy Wehrman, Don Westover, Joanne Whitaker, Amy Patz Yamashiro, and Andrew Akana for Jeff Zuckernick.

Guests: Martin Moore (OCET), Keith Rivera (Security), Jaclyn Linda (Soc. Sci.), Craig Spurrier (Staff Council), Eloise Lewis (Math/Sci), Heather Robertson (OCET), Melissa Nakamura (OCET), Aric Larsen (Interim Dir. Aux. Svcs), Michael Allen (ITS), John Ridgeway (OCET Marketing), Anne Matute (DSSO), Lisa Yamamoto (Marketing), Lance Akana (CELTT), Linh Poe (UH Foundation), Porscha Dela Fuente (Eng./SSC), LeeAnn DeMello (EMS), Jamie Sickel (CELTT), Helen Torigoe (CELTT), Leigh Dooley (DE Coord.), Youxin Ahang (CELTT), Alissa Kashiwada (Non-Credit Mgr), Stan Fichtman (KCC Apprenticeship), Shawn Yacavone (HIC)

Introduction

Chancellor Pagotto stated that this was an important meeting. The outcome is to include the campus leadership in creating ways to get past this budget crisis. She asked the members to focus on solutions and ideas, not on what is not possible and not about personalities.

What are the various funding sources?

We have multiple kinds of funding which need to be used for specific purposes. Each has restrictions.

- General funds come from the state and are used for salaries
- Tuition and fees are generated from tuition
- Community College Special Funds (CCSF) are from revenue generating programs and the summer session tuition
- Research Training and Revolving Funds (RTRF) come to us as a result of our grants. The funds are to be used specifically for research and training. These fund our professional development.
- System funds
  - Equipment replacement (over $5,000)
  - Capital Improvement Program (CIP) and minor CIP are for big and small renovation projects
  - Repair and maintenance
- External funds – We have $5.2 million in grants. These fund what is required in the grant.
How did we get here?

- Decreased enrollment but not a commensurate decrease in class sections offered.
- $900,000 given to the system per year and getting back only about $100,000 because we fail to reach our targeted performance funding measures. This failure to recoup our contribution has gone on for several years.
- A change in how college-funded scholarships such as achievement grants are accounted for in our budget. Now they are shown as expenditures only.
- Covering annual deficits from our reserves for the last 4 years.

Current situation

- We need to find $2.9 million in additional savings in general-funds and tuition and fees by June 30, 2020.
- In fall 2018, we instituted a 20% budget cuts. Therefore, operational funds cannot be cut further.

What else can we do?

- What can we do moving forward including reducing personnel costs?

Questions and Suggestions from the floor

- Minimum class sizes for courses
- Do we have to pay into the performance funding measures? Yes.
- Can we cut salaries? Cut hours?
- Shut down buildings to save electricity
- Reallocation of TEs
- Non-instructional faculty to go from 11-month to 9-month faculty.
- When are we getting photo voltaic? December 2019 at the earliest but it will be minimum in savings as much of the savings goes to JCI.
- Charge all the Diamond Head hikers for parking.
- Are we looking at reductions as well as revenue increase?
- If we sell product(s) that are not related to our educational purpose, extra taxes will be levied by OHA and UBIT. What is OHA? Office of Hawaiian Affairs. The campus is on ceded OHA land. Any revenue that the college makes outside of its educational purpose is taxed by OHA. Unrelated Business Income Tax (UBIT) is a tax by the State that will also be levied. Lot C, the Chapel and the Culinary Institute lot are on OHA land
- Instead of a Vice Chancellor for Student Affairs, hire a Dean of Students.
- Farmer’s market revenue. They pay a facilities-use fee, which was a prior agreement.
- Enrollment - target the way we offer courses online. Use a programmatic approach. Put an entire pathway online.
• International students. The Board of Regents allows a range to charge for non-residents. Maui charges on the upper end of the scale. The other community colleges charge on the bottom end of the scale. We should increase the tuition for non-residents.

• Continuing education - move some small programs in non-credit to credit.

• We can offer online courses to International students through our oversees partners. We need to support requiring no TB and MMR for international students online. We need to simplify some of the registration issues.

• What are the campus priorities? The Chancellor stated that we need to recruit more international students and returning adults. There are many more adult learners than High School graduates. We need to help them get credentials. The other priority is retention. We lose 43% of our students from fall to fall. We need to hold on to those students. What do we have at Kapi‘olani CC that is unique and draws students to our college: undergraduate research, sustainability, and DE.

• What are your unit priorities? Where can you make the savings? Think about the services that you provide that are essential to your goals. Who are the people that are essential to the goals of your unit? Talk to your unit about your unit goals. For services that are not related to the goals, you need to prioritize and determine where to save.

Suggestions after group discussions:

• We need to analyze data to prioritize the needs.

• Retention – we need data to know why students are leaving. ARPD data from the UH System are not always reliable information. We need better numbers. If we are losing 50% every year, we need to know why. Some programs are completed in one semester. Are they in our retention count? Response: If students classify themselves as majors, they will be counted in our retention numbers.

• Incentivizing retirement? Don’t pay people for Christmas break?

• People work from home to save electricity.

• Cross list courses. For example, culinary and economics. Students can have flexibility in getting them into a degree.

• Increase the cap in a class by a couple of students in multi-section courses. As soon as registration is over, no late adds.

• Tiered preference for select admission programs. Preference will be given for doing your pre-requisites at Kapi‘olani.

• Add robust vendors at the college such as Starbucks.

What happens if we cannot reach the $2.9mm?

It will fall to the Chancellor to make the decision. Therefore, your input is valuable. Decisions will be made at the best interest of the college.
What do we do as a campus going forward to turn the tide?

We are going to have to change what we do and how we think as an institution. What can we do?

- We need to be outward facing. We need to represent the College.
- The Strategic Plan needs an implementation plan for each year. Do not add new initiatives.
- We need a stronger marketing presence.
- Can we offer an undergraduate program at night?

(See Appendix A for the written comments submitted by the attendees.)