Report of the Budget Execution Task Force

Phase Two

December 30, 2005

Report of the Budget Execution Task Force

Phase Two

Contents

Background 1

Summary of Recommendations 3

Addressing the May 2003 Faculty senate Budget Committee Report
Recommendations 4

1. Requirements for Success of the Budget Execution Task Force Efforts 5

2. The Non-Credit Program 7

3. The Allocation of College-Wide Finances 9

4. A Department Budget-Management Tool 11

5. A Budgeting Process for the College 13

6. Non-Instructional-Program Budgets 17

7. Integrating the Business Office in New Initiatives 21

8. New Reports and Forms 22

9. Grants Development and Management 23

10. New Programs and Grant Commitments 24

11. The College's Contribution to System Initiatives 25

12. Training 26

Appendix A: Chancellor's Memo

Appendix B: LERN Comments

Appendix C: Sample Page of the Department Budget-Management Tool

Appendix D: Sample Page of the Budget-Analysis Report

Appendix E: Sample Page of the Workload Report

Appendix F: The New Business Office Forms

Memorandum

Date: December 30, 2005

To: Leon Richards
Acting Chancellor

From: Frank Abou-Sayf
Chair

Subject: Task Force Report – Phase Two

Attached please find two copies of the Task Force's report for Phase Two. The report includes our recommendations to improve and reform the College's budgeting process.

The Task Force members thank you for the opportunity to be of help to the College.

Report of the Budget Execution Task Force

Phase Two

Background

On September 21, 2005, Acting Chancellor Leon Richards issued a memo requesting the continuation of the work of the Budget Execution Task Force that was formed on July 12, 2005. For Phase Two, called the preparation phase, the Chancellor requested the addition of representatives from the Faculty Senate and the Staff Council. As a result, the Phase Two Task Force was composed of:

Frank Abou-Sayf, Chair
Carol Hoshiko
Dennis Kawaharada
Carol Masutani
Karl Naito
Louise Pagotto
Trude Pang, and
Gene Phillips

In addition, the following non-Task Force members contributed to the development of the Department Budget-Management Tool presented in this report:

Kauka De Silva
Ibrahim Dik, and
Ron Takahashi

The Task Force was charged with addressing and following up on a number of issues that were largely identified in the August 31, 2005 report (see the Chancellor's memo in Appendix A). Subsequently and based on the Chancellor's directives, the Task Force identified 12 different issues that needed to be addressed in this phase. These issues, on the basis of which this report is organized, are:

Lani/Shawna 1. Requirements for Success of the Budget Execution Task Force Efforts

Louise 2. The Non-Credit Program

Lani 3. The Allocation of College-Wide Finances

CS 4. A Department Budget-Management Tool

Lani 5. A Budgeting Process for the College

Louise 6. Non-Instructional Program Budgets

Sally 7. Integrating the Business Office and New Initiatives

CS 8. New Reports and Forms

Sally 9. Grants Development and Management

LP / Sally 10. New Programs and Grants Commitments

11. The College's Contribution to System Initiatives – done Louise y.

12. CS Training

This report highlights the Task Force's findings and includes recommendations for subsequent plans of action. Throughout the report, findings from the recent 2006 Self-Study Chair-Survey results will be quoted in the locations in which they are most pertinent.

Summary of Recommendations

The major recommendations can be summarized as follows:

- That the College establish and adhere to the incentives recommended in this report for sound fiscal management and that these incentives be clearly disseminated.
- That non-credit programs be centralized into the Office of Continuing Education and Training, and that this office have its own director and budget. A special formula will allow this office to share its surplus with cooperating credit departments.
- That a College Fund be established, composed of 1% of the total of the units' operational budgets, and that these funds be used as described in the report.
- That a unified budgeting process and timeline that are described in this report be followed by all units.
- That the Office of Grants Development be expanded into an Office of Grants Development and Management that would act as a one-stop shop for all grants-related matters.
- That commitments to the continuation of programs and personnel after their funding grants have expired be made after a considerably more rigorous cost-benefit analysis than is practiced today.

In order to support these core recommendations, a set of other recommendations have been advanced. These include the creation of a new set of financial reports and Business Office forms, the use of a new web-based department budget-management tool that was designed by this Task Force, and the provision of training on a number of budget-related issues.

Addressing the May 2003 Faculty Senate Budget Committee

Report Recommendations

Throughout its work, the Task Force has taken into consideration the findings and recommendations of the May 2003 Faculty Senate Budget Committee Report. The majority of the recommendations advanced in that report has been addressed and are presented in one of the 12 categories listed above. The others are:

- Bring in a private contracted CPA to review accounting practices and issue recommendations for improvement
  It was reported that an external auditor has been appointed to review FY 2006 during Fall 2007. Details about this auditor's exact assignment are not clear. These details need to be ascertained.

- Review Business Office and Personnel Office policies, procedures, and operational practices to streamline operations and reduce workload
  It is expected that the imminent appointment of a new Vice Chancellor for Administrative Services will lead to these reviews. It is recommended that the Vice Chancellor for Administrative Services conduct these reviews and streamline - - -

- Consolidate current budget documents in one location and make them available for open review
  It is recommended that Quill be used for this purpose. ? - Budget

- Conduct regular presentations to the FS Budget Committee through the course of the Fall and Spring semester, and as new important information becomes available
  In this report, a recommendation is made to increase the role of the Planning, Policy Advisory Council (PPAC) in overseeing the budget process at the College. As a member of the PPAC, the Faculty Senate Chair will be regularly kept updated of the College's budget situation.

- Conduct regular budget presentations open to the campus
  In addition to the quarterly Budget Analysis report that this Task Force is recommending, it is also recommended that the College's financial picture be reported either on a quarterly basis in short informational sessions or becomes a permanent feature at the semi-annual General Faculty Meeting.

1. Requirements for Success of the Budget Execution

Task Force Efforts

There are four critical requirements for any budget reform to succeed at Kapi`olani Community College. The absence of any one or more of these requirements will undermine hopes for improving the College's financial situation. These are:

Budget

1. The establishment of incentives for responsible financial performance

2006 Self-Study Chair Survey	
Department did not benefit from last year's savings	89%
There were no negative consequences to overspending last year	56%

to unit? dept? college?

The recurring theme at the College is that there are no consequences to whether a unit runs a surplus or a deficit: the deficit will be forgiven and the surplus will be taken away from the unit. For years, this has been the belief on the basis of which most units have operated. For years, this belief has proven to be correct. Perhaps the single most important recommendation that this Task Force is advancing is that consequences to encourage fiscal prudence be established (or re-established), and that these consequences be clear and unequivocal. Conversely, many units have no interest in following fiscal restraint because they start the year with a budget that in insufficient for their operations. This situation needs also to be addressed and corrected to encourage these units to strive for sound budget management. Specific detailed recommendations have been made by this Task Force in this report to achieve these objectives.

2. A Commitment from the Business Office

The Task Force recommendations made in this and in the August 30 reports impose an additional workload on the Business Office. Effective January 2006 and in addition to its current workload, that office will have the responsibility to act on new forms within 30 days to correct and change financial reports, to levy assessments in a more detailed and frequent manner, to issue new financial reports including the separation of non-credit revenues, expenditures and assessments from departmental budgets, to conduct and publish written analyses of the budget situation, to provide budget informational sessions, and to provide detailed financial data that require time and labor. Unless a commitment is made by that office to assume the responsibility for all these new activities in a timely and reliable manner, the recommendations of the Task Force ~~will largely~~ have been for naught. If this office's resources cannot presently assume this additional workload, then this issue will need to be addressed at the outset. It is hoped that the imminent appointment of a Vice Chancellor for Administrative Services will provide additional support for this commitment.

3. The Standardization of the Budget Process

2006 Self-Study Chair Survey
Process by which the department budget gets finalized is unknown 67%

The current perception on campus is that different units follow different procedures to determine and manage their budget, and are evaluated based on different standards and criteria. Two of the Faculty Senate recommendations in its May 2003 report address this issue by requesting that a single unified accounting system be established. This Task Force has designed a tool to allow for such a unified approach to be implemented. Standardizing this process will c~~onvey a percepti~~on of fairness on the part of the Administration and will allow for a more uniform evaluation of units' performances.

bring a level

2. The Non-Credit Program

On October 17 and 18, 2005, Mr. William Draves, a consultant with the Learning Resources Network (LERN), visited at the College's invitation to study the non-credit situation and submit recommendations for improvement. Mr. Draves met with a large number of people at the College. On October 25, a draft of the LERN report was submitted to the College, following which the Chancellor solicited input from the College community before the report was finalized. The written comments that were received are included in Appendix B. The final LERN report was submitted to the College on December 5, 2005. This report in its entirety can be found at:

http://quill.kcc.hawaii.edu/attach/8625?type=support&primitive=0

After reviewing the final LERN report and all the written comments, the Task Force members concurred with the vast majority of the LERN report recommendations.

Recommendations

- ***That the label "Continuing Education and Training" replace the label "Non-Credit."***
- ***That all non-credit activities and programs at the College be centralized administratively into the Office of Continuing Education and Training (OCET).***
  Subject to the final approval of the OCET director, a staffing structure composed of four categories of personnel is proposed. These categories and their functions would be as follows:
  - ⇒ Promotions and sales – coordinate and conduct sales activities with programmers, market programs, sell contract training, develop a continuing education schedule.
  - ⇒ Programmers, assigned to academic departments (not every program will require a full-time programmer) – develop programs and curricula, conduct research and assessment, undertake new initiatives, plan public and contract classes, coordinate part-time instructors' work, and collaborate with sales and promotion personnel.

    Cooperate w/ academic depts.

    include here
  - ⇒ Operations – technical-support personnel (finances, scheduling/class cancellations, software, logistics, materials and supplies, evaluations).
  - ⇒ Clerical support.

- ***That the OCET director have complete authority over OCET and report directly to the Chancellor.***
- ***That departments provide input for curriculum content of OCET courses and that programs leading to licensures or certification be designed in conjunction with and be controlled by their academic department.***
- ***That online registration be made available for OCET.***
- ***That OCET designate a community-liaison person. This person could be chosen among the OCET registration employees and coordinators.***
- ***That physical space be allotted for the centralized OCET headquarters.***

OCET Budget
An independent Office of Continuing Education and Training will require its own separate budget. This separation will require that the portion of the college-wide assessments that result from the indirect costs of running the College be pro-rated to represent the accurate OCET share of these costs. Using a special surplus-sharing formula that will be derived in conjunction with the OCET director, part of the surplus will be returned to the individual departments that are offering the OCET courses. This surplus-sharing arrangement will encourage the credit programs to continue to generate and participate in the development of OCET business.

Recommendation
- ***That the OCET fiscal arrangement include***
  - ***assessing the office for its fair share of college expenses, and***
  - ***instituting a formula for surplus-sharing with participating credit programs.***

3. The Allocation of College-Wide Finances

This section deals with assessments and revenues related to college-wide activities.

College Reserve Fund
At the Chancellor's request, 1 percent of the College operational budget will go into a reserve fund, to be used in case of emergencies or as described below. Unexpected college-wide expenses beyond the capability of the reserve will be shared by all units, instructional and non-instructional.

In case of surplus in the College Reserve, after emergencies and basic costs for all programs are paid for, funds will be used for program improvement and new-program support; proposals for projects, programs and new personnel will be submitted to and reviewed by the PPAC. Should there be further surplus, the Chancellor may decide to distribute part or all of this surplus among departments.. The distribution will be made after the end of the fiscal year for use in the following fiscal year. — or Keep for the next fiscal Year?

Recommendation
- ***That 1 percent of the College operational budget be set aside for a College Reserve fund, to be established and used as described above.***

charged an amount? be paid?

College-Wide Assessments
Currently, departments and units are being assessed once a year ~~for~~ the indirect costs of running the College. These assessments, sometimes ~~large~~ amounts ~~in~~ the six figures, wreak havoc ~~in~~ the departments' budgets and are nearly impossible to compensate for, being levied towards ~~the end~~ of the fiscal year. In order for adequate planning and budgeting to take place, departments and units need to be aware of the assessment amount on a regular basis.

Recommendation
- ***That assessment amounts estimated by the Business Office be***
  - ***levied by department and unit on a monthly basis or at least on a quarterly basis, and***
  - ***separated by credit-program, summer-session, and continuing-education categories.***

Summer-Session Financials
The current practice to report summer-session financial information by department is satisfactory and should be continued. However, the indirect-cost assessment of the summer session needs to be separated from the other assessments. This practice will permit the departments to maintain a record of the true financial performance of their summer-session classes. A surplus-sharing formula could also be used to disburse the summer-session proceeds to the academic units.

Recommendation

- ***That the summer-session assessment be separated from other College assessments and that departments continue to receive proceeds from their summer-session activities and be liable for related expenses and assessments.***

Continuing-Education Financials

If the non-credit reorganization that was proposed in the LERN report and supported by this Task Force is adopted by the College, the Office of Continuing Education and Training will need to have its own budget. Just like with the credit programs and the summer session, this separation will also require that the indirect-cost assessment for this unit be separated from the other assessments. As reported above, it is recommended that a surplus-sharing formula be developed to allow the credit programs to keep part of the surplus generated from OCET that is commensurate with the programs' contribution to OCET's revenue generation.

Recommendation

- ***That the OCET assessment be separated from other college assessments and that a surplus-sharing formula be developed in conjunction with the OCET director to return a part of the OCET surplus to credit programs in relation to their contribution to OCET revenue generation.***

Grants and Fundraising

Grants: Direct funds (those used to support the specific interventions identified in the grant) will be available to the program generating the grant. Using an established KCC-created formula, indirect funds from grants will be distributed to the program generating the grant, the Chancellor's office and the Grant Development and Management office (proposed and described below).

Recommendation

Fundraising: Funds will go into foundation or college funds for which the money was raised.

4. A Department Budget-Management Tool

2006 Self-Study Chair Survey	
Not getting a budget that is understandable enough to manage	89%
Process by which the department budget gets finalized is unknown	67%
Not actively involved in creating last year's budget	67%
Not known where KCC funding comes from	56% to 89%

A web-based tool was created for instructional-department budgetary forecast and monitoring. A copy of the first page of this tool is available in Appendix D. The use of a web version allows for controlling access to various levels of information while simultaneously offering portability of the tool. A web version also limits the change that can be made by the user and prevents, for example, from tampering with historical data that are part of the tool. The tool's location, as of this date[1], is:

http://iro.kcc.hawaii.edu/budget.html

The tool is made up of various department-specific reports, each identified by its own tab. The tool represents a virtual engine that shows instantaneously the financial impact of a number of key academic parameters. Starting with the previous academic year's experience, the user can change a number of key indicator values and immediately see the financial impact of these changes.

Other Advantages
In addition to the support that this tool provides for budget forecast and monitoring, a number of other advantages result:

- For the first time, an empirically based budgeting process can be conducted at the college.
- For the first time, the budgeting process can be standardized across programs.
- For the first time, the budget can be directly tied to program-review results.[2]

Pending Issues
Should the tool be accepted for use by the College, the following issues and activities will need to be addressed during Spring 2006:

- Virtual space: the tool with its highly complex set of arithmetic relationships, algorithms and codes resides currently on the computer of the Office of Planning and Institutional Research. A more secure and powerful environment is needed to house the tool.
- Cost of software: a free trial version is currently being used. The College will need to purchase this software or a similar one.

[1] Because of constant updating of the tool, the web site may not be operational at all times. If the site is not operational, please contact the Office of Planning and Institutional Research to obtain temporary access.
[2] The Academic Report in the tool, shown in the Appendix, consists of a selected number of key *Program Review - Health Indicator* data elements that drive the virtual engine that calculates the budget.

- The issue of who will maintain the tool over the years will also have to be addressed. Possible candidates are the Office of Planning and Institutional Research and the Office of the Vice Chancellor for Administrative Services.
- Generation of a college-wide report. A college-wide report, showing the big budget picture of the College along the same line items as the individual unit reports needs to be prepared.
- Generation of an equivalent tool for support units. Further modification needs to be made to the tool to make it applicable to non-instructional units.
- Preparation of a short and simple user manual, defining terms and documenting arithmetic relationships. This manual will be used to supplement the ~~training activities~~ that will be offered to deans and department chairs to use the tool (see *Training* below).
- Establishment a direct link with Banner to update the ~~academic information~~ without human intervention.

It is also expected that, with the use of this tool over time, further improvements and refinement will take place that will allow for an increase in its functionality.

Recommendation

- ***That the Department Budget-Management Tool be used on an experimental basis to set departmental budgets for Fiscal Year 2007. This process, which should take place between February and May 2006, should allow for any revisions or fine-tuning of the tool, thereby permitting its use on a formal basis starting with the Fall 2006.***

5. A Budgeting Process for the College

2006 Self-Study Chair Survey	
Not aware of rules used to determine last year's budget	89%
Process by which the department budget gets finalized is unknown	67%
Not actively involved in creating last year's budget	67%

A process to plan for an academic-year budget is presented below. In this process, a larger role is envisioned to be played by the College's Policy, Planning and Advisory Council (PPAC). The PPAC, in its capacity as an advisory body, would review department, program, and support-unit budgets and make related recommendations to the Chancellor. To provide for better budgetary control, it is recommended that some larger units be separated into smaller ones, such as the separation of the Arts and Sciences unit into its components, and the separation of the Office of Planning and Institutional Research from the Executive Administration budget.

Recommendations

- ***That separate budgets be generated for the following departments and units:***
  - Executive and Managerial Units
    - Administration (Deans, Dept. Chair stipends and assigned time costs, Directors including CIP Director)
    - Curriculum Management
    - Planning and Institutional Research
    - (Proposed) Grants Development and Management
    - (Proposed) Continuing Education and Training
    - UH System Assessments (Risk Management, Worker's Comp, Foundation, CIP, Banner)
    - College Reserves
  - Support Units
    - Auxiliary Services
    - Business Office
    - CELTT-IMTS
    - College Advancement
    - Human Resources
    - International Education (Honda International Center)
    - Library and Learning Resources
    - Student Services (KISC, FYE/Orientation, disabilities services, financial aid scholarships, Native Hawaiian services)
  - Credit Programs
    - Arts & Humanities
    - Language, Linguistics and Literature

- Social Sciences
- Math and Sciences
- Other A & S (counselors, ...)
- Business Education
- Culinary Arts
- EMS
- Nursing
- Health Sciences
- Holomua
- Hospitality and Tourism
- Legal Education

- ***That each unit's budget be composed of (whenever applicable):***
  - ***General funds allocation and expenditures***
  - ***Tuition and Fees special funds revenues and expenditures***
  - ***Summer Session revenues and expenditures***
  - ***Continuing Education surplus sharing***
  - ***Revenues generated from operations (Subway, vending machines, ...)***
  - ***Grants and other subsidies, and***
  - ***Fundraising.***

For each unit, the projection basis will be the previous year's performance, along with any required changes. Because of the transitional nature of the impending changes, only for FY 07 will the projection be based on the last two fiscal years instead of the last one. Support units will also project income from their fees (parking tickets, late fees, photocopying fees, etc.) or other revenue-generating mechanisms (e.g., Subway contract). If the consolidation of non-credit programs into OCET is implemented, non-credit revenues, expenditures and assessments will have to be separated from individual-unit budgets before projections can be made.

The Department Budget Management Tool that this Task Force has prepared (see Section 4 above) will be used to generate these projections uniformly across all academic units initially, and subsequently across support units.

Process Timeline

In designing the following timeline, the Task Force members ensured that it coincides with the College's official "Timeline for Ongoing Improvement: Planning, Assessing & Budgeting."

The budgeting process should start around February and March of each year, when the individual departmental program-review reports would be completed. The first step would consist of deliberations within each instructional unit and each support unit, to calculate the following year's tentative budget. These budgets would then be presented in summary form to the PPAC between April and May, along with a summary of the most recent Program Review Report.

The PPAC, or a subcommittee thereof, will review and recommend allocations to the Chancellor by June 30. The Chancellor will then allocate all the units' budgets in July. Two reconciliation processes will take place, one during each semester, scheduled after the last day to withdraw with partial refund. The first will take place in September, in which the budget will be re-calculated using the final number of fall-semester classes and student-semester hours, and during which the correct summer-session revenue will also be calculated and distributed among units. The second reconciliation period will take place during February and will reflect changes in numbers of spring-semester classes and student-semester hours, as well as changes in assessments.

A diagrammatic presentation of the budgeting-process timeline is presented in Figure 1.

Consequences

Credit Programs: Each instructional unit will target an occupancy rate to be determined by the program and dean after a consideration of the unit's Program Review Report and the College's general guidelines. This occupancy rate will be one of the major factors driving the program's instructional allocation. The Department Budget-Management Tool advanced above has been built to allow occupancy rates to be one of the key drivers of the budget-allocation amounts.

Financially solvent units will be allowed to keep their surplus. In order to keep this surplus, these units will need to submit a plan to the PPAC or a subcommittee thereof in which they describe their use of this surplus. These units' tactical plans and the extent to which they have achieved them will play a major role in the use of this surplus.

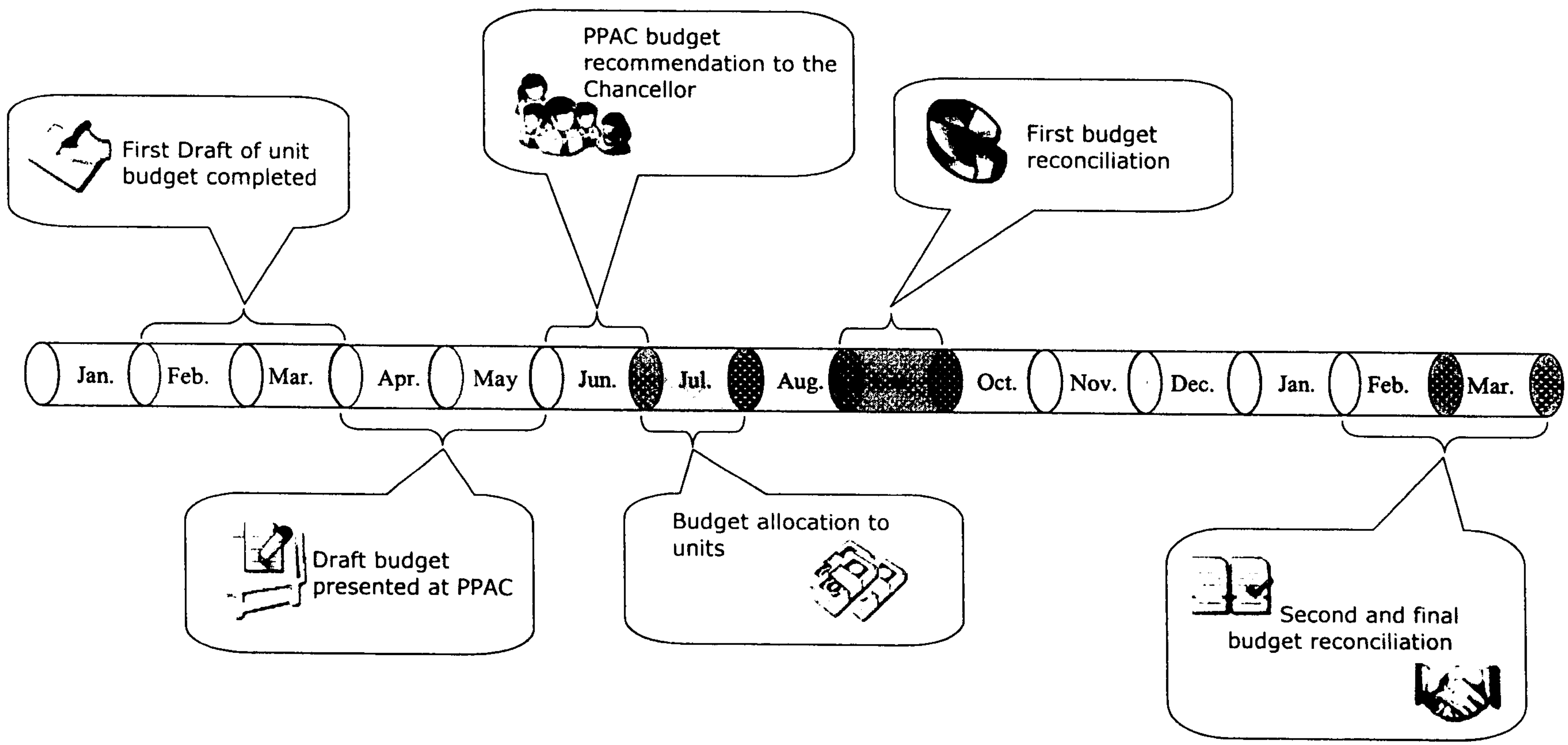
Programs that end the fiscal year with a negative balance will be covered by a subsidy from the College Reserve fund; however, these programs will be required to submit a plan for financial self-sufficiency. Programs that continue to under-perform for a number of years to be determined by the PPAC will be reevaluated as to whether their continuation is in the best interest of the community, the college, and the state. A decision will be made by the Chancellor, taking into account the recommendations of the PPAC as to whether to continue, scale down or stop out the program. Subsequently, the program may be resumed or permanently terminated.

Currently, a disincentive for fiscal restraint exists with some units that recurrently start the fiscal year with an insufficient budget. This situation must be addressed at the outset and remedied. The first step is to conduct a thorough analysis of these units' budget, a matter that should be rendered simpler thanks to the availability of the Department Budget-Management Tool advanced by this Task Force.

Continuing-Education Programs: Continuing-education programs will be run at a surplus, beyond all personnel expenses associated with coordinating a program and all assessments for college-wide support. A surplus-sharing formula will allow credit programs to receive a share of the OCET surplus that is commensurate with their contribution. Just like with other units, OCET financial performance will also be reviewed by the PPAC.

Figure 1

Annual Budget-Process Timeline



6. Non-Instructional-Program Budgets

The information in this section was largely obtained from the heads of the support units. ?
When asked about how they would prevent further negative cash flow ~~that happened~~ during FY05 to occur, the prevailing opinion was that the unit needed a larger budget. Few suggestions related to controlling costs were advanced. The Task Force members believe that, in some instances, the College needs to increase a certain unit's budget in order to eliminate a negative cash flow that is caused by circumstances that are not under the unit's control. An example is the large negative cash flow that Auxiliary Services incurs due to an increase in energy costs. In other instances, however, additional efforts will need to be made by the unit to control costs. Some of these efforts have been added to the recommendations made by the units.

General Recommendation

The following set of recommendations applies to all support units.

- ***Each unit should justify to and get prior approval for any additional personnel cost from the PPAC. The personnel must be reflective of the College's strategic and tactical plans.***
- ***The College should address areas of deficit that are outside the units' control in order to allow these units to start with a budget that can be realistically balanced.***
- ***Each unit should receive monthly, or at the very least quarterly, budget reports from the Business Office.***

Specific-Unit FY 05 Analysis

Auxiliary Services **($405,600)**

Auxiliary Services ended with a negative balance of $405,600 due to an increase in energy costs and unplanned air-conditioning repairs.

Recommendations:

- ***Funding for projected energy costs needs to be provided and should include an anticipated rise in costs.***
- ***A consolidation of evening and weekend classroom usage needs to be examined.***
- ***A review of purchasing an energy management system needs to be done. This system would be computer-managed and would allow for automated control of air conditioners, lighting, and sprinklers. The estimated cost for such a system is $650,000. An analysis needs to be done to project cost savings with this system.***
- ***Costs for repairing air conditioners need to be projected and funds allocated in anticipation of the repairs.***

✓ O. K

Business Office **$55,400**

The Business Office ended with a positive balance due to vacant positions.

Recommendation:

- ***As recommended in the May 2003 Faculty Senate Budget Committee Report, vacant positions should be filled.*** upgrade the Position?

Community Relations **($20,200)**

Community Relations ended with a negative balance due to insufficient funding for marketing and charges for personnel outside of the unit.

Recommendations:

- ***Community Relations should be funded for all personnel it is responsible for regardless of whether or not the positions are under the authority of the unit. The new Business Office form designed and recommended by this Task Force could be used to request position corrections from the Business Office.*** ?
- ***A budget should be established for marketing and placed under the authority of Community Relations. At the same time, marketing costs should be built into each activity upfront.*** should the PPAC analyze these activities?
- ***The Chancellor should continue his efforts to stop the excessive contribution by the College to the system-wide fundraising efforts.***

Curriculum Management **($108,200)**

Curriculum Management ended with a negative balance due to assigned time for faculty doing professional-development coordination, cross-curricular emphases, learning communities, for curriculum chairs, etc. Many of these activities are not covered by an allocation.

Recommendations:

- ***A review of costs for professional-development assigned time needs to be conducted. Funding should be provided to CELTT to cover these costs since professional development is now under the responsibility of CELTT.***
- ***A review of all assigned time needs to be conducted. Those functions that take less time or which may no longer have priority should be reduced or eliminated.***
- ***Alternative funding for assigned time, such as grants, will be sought. Assigned time may need to be curtailed.***

Executive Administration **($164,000)**

Personnel salaries, inter-island travel for individuals serving on Campus TPRCs, and Workers' Compensation contribution are the major causes for the large negative cash flow in this unit.

Recommendations:

?

- ***Seek alternative sources of funding the CIP. This solution will eliminate one ~~personnel salary from~~ the Executive Administration's budget.***

Cost benefit analysis?

- ***Move the Grants Development Director's salary from Executive Administration and ~~into~~ the new Grants Development and Management's office (that is recommended to be established in this report) budget.***
- ***An estimated cost for inter-island travel for individuals serving on TPRCs should be included in the funding allocation. The estimate could be based upon previous utilization.***

Human Resources **$30,300**

Human Resources ended with a positive balance due to vacant positions.

Recommendation:

- ***As recommended in the May 2003 Faculty Senate Budget Committee Report, vacant positions should be filled.***

(IMTS) CELTT **$198,700**

CELTT ended with a positive balance due to vacant positions and concerted efforts to minimize spending. The effort to minimize spending has made some systems vulnerable to failure.

Recommendation:

- ***Funding for the following equipment, charges, and time needs to be provided by the College:***
  - ***Core-service infrastructure (phone, data) upgrades, and general campus services (servers, wireless network);***
  - ***Phone charges (long distance);***
  - ***Equipment repair and replacement;***
  - ***Professional-development assigned time (if the responsibility for paying faculty is shifted from the Curriculum Management unit to CELTT);***
  - ***Marketing functions, if College Advancement is to pursue its goal. Funding for marketing needs to continue until the responsibility of paying for this function is shifted to the Community Relations unit.***

International Center **$160,000**

The Honda International Center ended with a positive balance due to unfilled positions, lower cost for hired replacement, and student-help funds not spent because of volunteer replacement. In addition, some funds were not transferred out to appropriate units.

Recommendation:

- ***A review of this unit's expenditures needs to be conducted. If hired replacement costs continue to be lower than projected and volunteers are to continue being used, funding for this unit should be reduced accordingly.***

Library **$96,500**

The Library ended with a positive balance due to the Head Librarian's internal quarterly checks to ensure that spending is on track with projections without consideration of left-over surplus from previous years. The excess balance is due to discrepancies between financial reports and allocations.

Student Services **($10,300)**

Student Services ended with a negative balance due to the high cost of interpreter services, which was budgeted $40,000 and cost $130,000. is it cover by extra, outsid, federal fund?

Recommendation:

- ***Funding for interpreter services needs to be projected based upon previous utilization, keeping in mind that costs to provide these federally mandated services for the deaf will continue to increase.***

7. Integrating the Business Office and New Initiatives

This section deals with procedures to ensure that the Business Office is given enough lead time in case of new initiatives impacting its operations (e.g., new contracts, non-credit invoices, …).

Grants

To improve communication among ~~all parties~~ involved, it is critical that the Grants Management Analyst meet regularly with the faculty and staff who have existing grants. Monthly meetings would allow the PIs to ask questions, get updates on the status of their grants, and be more aware of compliance issues and deadlines. Faculty and staff who are working on grant proposals should seek out the Grants Management Analyst early in proposal development, consulting with her to put together a reasonable and accurate budget.

Recommendation:

- ***That regular meetings be held between the Principal Investigators and the Grants Management Analyst.***

Other Initiatives

The Business Office is not always informed in a timely manner about the need for new accounts because of new grants or new revenue streams. Examples of situations that create financial-tracking problems are:

✓ Being informed after the fact about new initiatives that impact the Office operations (e.g. the College offering to host a conference).

✓ Expending funds or make promises of funds for items that are not reimbursable.

✓ Not informing department chairs and unit heads about a new revenue source or funds outside of the usual departmental process.

Consulting with the department chair or the unit head in such situations that requires the oversight of the Business Office could eliminate much of the hardship.

Recommendation:

- ***That faculty members work through their department chairs to consult with the Business Office prior to initiating new revenue or expenditure categories.***

8. New Reports and Forms

2006 Self-Study Chair Survey
Not getting a budget that is understandable enough to manage 89%

A number of new reports and one new form have been designed and are being recommended to be added to the current financial reporting.

A Quarterly Budget Analysis Report
A report designed by this Task Force is being recommended to be issued on a quarterly basis by the Business Office. A sample page of that report's financial data is provided in Appendix D. In addition to the financial data, essential college-wide information will be presented along with a short analysis of the financial status of the College, suggested areas for improvement, and a brief financial broadcast. The first issue of this report is planned for January 2006, and will include an analysis of the Fall 2006 financial situation.

Electronic forms of the current reports
Along with hard copies of the major financial reports that are being currently distributed, the Business Office will also distribute electronic versions of these reports. These versions will allow managers to modify these reports to suit their needs.

The Department Budget-Management Tool
This tool, described in detail in Section 4 above, also constitutes a new report, and will be available online on a continuous basis.

The Workload Report
As a means to obtain a better picture of faculty re-assigned time, the Workload report will be revived and will be issued on a quarterly basis. A sample page of this report is presented in Appendix E.

Business Office Change-Request Forms
Two new forms have been designed to allow unit managers to request changes and corrections to their budget. These forms will be posted online. The Business Office will have 30 days to make the changes. A copy of each form is provided in Appendix F.

9. Grants Development and Management

The grants generated by the College are rapidly increasing in both quantity and complexity. It is hoped that the recent addition of a new Grants Management analyst position in the Business Office will contribute to controlling and clarifying the complex financial situation of the grants at the College. However, this Task Force recognizes that the College has reached the point where a more knowledgeable body is needed on campus, an in-house expert office which would simultaneously be familiar with the protocol that is needed to follow with both RCUH and ORS as well as possess a true and complete picture of the finances of the College's grants. This office would act as a one-stop shop to support and provide information related to grants at the College. In this context, the time may be opportune for the College to re-examine the role of the Grants Development Office with the possibility of expanding its responsibilities into a Grants Development and Management Office, and to re-examine the staffing arrangement of the Business Office Grants analyst position in conjunction with the new Vice Chancellor for Administrative Services.

It is also being noted that this office's current director's salary is being drawn from the Executive Administration budget unit and is not included in the calculation of the cost of administering grants at the college. For an accurate financial picture of these activities, the director's salary needs to be included in the cost of running the grants.

Recommendations

- ***That the College convert the current Grants Development Office into a Grants Development and Management Office, where all activities, including administration, management, procedural requirements, budgeting, be housed and where all types of grant support be offered to faculty and staff. Various staffing arrangements should be explored, with particular emphasis on the Grants Management Analyst in conjunction with the Vice Chancellor for Administrative Services.***
- ***That the College include the cost of operating this office and all its personnel, including its director, in the overall cost of administering grants.***
- ***That the current formula used to distribute indirect grant funds to various units be re-examined to account for the director's salary.***

10. New Programs and Grant Commitments

The Task Force members noted that a number of new programs have been initiated during the last few years without apparent consideration for the financial impact of these programs on the College once their extra-mural financial support has ended. Examples of these programs are the New Media Arts, the e-Business and the Exercise and Sport Science programs. These programs, initiated and supported by a Title III grant, are currently continuing after the expiration of the grant as a commitment that was made to the granting agency. Similarly, the members noted that, in some grants, new positions that are initially grant-funded are committed to after the termination of the grant without securing other sources of financial support. The results of such commitments are that, notwithstanding the merits of such personnel and programs, the College ends up incurring the additional cost related to these programs and personnel with no related increase in its budget. After several years of engaging into this practice, its cumulative impact is draining the College's budget. This practice should be discontinued.

Recommendation

- ***That new grants and programs be committed to only after a significantly more rigorous cost-benefit analysis than is currently practiced be conducted by the office of the Vice Chancellor for Administrative Services. Approval of the Vice Chancellor should be secured prior to committing to these positions and programs.***

11. The College's Contribution to System Initiatives

Three areas of contribution have been identified.

1. **Banner**. Currently, the College is loaning out 2.5 positions to Banner, in addition to the pro-rated contribution of the College as calculated by the Office of the Vice President for Finance. Other colleges are contributing either very little or nothing towards their share of Banner. The College's over-taxation for Banner should not be allowed to continue.

2. **The Culinary Institute of the Pacific**. The College is incurring the cost of starting up the CIP through the employment of over 2 full-time positions along with their indirect costs. At the same time, no tuition is being generated to offset the CIP cost, which is a system-wide initiative. Lately, a system-wide Culinary meeting took place in which a recommendation to ask that the CIP cost be borne by the entire system has been advanced and is being worked on.

3. **The College Advancement Program**. In this area, the College is paying for 50% of a full-time position in addition to the assessment that is levied by the system for the UH foundation.

Recommendations

- ***That the College continue its efforts to pay only its pro-rated and fair share of Banner.***
- ***That the College continue its efforts to pay only its pro-rated and fair share of the CIP.***
- ***That the College request from the UH Foundation either to pay the full-time position salary entirely or to drop the amount the Foundation is assessing the College for the same purpose.***

12. Training

2006 Self-Study Chair Survey
Have no adequate training to manage budget 89%

In order to manage the departmental budgets more efficiently, the chairs and unit heads will need to receive training required to understand and use the fiscal information. Budget-related training should be conducted initially in Spring 2006, and then separately for all new chairs and unit heads. An online interactive training module should be developed for each of these training areas to allow new department chairs and unit heads to learn on their own. CELTT should be consulted on developing these online modules.

Recommendations

- ***That a series of budget-training sessions be offered to department chairs and unit heads starting with the early part of the Spring 2006 semester.***
- ***That an online budget-training module be developed with CELTT's support.***

Based on the Task Force's recommendations, the requisite skills will address the following data systems and new reports.

1. **The Financial Management-Information System (FMIS)**
   Department chairs and unit heads will need read-only access to their account information contained in the FMIS system. The Business Office should provide the training to assist the chairs and unit heads in understanding the reports that provide the account details. With this access and understanding, the chairs and unit heads will be able to generate several financial reports independently from the Business Office.

   Training required: One overview session of 90 minutes, followed one month later by a one-hour session. The chairs and unit heads will need time to use the reports and identify where they are having problems or questions. These would be addressed in the follow-up session. These sessions should be offered starting in February 2006.

2. **The Department Budget-Management Tool**
   Training will need to be developed and conducted in order for the chairs to make use of the new tool designed for planning and managing academic unit budgets.

   Training required: One hands-on session of three hours. This session should take place in the Spring 2006 semester and should be scheduled in February 2006.

3. New Reports and Forms

A number of new reports and one new form have been designed and are being recommended to be added to the current financial reporting. Department chairs and unit heads will need to become familiar with each of these documents, both in terms of their form and their function.

> *Training required*: One hands-on session of two hours. This session should also take place in the Spring 2006 semester, and may be offered concurrently with the first FMIS training.

Appendix A

Chancellor's Memo

KAPI'OLANI COMMUNITY COLLEGE

September 21, 2005

MEMORANDUM:

TO: Frank Abou-Sayf, Director of Planning & Institutional Research
Carol Hoshiko, Dean, Hospitality and College Advancement
Dennis Kawaharada, Dean, Business/Health/Legal Education, Library and Technology
Carol Masutani, Interim Vice Chancellor for Administrative Services
Louise Pagotto, Acting Vice Chancellor for Academic Affairs
Faculty Senate Representative
Staff Council Representative

FROM: Leon Richards, Acting Chancellor

SUBJECT: Budget Executive Task Force – Phase II

Please permit me to express my thanks and appreciation to all of you for a very good job on Phase I.

Now that the big picture and issues about our budget have been studied, I would like the Budget Executive Task Force with added representatives from the Faculty Senate and Staff Council to proceed to Phase II, the preparation phase.

Using the background information and recommendations of the August 30, 2005 Budget Executive Task Force Report, the 2003 Faculty Senate Budget Committee Report and the directives outlined in my August 26, 2005 Budget Execution and Related Matters for FY 2006 memo, the Task Force should develop concrete action plans to develop and implement the following:

- Performance driven budget
- New user-friendly monthly budget status reports
- Revision of current budget reports to make them more user-friendly and more transparent.
- Review and possible overhaul of non-credit training and activities using the assistance of LERN consultant
- Review and analysis of AES units with recurring deficits

- Resolutions to issues related to RCUN, ORS and positions loaned out.
- Training and professional development activities

I am asking Frank Abou-Sayf to continue to convene and chair the Budget Execution Task Force-Phase II. The Task Force should organize as it deems necessary to get the job done...this may include using the resources and expertise of non-Task Force faculty and staff. However, in all cases, all Task Forces should be involved in the discussion delivery and the development of the action plans.

I would like to receive the Budget Execution Task Force Report-Phase II by December 31, 2005

cc: Debbie Nakagawa
Admin Staff
Faculty Senate
Staff Council

Appendix B

Comments on the LERN Report

Comments Received on the LERN Report
As of November 27, 2005

Thanks for the notice regarding the LERN consultant report in the bulletin.

My only comment is that sometimes you have to pay a consultant to tell you what you already know.....

In other words, we need to heed the recommendations of the report.

I read the non-credit preliminary report from cover to cover. With the exception of the financial information that I am not privy to, I concur with the rest of the recommendations.

Over the past 20 years of teaching medical terminology and phlebotomy, Imay well be in the running for having the most non-credit teaching experience on this campus!

His initial recommendation of doing away with the term "non-credit" really struck a cord with me. For years, I've never used that term in the classroom when dealing with non-credit students. I coined my own term, "adult education" as I've always felt that "non-credit" demeaned both the course and the student.

I also believe strongly that the revenue potential is amazing for this campus -- due to both faculty expertise on board and the market/community we are located in. MARKETING with a capital M has always been my mantra. It was very interesting to me to see the suggested $$ amount that be spent on such marketing. I really hope that his recommendations are taken seriously.

I also know from years of experience that the coordinators could be used so much more effectively. I totally agree that the duplication of work among the various coordinators is a massive waste.

And finally, I know from requests/inquiries from non-credit students, tnat there is a big demand for online registration capability.

Thank you for requesting input. I really think this report was right on the mark for our campus. I sincerely hope that it will result in someserious changes for the better.

---

non-credit offerings by the health sciences department that constitute a program leading to qualification for licensure, certification, or registry must stay within the health sciences department.

1. the phlebotomy program is accredited. the next accreditation cycle is in conjunction with accreditation for the medical lab technician program, of which it is a part. it cannot be separated from the mlt program. graduates of this program qualify for certification.

2. the massage therapy program must stay in the health sciences department. the interaction and synergy between this program and the physical therapist assistant program is a very important factor in its success. graduates of this program qualify for state licensure.

3. the pharmacy technician program also must stay in the health sciences department. graduates of this program qualify for the national certification exam.

4. the diagnostic medical sonography program is also "on the books" as non-credit certificates of competence even though it has not been offered for a while. it is closely connected to the radiologic technology program and has to stay in the health sciences department. graduates of this program qualify for the national registry examination.

although 2, 3, and 4 are not accredited, graduates do qualify for licensure/certification/registry.

the other non-credit courses (even if they do lead to certificates of competence) are handled quite well by the hs non-credit coordinator and could be assigned to a centralized office.

---

i have read the report and found it informative.

i agree that the NC program has suffered, as have other aspects of our programs, and programs entirely, from the decentralization that occurred several years ago.

i have some concerns about the recommendations and am highly skeptical of the conclusion that problems with the NC program "can be solved after our recommendations are implemented." this seems too definitive and overly self-confident.

the primary recommendations reduce to one, namely to consolidate the functions of the NC program under a "CEO." It is recommended that this CEO be a dean or a vice chancellor. my concern is that all our current deans and vice-chancellors already have more than full plates. quite frankly i don't know who among them has the time or capability to take on yet another task, especially one as involved as this one. this would leave the option of hiring someone new, (or since we don't seem to hire into these positions, appointing someone) and this would increase what i believe is an already bloated administration.

otherwise the report itself seems thorough and frank.

I think we should implement the recommendations of the report. I would, however, suggest that a discussion be done to analyze how it will affect the people involved if this decision is made. For example, what do we do with A&S income, how will this affect especially ASL and Michael LaRiccia. How would the other departments be affected. How can coordinators still be aware of the changes in the department. There are a lot of considerations prior to implementing the recommendations. Let's be sure to create a good infrastructure prior to making the move.

One of my assignments at KCC is to develop the advanced continuing education programs for the CIP. As a result of my ineffectiveness in developing such a program, I must agree with the LERN report and its recommendations.

In my opinion, the continuing education structure, goals, objectives, assignments and activities need to be fixed. The most important organizational activity is to have one director who will insure the lack of duplication and bring organize the structure of the department.

A challenge will be to get buy-in by the departments that are making money. I am sure a solution is available if departments know that a % of the profits will be returned to the department. To do this, a more efficient accounting process will be needed.

I am sure that you are well aware of the problems and issues. I can totally understand the reason that LCC did not want to consider a decentralized system.

Please let me know if I can help in any way.

---

attached *(shown below)* is an updated version of the WLLC financials, reorganized in the continuing education financial format recommended in the LERN consultant report. although the cont educ admin expenses are estimates, i believe they do not materially impact the overall bottom line. not including joyce dicesare's salary or any assessment of indirect institutional costs from the college, it appears that the WLLC will generate a small deficit of slightly more than $6000 for the entire period jan 04 through dec 05.

as for the LERN report, i agree with virtually all of its recommendations. here are some of my thoughts:

1. i concur wholeheartedly with the recommendation that the label "non-credit" be eliminated...it has always sounded derogatory to me, and people outside the educational arena don't really understand what it means.

2. i think it makes sense to recentralize continuing education into functional areas rather than "departmental" areas so as to allow for specialization of skills and experience. cont educ coordinators currently are doing everything and cannot focus on critical areas of program development, promotion and sales.

3. there does need to be a Continuing Education Officer (CEO) who reports directly to the chancellor and who is responsible for all cont educ efforts.

4. the college also needs to socialize the concept among the staff that the purpose of continuing education is not merely to provide degree programs with extra funds but, rather, is to augment and enhance degree programs and make sure that the degree programs are kept current in light of labor market needs.

5. i agree that institutional costs that are not attributable to cont educ programs should not be allocated or "assessed" to cont educ. only truly incremental

institutional costs should be charged to cont educ.

6. the terms "profit" and "loss" should be replaced with the terms "surplus" and "deficit" ...the UH system is a non-profit entity. a chief purpose of continuing education is not to "make profits" but, rather, to "generate financial surplus" in the form of reserves that can be reinvested in future educational programs that truly benefit the community served.

7. i believe that the individual(s) responsible for the decision to not mail the fall 2005 "non-credit" schedule be held accountable for the corresponding decline in revenues. it is abundantly clear that considerably more funds need to be spent on marketing and promotion, not less.

8. as for the future of the WLLC, i believe that those at the highest level in the college hierarchy need to make a serious long term committment and be willing to invest the resources that are needed to create a program that will capture a strong market presence. this means hiring a full-time cont educ coordinator and providing a fully modern and environmentally safe facility where participants will be proud to attend, including a fully modern computer training lab similar to the labs on the KCC campus. the past use of "hand-me-down" older, outdated equipment and furniture generates a very unfavorable impression and makes it looks like the college doesn't really care about continuing education. this impression becomes readily apparent when one sees the very modern and up-to-date computer equipment and furniture used by administration personnel at the main campus. it's all a question of priorities....what's more important?? brand new equipment and furniture for admin personnel or brand new equioment for training facilities that can generate additional revenue.....i believe in this case that the egg must be laid before the chicken is born.

i hope these comments and observations are helpful and taken in the constructive light in which they are intended.

Waikiki Lifelong Learning Center
Continuing Education Revenues and Expenses
Spring 2004 - Fall 2005

	Spring 04	Summer 04	Fall 04	Spring 05	Summer 05	Fall 05	Two-Year Total
# Participants:							
ESL/ABE	109	80	124	107	73	63	556
PC Training (Aston Hotels)	165	45	0	0	0	0	210
Hospitality Training	28	0	0	0	0	0	28
Total Participants	302	125	124	107	73	63	794
Revenues							
ESL/ABE	4,360	2,400	3,720	3,210	2,190	1,890	17,770
PC Training (Aston Hotels) *	10,313	2,813	-	-	-	-	13,125
Other Hospitality Training (Hosp Law, Hilo Hattie's)	11,400	-	-	-	-	-	11,400
Total Revenues	26,073	5,213	3,720	3,210	2,190	1,890	42,295

Direct Expenses							
Instruction	6,640	700	-	-	-	-	-
Materials (Hosp Law textbooks)	325						
Total Direct Expenses	6,965	700	-	-	-	-	-
Operating Margin	19,108	4,513	3,720	3,210	2,190	1,890	42,295
Continuing Education Administration Expenses							
Institutional Support **	6,705	6,705	6,705	6,705	4,393	4,618	35,830
Parking ***	900	900	900	900	900	900	5,400
Water ***	120	120	120	120	120	120	720
Telephone ***	600	600	600	600	600	600	3,600
Office Supplies ***	500	500	500	500	500	500	3,000
Total Cont Educ Admin Expenses	8,825	8,825	8,825	8,825	6,513	6,738	48,550
Surplus/(Deficit)	10,283	(4,312)	(5,105)	(5,615)	(4,323)	(4,848)	(6,255)

* Assumes 50/50 split between Computer Education and WLLC

** Includes 50% of Richard Tennes' institutional support activities until he left in May 05

*** Estimates

Note: The DOE pays the cost of instruction for all ESL/ABE classes

---

The LERN report draft has several recommendations of merit that should be discussed further.

Recommendation #1
I am in agreement with this recommendation and feel that "continuing education and training" is a better term. The term is self-explanatory and intuitive.

Recommendation #2
I am in strong agreement with this recommendation. A centralized unit equipped with the right tools (registration, budget analysis, marketing, etc.) and employing the right people can contribute positively in helping the College fulfill its mission. It also must be made clear to the rest of College how continuing education and training fits in and that it is, in effect, an integral part of many instructional units and programs. A liaison in each participating unit or program should be identified and closely work with the centralized continuing education and training unit (recommendation #7), with full support from program heads. A clear relationship must be established outlining gained benefits to a program. Any deviation from the established relationship must be worked out in advance of any contract.

Recommendation #3
I am in strong agreement with this recommendation. A centralized unit must have authority over the responsibility it must administer. The LERN report talks about fiscal management and responsibility. Again, having the tools to administer the budget will be critical to achieving success.

Recommendation #4
I am in agreement with this recommendation. Although the LERN report recommends full authority of program development to the centralized unit, it is also critical that program heads and program liaisons take on a shared responsibility to work in concert toward achieving success. This relationship must be a two-way street.

Recommendation #5
I am in agreement with this recommendation. A CEO should have knowledge of business enterprise models and an understanding of the intricacies of a college operation.

Recommendation #6
I am not clear on the rationale for this recommendation. I understand the concept of limiting meetings due to time, but can not agree to the maximum number of four hours.

Recommendation #7
I am in strong agreement with this recommendation. Not only should there be a strong relationship between a program liaison (programmers), but there should be an equally strong relationship between program heads and the centralized unit, or CEO. The program heads must be committed to working with and contributing to the success of the continuing education and training unit.

Other Comments
I am in very strong agreement that an online registration system be adopted. The system must automate tasks not only on the front end (client registering) but also on the backend (processing payments, class scheduling, notifications, etc.). Credit card payments should be part of the system. It should track the history of a client and compile demographic data. The system must be tied to a fiscal management system that is flexible in managing accounts as recommended in the LERN draft report. Immediate useful information must be available to those of authority. To simply add the tasks of registration, payment, scheduling, and finance to current offices on Campus using methods of today would be a mistake and must be avoided if continuing education and training is to be successful.

Other resources need to be addressed in order to ensure success. They include having a contact point should a client have questions, need assistance, or require counseling. In these regards talking to a "live" person during reasonable hours is critical. Being put through a voice automated system, put on hold, or directed to another office gives a person the feeling of disconnection and is counterproductive.

Physical space is critical. Any on-sight training should be done in a positive environment that is warm, that is welcoming, and which exudes a sense of professionalism. Just the impression of entering a positive environment will impart a sense of value to a client.

Cyber space is critical. Having an online presence that provides easy access to information, registration and support is needed. Again, clients must feel welcome and have the ability to easily find information. Online training should be intuitive to access and follow. Confirmation of completed certification training and the distribution of certificates should be automated. Technical support and content support must be available to clients.

Support to faculty engaged in continuing education and training is equally critical. As an example, if on-sight computer training is provided technical support to the faculty in setting up the computers and troubleshooting must be available. If online training is provided, faculty must have support in developing content online. To add a layer of technical complexity without support will be discouraging for faculty.

I don't think I have said anything new here. Everything stated has been said by LERN, or said by individuals on other issues across Campus. What is new is the chance to take the recommendations to heart and to implement a program from the ground up. We do not live in an ideal world and can not simply throw resources we do not have into such an endeavor. However, we can take serious look at what can be done reasonably while providing the greatest impact to a client, and work from there.

Frank,

I just read the LERN consultant's report about the college's continuing education programs.

It was a very comprehensive report and clearly defines the critical situation that the college is currently in. As a department chair that enthusiastically tried to learn and embrace the concept of decentralization over the past five or six years, I wholeheartedly agree with the recommendations in the report.

It has been a very difficult transition for many administrators, faculty and staff, but more so for the college's past and current customers. The college has lost it's reputation of being timely, affordable, and creative in terms of meeting the needs of the community and industry. The college only reacts to situations as opposed to being proactive, aggressive and creative.

The report was well written and made much sense, but there were two areas that was difficult for me to initially interpret and that was recommendation #7 and the topic titled Finances, particularly in the area of assessments. Other than that, I agree with the report and would like to see a centralized unit sooner rather than later.

Appendix C

Sample Page of the Department Budget-Management Tool

Kapiolani Community College
v. 1.0 BETA

| Home | College Academic | Academic Report | Expense Report | Revenue Report |

Academic Report

Category	FY05-06	FY07 Total Classes	FY07 Occupancy Rate
Total Classes	161	162	162
Occupancy Rate	73.66	73.66	73.66
Avg Cls Size	20.45	20.45	20.45
Avg Max Size	27.76	27.76	27.76
Avg Credit Hr per Class	2.96	2.96	2.96
Total SSH	9,745.65	9,806.18	9,806.18
Instr. Budget	1,028,848.27	1,035,238.42	1,035,238.42
Instr. Alloc per SSH	105.57	105.57	105.57

Total Classes:

Occupancy Rate:

Decision Table - FY07

GF Allocation:	1,035,238.42
Total Expenses:	1,994,380.26
Total Revenue:	939,398.37
Savings:	-19,743.47

Appendix D

Sample Page of the Budget-Analysis Report

ARTS & SCIENCES
As of 08/31/2004

General Fund Revenue		Actual /	Shortfall			
	Initial Budget	YTD	Projection	Total	Balance	%
Appropriation	3,957,506.20	3,957,506.20	0.00	3,957,506.20	0.00	
External Funding Mix	1,870,092.06	1,870,092.06	0.00	1,870,092.06	0.00	
Internal Funding Mix	0.00	0.00	0.00	0.00	0.00	
CB Augmentation	129,000.40	0.00	0.00	0.00	(129,000.40)	
UH Augmentation	33,290.00	0.00	0.00	0.00	(33,290.00)	
UH Restriction	0.00	0.00	0.00	0.00	0.00	
Governor's Restriction	0.00	0.00	0.00	0.00	0.00	
Net General Fund Revenue	5,989,888.66	5,827,598.26	0.00	5,827,598.26	(162,290.40)	97.29%

TFSF Revenue						
	Initial Budget	YTD	Projection	Total	Balance	%
Revenues	4,920,000.00		4,920,000.00	4,920,000.00	0.00	
External Funding Mix	(1,870,092.06)	(1,870,092.06)	0.00	(1,870,092.06)	0.00	
Internal Funding Mix	0.00	0.00	0.00	0.00	0.00	
Marketing Assessment	0.00	0.00	0.00	0.00	0.00	
International Assessment	(55,293.71)	(55,293.71)	0.00	(55,293.71)	0.00	
UH Foundation Assessment	(88,871.81)	(88,871.81)	0.00	(88,871.81)	0.00	
Workers Comp Assessment	(119,367.58)	(119,367.58)	0.00	(119,367.58)	0.00	
Non-Revenue Assessment	(1,904,745.13)	(1,904,745.13)	0.00	(1,904,745.13)	0.00	
SIS Assessment	(102,017.50)	(102,017.50)	0.00	(102,017.50)	0.00	
Governor's Restriction	0.00	0.00	0.00	0.00	0.00	
Net TFSF Revenue	779,612.20	(4,140,387.80)	4,920,000.00	779,612.20	0.00	100.00%

Appendix E

Sample Page of the Workload Report

SAMPLE ENTRY: Faculty

LAST	FIRST	TITLE	TERM	CRN	COURSE	METH	CR	LEC	LAB	CONT	XLST	ENROLL	MAX	BLDG/RM	RANK	RATE	COST	CUR REV	MAX REV	CUR BAL	MAX BAL	TUIT	DIV	COLL	SSN	COMMENTS
		ASST PROF CC 9 MO	200510	20223	HIST 151	LEC	3	3		3		32	35	BLD7 601			$0.00	$4,512.00	$4,935.00	$4,512.00	$4,935.00		AH	UN		
		ASST PROF CC 9 MO	200510	20225	HIST 152	2WE	3	3		3		34	35	WWW			$0.00	$4,794.00	$4,935.00	$4,794.00	$4,935.00		AH	UN		
		ASST PROF CC 9 MO	200510	20228	HIST 152	LEC	3	3		3		33	35	BLD7 633			$0.00	$4,653.00	$4,935.00	$4,653.00	$4,935.00		AH	UN		
		ASST PROF CC 9 MO	200510	20230	HIST 152	LEC	3	3		3		32	35	BLD7 633			$0.00	$4,512.00	$4,935.00	$4,512.00	$4,935.00		AH	UN		
		ASST PROF CC 9 MO	200510	20610	HIST 242	2OS	3	3		3		6	20	WWW			$0.00	$846.00	$2,820.00	$846.00	$2,820.00		AH	UN		
		ASST PROF CC 9 MO	200530	24142	HIST 151	LEC	3	3		3		32	35	BLD7 601			$0.00	$4,512.00	$4,935.00	$4,512.00	$4,935.00		AH	UN		
		ASST PROF CC 9 MO	200530	24144	HIST 151	2WE	3	3		3		26	35	WWW			$0.00	$3,666.00	$4,935.00	$3,666.00	$4,935.00		AH	UN		
		ASST PROF CC 9 MO	200530	24146	HIST 152	LEC	3	3		3		31	35	BLD7 601			$0.00	$4,371.00	$4,935.00	$4,371.00	$4,935.00		AH	UN		
		ASST PROF CC 9 MO	200530	24572	HIST 241	2OS	3	3		3		15	20	WWW			$0.00	$2,115.00	$2,820.00	$2,115.00	$2,820.00		AH	UN		
		ASST PROF CC 9 MO	200532	TLRA	Used CC Teaching Load Reduct		3																AH	UN		
Total							30																			

SAMPLE ENTRY: Lecturer

LAST	FIRST	TITLE	TERM	CRN	COURSE	METH	CR	LEC	LAB	CONT	XLST	ENROLL	MAX	BLDG/RM	RANK	RATE	COST	CUR REV	MAX REV	CUR BAL	MAX BAL	TUIT	DIV	COLL	SSN	COMMENTS
		LECTURER CC C	200510	20249	ENG 209	INV	1		2	2		30	30	BLD7 319	C	$1,549.00	$1,549.00	$1,410.00	$1,410.00	-$139.00	-$139.00		CSC	AS		
		LECTURER CC C	200510	20250	ENG 20C	INV	1		2	2		30	30	BLD7 319	C	$1,549.00	$1,549.00	$1,410.00	$1,410.00	-$139.00	-$139.00		CSC	AS		
		LECTURER CC C	200510	20251	ENG 20D	INV	1		2	2		30	30	BLD7 319	C	$1,549.00	$1,549.00	$1,410.00	$1,410.00	-$139.00	-$139.00		CSC	AS		
		LECTURER CC C	200510	2025[illegible]	ENG 20F	INV	1		2	2		30	30	BLD7 319	C	$1,549.00	$1,549.00	$1,410.00	$1,410.00	-$139.00	-$139.00		CSC	AS		
		LECTURER CC C	200530	20655	ENG 209	INV	1		2	2		30	30	BLD7 319	C	$1,549.00	$1,549.00	$1,410.00	$1,410.00	-$139.00	-$139.00		CSC	AS		
		LECTURER CC C	200530	20656	ENG 20C	INV	1		2	2		29	30	BLD7 319	C	$1,549.00	$1,549.00	$1,363.00	$1,410.00	-$186.00	-$139.00		CSC	AS		
		LECTURER CC C	200530	20657	ENG 20D	INV	1		2	2		27	30	BLD7 319	C	$1,549.00	$1,549.00	$1,269.00	$1,410.00	-$280.00	-$139.00		CSC	AS		
		LECTURER CC C	200530	20658	ENG 20F	INV	1		2	2		27	30	BLD7 319	C	$1,549.00	$1,549.00	$1,269.00	$1,410.00	-$280.00	-$139.00		CSC	AS		
		LECTURER CC C	200510	2[illegible]	ISK 30	LEC	3	3		3		29	30	BLD7 533	C	$1,549.00	$4,647.00	$3,948.00	$4,230.00	-$699.00	$417.00		CSC	AS		
Total							11																			

Appendix F

The New Business Office Forms

Personnel Form for Temporary Changes in Accounts

Date:_________________

TO: Human Resources

FROM: __________________

SUBJECT: Temporary Personnel Changes Request

Please take the necessary steps to change the account code for personnel as follows:

Name:_______________________

____

____

	From	To
Account		
Period		

This change is temporary and does not affect the position itself. After the above-mentioned period, please revert to the original account.

The reason for this change is:

____

____

____

____

____

Approved:

____
Dean Date

Approved:

____
Fiscal Officer Date

Note: Changes to be made within 45 days of Submission

Changes to Financial Status Report Form

Date:________________

TO: Business Office

FROM: ________________

DEPARTMENT ________________

SUBJECT: Request for Changes to the Financial Status Report as of ________________

The following change(s) need to be made to the Financial Status/Projections Report:

Personnel Errors/Changes:

Name:______________________ Department:______________________

☐Account Code Error: Account code should be______________________
(This change should be made with a form to Human Resources)

☐Position No. Error: No. should be_________________

☐Monthly Salary Error: Amount should be_________________

☐Other:
☐Position not to be filled, do not project salary
☐Position estimated to be filled (date)___________; please project accordingly
☐Position No. ________filled by (name)________________(date)_________________

Other Errors/Changes:

☐Budget/Cash Transfers: $_____________ From: Account_____________
To : Account_____________

☐Account Code Error: Doc. #_____________ From: Account_____________
To : Account_____________

☐Other:____

Comments/Justifications:

____

____

____

____

____

Approved: Approved:

______________________ ______________________
Dean Date Fiscal Officer Date