Administrative Staff Council Meeting Minutes

July 15, 2014
12:30 p.m.
Ilima 202A

Administrative Staff Members: Esben Borsting, Brian Furuto, Carol Hoshiko, Ann Ishida-Ho, Linka Mullikin, Nawa’a Napoleon, Patricia O’Hagan, Louise Pagotto, Leon Richards, Charles Sasaki, Joanne Whitaker and Dawn Zoni

Members Absent: Esben Borsting, Patricia O’Hagan, Louise Pagotto and Dawn Zoni

Guests: Salvatore Lanzilotti

Enrollment: Carol Hoshiko
Currently, enrollment for fall 2014 is down 7%. Student Services is sending emails to students to encourage them to register. The Office of College and Community Relations was present at the Farmer’s Market on Saturday and distributed newspaper inserts on KCC. Through marketing efforts, 30 additional names were received inquiring about the college and have been referred to the appropriate departments.

Budget Projection: Brian Furuto
The budget projection for FY 2015 is a deficit of approximately $2 million. The following is a report of the FY2014 budget. The FY 2014 numbers are projected as of July 15th. The final report will come from the system office and the numbers will be aligned with ours and confirmed soon after.

In FY 2014, the General Fund beginning balance was $22.230 million, total expenditures was $22.264 million with an ending deficit balance of approximately $34,000. The Tuition and Fees Special Fund started with an appropriation ceiling of $20.396 million. (An appropriation ceiling is similar to a credit limit. The college is only allowed to spend up to the amount appropriated.) The Tuition and Fees total revenue was $18.119 million, total expenditures were $16.247 million, transfers (fees from the system to cover UH foundation, risk management, Banner, etc.) was $3.475, ending with a deficit of $1.602 million.

Combining both general and tuition and fees funds, the total allocation/appropriation was $42.626 million, with a beginning cash balance of $3.287 million and total revenue of $40.349 million. Expenditures were $38.511 million, transfers were $3.475 million, with a total deficit of $1.637 million. To balance the budget, funds will be transferred from the Community College Special Fund. This is similar to dipping into an emergency fund. These deficits cannot be sustained.

The projection for FY 2015 takes into account that all the numbers from last year will be similar to FY 2014. In that case, the college will end the year with an unencumbered cash balance deficit of approximately $1.551 million.
A decision needs to be made as to where we want to be next year. For the college’s financial health, $2 million should be shaved from the budget now.

The Vice Chancellor for Administrative Services suggested possible changes:
- Even though enrollment has been declining for the past four years, the allocation for lecturers has increased steadily. In 2010, $4.175 million was spent; in 2011 $4.6 million; in 2012, it remained steady at $4.6 million but in 2013, the number jumped to $5.7 million.
- A vetting process for sustaining programs after a grant needs to be developed.
- We will need to look closely at TEs (teaching equivalencies), overload, overtime and casual hires.
- Although enrollment has decreased over the past several years, the number of classes has not decreased.
- Personnel costs are the largest part of the budget expenditures. Positions will need to be discussed.
- Enforce class minimums.
- Look at lowering utility costs such as offering Saturday classes in one building to cut back on air conditioning.

At the next meeting of the Administrative Staff on July 21st, the VCAS will propose options. The CAC Budget and Planning Work Group will be convened. We need to protect Kapı`olani as an institution and work as a campus.

* For accompanying documents and/or access to all Administrative Staff Council minutes and documents please go to Quill, Governance: Shared and Participatory (http://quill.kcc.hawaii.edu/page/governance); under Standing Councils, Administrative Staff Council.

Submitted by: Joanne Whitaker
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