Budget Committee Minutes
October 20, 2008
Akoakoa 107/109
2:00 p.m.

Members Present:
Clifford Togo  Director of Administrative Services
Angela Meixell  Chancellor
Bernadette Howard  Director of VCE
Richard Fulton  Dean of Instruction
Elizabeth Ashley  Interim Assistant Dean of Instruction
Margaret Coberly  Interim Assistant Dean of Instruction
Lui Hokoana  Dean of Student Services
Alan Ragains  Division I
Joseph Ciotti  Division II
Nancy Heu  Academic Support
Casey Blu Judd  Student Representative
Lokelani Kenolio  Puko’a Representative
Evelyn Sugihara  Vocational and Community Education

Members Excused:
Lisa Gillis Davis  Student Services
Kevin Ishida  Institutional Support

Non-Voting member: Jan Lubin, Director of Planning and Program Evaluation

Angela introduced the Student Representative, Casey Blu Judd to the Committee, and the people around the table introduced themselves to him. Then Angela, turned the meeting over to Clifford Togo, Director of Administrative Services.

OPERATIONAL EXPENDITURE PLAN FY 2008-09

Cliff distributed the Operational Expenditure Plan FY 2008-2009 to the Committee (posted at (still not up on Web). He explained that this plan shows where WCC resources come from and how they will be spent. Basically, there are three sources of revenue: General Funds, Tuition and Fees, and Return of Indirect Costs from Contract and Grants.

Joe Ciotti wanted to know why transfers/assessments were shown in resources and not as expenditures. Cliff explained that these were cash transfers and is not reported as a traditional expenditure. The amounts were a transfer of cash between funds. This Operational Expenditure Plan does not include other campus programs that have their own specific Special Fund for their function, (i.e. Diploma Transcript, OCET, Summer Session, Student Activities, Facilities Use, etc.).
Elizabeth asked whether the amount of general funds dispersed was dependent on the amount of tuition and fees taken in by the College. Cliff responded that it was not.

Cliff explained that there may be further restriction from the governor for the current fiscal year. Although the governor has restricted certain types of expenditures, there has been no dollar amount of restriction set for the UH. WCC has already taken a reduction and a restriction for FY 2009. The $40,690 reduction is permanent, while the $25,413 restriction is for one year. Since the college’s budget is comprised primarily of fixed costs, to meet any new reductions and restrictions, Angela explained that Windward would need to look into what little discretionary funds are available.

Discussion occurred on specific funding and not adhering to legislative intent. Lui mentioned that if the legislature has given us equipment or security money and we don’t use it for that purpose, then they will state that legislative intent has not been fulfilled. Cliff said that the college would have to explain the situation if asked. At WCC, the cost for electricity has increased tremendously whereby the college has had to reallocate funds in order to pay for this cost.

Angela said that thought we were advised not to restrict security money. Cliff said it may have been recommended, but was not official. Lui suggested alternatives to security guard services that could result in savings. Cliff showed that on the allocation spreadsheet that the only supply item that was significantly changed was electricity from $1.1M to $1.6M.). He then went through the handout and discussed other areas of reallocating.

Then Cliff began discussing the memo dated September 9, 2008, from UH System President, David McClain stating that general funds may not be used for (not posted on web yet):

- The filling of current and future position vacancies not in recruitment as of September 9, 2008;
- Out-of-state travel;
- Equipment purchases in excess of $10,000 on a single purchase order;
- Motor vehicle purchases; and
- Personal services contracted in excess of $10,000, routine maintenance, and special R&M services.

Attached to this memo was the status of vacant positions at Windward. There are currently six positions that are restricted: 2 security officers, 2 deans, and 2 IT Specialists. To fill these positions the Chancellor will need to make an exception to the President’s hiring freeze. Angela stated that the Chancellor’s have been discouraged from doing this, but that the freeze on hiring is expected to be temporary.

To highlight the Operational Expenditure Plan, Cliff stated that we will need to transfer funds from the equipment allocation to electricity if the actual costs are higher than budgeted for, or if another restriction is applied to campuses. Elizabeth brought up
legislative intent and that equipment monies should be used only for equipment. Cliff said that the college will be holding equipment funds, and if we stay within our electricity budget or if another restriction is not applied then funds would be released. Joe suggested that Cliff hold back a percentage of the equipment funds rather than all of the funds, but due to uncertainties, equipment allocations will be held back. Funds will probably be released in January if everything goes well. The college will replace major pieces of equipment on emergency basis and will fund energy conserving equipment requests. The college will need to prioritize equipment needs. This will be done principally by the Deans and Directors. Cliff also stated that the $500,000 for equipment approved by the legislature will be continued as a line item, but operationally may be reallocated to meet campus needs. The timeline is that the Deans and Directors are currently working with the departments to ascertain what equipment is necessary. The Committee will then probably be asked to categorize requests into major categories. Richard reminded the Committee that the departments have already been asked to prioritize their requests.

BI 2009-11 BUDGET REQUEST

The Biennium Budget Request for 2009-011 was initially composed of the items necessary for funding the three Program Change Requests (PCRs) that Chancellor presented to the President and Vice President of Community Colleges in April of this year. Two of the three – Remedial, Developmental Education, and Recruitment, Persistence, and Success – have been prioritized as Tier 1 items by the Board of Regents (BOR) and are included in the initial BOR budget. The STEM Education PCR was prioritized as a Tier 2 item, and was not funded by the BOR. It also included items that were systemwide requests such as inflationary adjustments for Electricity, Water/Sewer, interisland airfare, restoration of 3 months salary for new positions, and repair/renewal & replacement/routine maintenance. Also included was operating equipment costs for the new Library.

The CIP budget item is for furniture and equipment for the new library since funding for that cost item was deleted in the initial appropriation. This will cover CIP related furniture and equipment costs for the new building.

Subsequently, the governor requested a BI 2009-11 Budget Request with a General Fund reduction of 10 percent for the UH System (see 2009-2011 Budget Reduction Impact Statement – not yet posted on Web). To meet this reduction, Windward must cut $169,439 from its current operating budget. To meet this amount, all UHCCs will reduce their energy costs by 10% through energy conservation measures and finding alternative sources of power such as photo voltaic systems – this amounts to $112,522. In addition, a vacant position in ETC, that of a counseling coordinator, will not be filled at present which will save an additional $56,917 – thus making up the total 10 percent reduction. If further reductions are mandated, the college may need to cut in the follow areas to make up the reduction are:

- Student Help;
• APT Special Compensation Adjustment;
• Material and Supply budget, excluding Operations and Maintenance cost, scholarships, and equipment;
• Sabbatical leave/lecture replacement;
• Math Lab causal hires; and,
• Library Books.

Nancy asked about how recurring costs such as the Voyager System, which continue to get higher are going to be paid. It seems that the library is getting cut twice. She will be writing an impact statement on the suggested cuts.

Angela stated that because of the directive not to cut any funding that deal with remedial, developmental education that the Math lab casual hires may not be able to be used for meeting the reduction. Elizabeth mentioned how the math lab might be able to manage without the casual hire. She said that it is cheaper to hire casual hires than giving a faculty member assigned time. Reducing funds for equipment should not be identified to meet the reduction. Cliff also was able to see how the other campuses are meeting their reductions and it seems that campuses are identifying similar items.

Richard cited ways of becoming more energy efficient have been discussed by the Sustainability Group. These include not leaving doors open in air conditioned rooms as well as not leaving lights on in empty rooms. The UHCC also has been discussing the construction of a photo voltaic system at Leeward CC that all Oahu CC’s can benefit as it will generate enough power/revenues to be shared across campuses. The campus is now using humidity data recorders to help minimize the growth of mold or mildew if air conditioning is turned off. They have reduced the use of air conditioning in Imoloa from 24/7 to just 18 hours a day. Faculty and staff need to know that they can adjust the thermostat in their rooms to go up or down by 2 degrees to accommodate their individual preferences Other energy conserving measures are to limit the time that the outdoor lights are on, place motion sensors in older buildings, and to retrofit the lights in older buildings.

R&M and CIP

The committee was updated on ongoing R&M projects and future CIP requests.

The meeting was adjourned at 4:15 p.m.

The next meeting will be on November 17 at 3 p.m. in Hale Akoakoa 107/109.

Respectfully submitted by Jan Lubin