Budget Committee Notes
February 25, 2009
Akoakoa 101
1:00 p.m.

Members Present:
Clifford Togo  
Vice Chancellor for Administrative Services
Angela Meixell  
Chancellor
Bernadette Howard  
Director of VCE
Richard Fulton  
Vice Chancellor for Instruction
Elizabeth Ashley  
Interim Dean
Alan Ragains  
Division I
Joseph Ciotti  
Division II
Nancy Heu  
Academic Support
Kevin Ishida  
Institutional Support
Evelyn Sugihara  
Vocational and Community Education
Lui Hokoana  
Vice Chancellor for Student Affairs
Lisa Gillis Davis  
Student Services

Members Excused:
Margaret Coberly  
Interim Dean
Casey Blu Judd  
Student Representative
Lokelani Kenolio  
Puko’a Representative

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

Angela convened the meeting and then turned it over to Clifford Togo, Vice Chancellor for Administrative Services.

OPERATIONAL EXPENDITURE PLAN FY 2008-09


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.

Cliff explained that the current Operational Expenditure Plan takes into account the governor’s reduction (permanent reduction) and current year restriction (one time). He then went line by line over the General Fund resources given to the College. The College has estimated General Fund resources of approximately $10,665,119, which includes $82,433 Collective Bargaining Augmentation, $15,716 for Workers Compensation & Unemployment (which is partial coverage), $10,089 for students with disabilities, and an estimated $28,200 for Enrollment Growth.
The College has an estimated Tuition and Fees base of $2,325,987 with a carryover of $197,580 from last year. However, we must subtract an estimated $105,465 from that amount to meet our cash reserve requirement. Including additions in Deferred Revenue and Need Based Scholarship Adjustments and subtractions for Marketing, UH Foundation, Risk Management, and Banner, the College’s total Tuition and Fees resources come to $2,269,840.

The Return of Indirect Overhead Allocation for TRIO, Upward Bound and grants other than Title III comes to $73,338, giving the College total resources of $13,008,297. The College’s planned expenditures for Personnel, and Supplies and Equipment, which includes utilities, come to $13,008,296.73. Thus, Windward will be working with a balanced budget.

Windward is meeting the Governor’s additional 2 percent restriction of $25,640 through salary savings from the positions that we cannot fill at this time – 2 security guards, 2 IT Specialists, and a secretary.

Last time the Budget Committee met in October 2008, Vice Chancellor Togo was not sure how the College would be able to meet the governor’s future reduction or restriction or if the College would be able to sufficiently fund its electricity costs. Therefore, equipment funding was not allocated. At present, the College doesn’t anticipate paying as much for electricity as a result of both HEI’s lowering its cost and the College consuming less. We also had substantial enrollment growth which garnered additional tuition revenues. Thus, Vice Chancellor Togo could allocate the $510,340 in equipment funds based on Annual/Program Reviews and operational needs for items that did not put a continuing burden on resources.

Page 3 of the sheet was broken down by unit and showed the amounts allocated for each piece of equipment. Each unit head described how they decided which items should be on the list.

Nancy Heu asked what would happen if funds were left over. That is whether or not the funds could be used or not at the discretion of the department to which they were allocated.

VC Togo said that there may be some items that cost more than expected, and some that may cost less than expected, but that if there were funds left over that they would carry over. However, if operational problems occurred such as emergencies or substantial price differentials, unit heads should have some flexibility in how the money could be used. For the most part, funds should be used for the items listed.

Nancy Heu asked if we should prioritize what should be spent first, VC Togo responded that items included in the list were already prioritized by the units and was not necessary. Since the allocation is from special tuition and fees, unspent cash would be carried over to next fiscal year.
Joe Ciotti asked when the deadline was, and VC Togo responded June 30, 2009. Kevin Ishida interjected that all monies should be processed by mid-May, but that they hadn’t heard from the System yet on internal deadlines. The main concern was for items $50,000 or more. Dean Ashley said that she asks her departments to turn in their requests by the middle of April.

Nancy Heu asked about who would spend the funds. Where will the funds be allocated?

VC Togo clarified that the unit responsible for that function will be the expending unit. For example, if Student Services needed computers, the IT Support Services unit would do the actual purchasing for Student Services. This is to insure property management and control of equipment.

VC Fulton said that he didn’t think that it was the Budget Committee’s responsibility to go over every item, but wanted to know what the responsibility of the Committee was in regards to the equipment allocation from the legislature.

VC Togo responded that the legislature only sees a lump sum for equipment which is separated by campus. The campus level disperses the funds to departments. The departments are not legally bound to use the money for equipment, thus they have more flexibility in using the funds for operational needs.

Chancellor Meixell added that we don’t know what will be happening in the coming year and that we might need more than $105,465 in our reserves, but have no rainy day fund.

VCs Togo and Fulton suggested looking at the deferred list for next year’s equipment allocation. The list should be updated so that equipment that has been purchased is removed and equipment that has not been purchased but has been placed in Annual/Program Review or is a current College operational need is added.

Hearing no objections to the revised Operational Expenditure Plan and the Equipment Allocation, the college will proceed as recommended.

BI 2009-11 BUDGET REQUEST BRIEFING

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 last April. Two of the three – Remedial, Developmental Education, and Recruitment, Persistence, and Success – were prioritized as Tier 1 items by the Board of Regents (BOR) and were included in the initial BOR budget. The STEM Education PCR was prioritized as a Tier 2 item, and was not included in the BOR budget request. Both of the Tier 1 items were not included in the Governor’s (Executive) Budget.

To meet the governor’s 10 percent reduction, Windward will reduce its electricity consumption by 10 percent of the budgeted electricity allocation, not fill a vacant ETC
Counselor position and transfer monies from Tuition and Fees. The total for FY 2010 is $237,329 and for FY 2011 is $235,837.

The CIP budget item of $1,578,000 is for furniture and equipment for the new library since funding for this cost item was deleted from the initial appropriation of $40,000,000. This will cover CIP related furniture and equipment costs for the new building.

Joe Ciotti stated that there were several large renovation projects going on at the College now, such as the conversion from analog to digital equipment which will require on-going maintenance.

VC Hokoana added that there is a new federal grant that can be used for renovating buildings and buying supplies that should be looked into.

The meeting was adjourned at 1:45 p.m.

Respectfully submitted by Jan Lubin