Windward Community College continues to enjoy success in achieving its enrollment goals for Native Hawaiian students (holding steady at 43% of its growing enrollment). The headcount for all students hit a new historic high point in Fall 2013 at 2799 students. Dramatic continued growth in the on-line offerings at the College help to explain continued enrollment growth with an 11% increase in the category of students with “home campus other” status reported. Moreover the College has made a significant rebound in its efforts to recruit recent high school graduates. A year ago the College fell 5% below its target for this age group and this year it has hit the targeted number exactly with a concerted effort to reach out to the public high schools in its districts to sponsor events for juniors and seniors in particular. This rebound has taken place in the context of graduating classes in the Windward Districts that have been diminishing significantly by 12.5% over a three year period. Finally, the College has continued to grow significantly in the key 25-49 yr. age bracket with a figure that is 69% above strategic plan targets for this category. Financial aid distribution has been a significant contributor to the College’s continued growth with more than 64% of students receiving Pell Grants, a figure substantially ahead of the System as a whole with its figures at 46% of the student body.

The College has addressed the problem found last year in the “placement test missing” category. Windward is now 30% below the identified targets for this category, a very strong indicator that the College has been encouraging the taking of placement tests and getting significant results for its efforts. However, the College continues to struggle with success rates for its developmental students in writing and math courses. The results for writing have improved by 4 percentage points, although the College continues to lag below its target by 4 percentage points while lagging behind the system by 8 percentage points. Developmental math results have held steady at a figure very close to system results, but disappointing both because the figure is substantially below campus targets at a time when the modified emporium method put in place by the Math Department was expected to produce much better results. Both departments will need to spend some time reconsidering their respective approaches to developmental education methods.

The College is comfortably ahead of its strategic plan % targets for full time student completion with a 2.0 gpa. Part time student completion % targets are modestly above targets, but they have gone in the wrong direction the last two years. Persistence from fall to spring and from fall to fall has been above the College’s % targets as it has been consistently for five years running in both categories, however the margin is slipping in the wrong direction. Graduation and transfer figures to U.H. campuses continue to surpass strategic plan targets. The College is especially pleased to report that its performance has risen 8 percentage points in the category of transfer students who successfully complete the year with 2.0 gpa. The College had been 8 percentage points below strategic plan targets in this category and made up the deficit in one year. This is especially significant because the College had missed the target for two years in a row at
a time when the numbers of transfers was rising by 52%.  **Kudos to the Hulili Program for this turnabout.**

Finally the College is **surpassing its targets for the extramural fund category, professional development investment, non-state revenues, and reduction of electrical usage rates.** The extramural fund category is dramatically above the target and in fact it reflects a higher surplus than the entire system together which would seem to mean that the system is pulling the Windward totals down. The professional development investment is above the strategic plan targets for the first time in four years and this is especially gratifying because the $11,000 dollar surplus expenditure is occurring after a period when this investment fell as far as $134,000 below the target in my first year at the College. The electrical usage figures may be below the targeted amounts by 16% of the target, but the resulting figure of 15.3 KWH per gross square ft. is still 29% above system usage rates. This may be a reflection of our older buildings and the patchwork of a variety of air-conditioning systems. This is especially troublesome because the reported figures for the College do not include the year when the new Library Learning Commons was opened. Although this facility has incorporated features to mitigate electrical usage the LEED Silver status may not be sufficient to keep the overall electrical usage rate for the campus as a whole in a downward curve. Savings from the contract with Johnson Controls are yet to be reported and the College should see those savings in the current academic year.

Notwithstanding the foregoing figures the Operational Expenditure Plan for Windward Community College reflects the **continuing fiscal challenges** confronting the College. A comparison with the previous year’s final report will reveal that the College is improving its fiscal conditions, but not to the extent that funding is available to fund both the emergency reserve of $500,000, as well as the ideal fund for new and replacement equipment of $500,000. For instance, the College’s expenditure of personnel costs reflects a gap this year between the costs and the General Fund (G-Fund) allocation of nearly $750,000. When compared to the previous year the gap between personnel costs and the G-Fund was more than $1.6 million. Making up that gap requires that precious tuition and fee money must be used for these relatively fixed costs and may not be used for discretionary expenditures.

The College has made progress, but the continuing need to utilize student tuition and fee money erodes the supply line providing the necessary funding for both the emergency reserve fund and the equipment replacement fund previously mentioned. Moreover, the significant improvements in reducing kwh usage, and the unprecedented increases in extramural funding have not provided the fiscal relief that one might hope. Electrical usage may have dropped 16% below strategic plan targets, but rates have increased to such an extent that last year’s electrical bill was 40% higher than the previous year (approximately $1.4 million). Finally, the welcome addition of extramural funding beyond expectations brings many benefits, but most of the benefits are for new programs, new buildings, new equipment, not for continuing operational costs.
To address the foregoing fiscal challenges the Administrative Team is considering a package of proposed fees that will be presented to PBC, ASUH-WCC, Faculty Senate and ultimately open forum consideration this academic year. Since the proposals are still under discussion it would be premature to broach the discussion at this time. However a package of proposed fees will be presented along with an outline of possible alternatives at a later date. Although the academic year budget has been bleak since the Great Recession of 2008, the Summer School balance sheet has been appreciating significantly. As Chancellor, I have heretofore followed the planning guidelines determined by the PBC and most recently alluded to in the November 2, 2012 PBC notes that summer school funds are to be used for the new furniture and equipment needs of new buildings (i.e. Library Learning Commons or Hale A‘o) and similar needs of newly renovated buildings (Hale Manaleo or Hale Na‘auao). Although I intend to remain as faithful as possible to the intended use of summer school funds for the foregoing purposes, I also believe that suspending the expenditure of equipment replacement funds for two years in a row seriously erodes the College commitment to provide students, faculty and staff with up to date and fully functional computer and educational media equipment.

In light of the foregoing information I have requested a “stopgap” budget of replacement computer and educational technology equipment and I have authorized expenditure of the available Summer School balance to the total of $114,700 for computing services and $50,160 for educational media. Bear in mind that two years of funding under normal circumstances ($500K of annually available funding for equipment replacement) for these two categories would have come to a total of $700,000 of expenditures. The stopgap budget comes to a total of $164,860 so it is no more than a good faith down payment on the College’s commitment. Although I am authorizing the foregoing expenditure, the Summer School balance should be sufficient to complete the outfitting of Hale A‘o this year with enough remainder to begin outfitting the newly renovated Hale Manaleo and Hale Na‘auao due to be completed in May 2014 assuming no additional delays in construction. With approximately $280,000 of disposable summer school funds, the expenditure for the stopgap equipment funding will leave approximately $117,000. This fund must outfit three buildings with furniture and equipment needs. Since Hale A‘o is now in use (utilizing hand-me down furniture for the time being) I am asking the Hawaiian Studies program to work directly with Facilities and Auxiliary Services as well as Dean Mike Tom to arrive at firm figures for the costs of equipment and furniture and to execute the purchase of said items. The expected remainder will be applied to the outfitting of the two buildings slated for May 2014 completion. Given that completion date, the buildings in question should be able to also draw down on summer school revenues from the Summer 2014 to fully fund their needs.

In the category of Repairs and Maintenance I can report that the Imaginarium split air conditioning system has been completed. This project was jointly funded by the College and supplemented by funding provided by the Imaginarium’s special funds account. It will safeguard the highly sensitive new projection system that would otherwise be vulnerable to the heat and humidity of the Koʻolaupoko climate.
The top rated item in the equipment listing was for security cameras and I have asked for a comprehensive estimate for security cameras for the entire campus to replace the incremental request that was made. Moreover, I am asking that the request be developed in conjunction with advice from Computer Services and the Media Technology department to assure that the College secures cameras capable of sending alerts in real time to our security officials. Purchase of the security cameras is pending the completion of the more comprehensive campus-wide request that should be re-submitted in the current year.

With respect to positions, the top rated request to replace our now retired and revered Head Librarian is in process. Likewise English and Math instructors have been replaced as they have retired and/or resigned. I have asked Vice Chancellor Ardis Eschenberg to convene a task force on Developmental Education and pending its deliberations I intend to hold off on pursuing new positions in either English or Math. The ICS instructor replacement of our indefatigable, but now retired Professor is in process. I have intervened in this process to ask ICS to recruit a faculty member to take the responsibility of developing either a Certificate of Achievement or an Associate of Science degree program in ICS. Pending the work on that certificate/degree program I am holding off on the recruitment of a new position in the field. In this light I believe it wise to authorize the inclusion of a Business/ICS/CCE building in the PRU Master Plan that is currently being developed by the College. Additionally, the College is recruiting a Library Access Services Manager given the near meltdown of that department when the only two long-time incumbents retired almost simultaneously. The workload given the flood of requests in the more spacious LLC has placed enormous pressures on the access services staff and this constitutes an emergency situation requiring immediate amelioration. Finally, the Social Sciences department has decided to combine two of its vacant .5fte positions in Psychology and in Anthropology to create a 1.0 fte position in Anthropology and I have approved that departmental decision.

As we approach the Legislature in this supplemental year of the biennium we can be hopeful that the lawmakers will approve the funding of the UHPA contract raises and the snapback of UHPA salaries. Taken in accompaniment with a legislative approval of an additional $2 million of performance funding for the community colleges the fiscal health of the whole system will improve. For this college the foregoing developments will mean somewhere between $250K to $420K of additional G-funds to close that gap between the G-funded amount and the personnel costs of the campus.