

Title: CAC Budget and Planning Work Group Meeting
Place: Manono 104
Date: Thursday, April 30, 2015
Time: 10:00 a.m. to 12:00 p.m.

Members: Harry Davis, Ibrahim Dik, Krista Hiser, Bob Franco, Shirl Fujihara, Brian Furuto, Susan Kazama, Ann Ishida-Ho, Gordon Man, Carol Masutani, Kathleen Ogata, Veronica Ogata, Trude Pang, Gemma Williams and Jeff Zuckernick.

Members Absent: Ibrahim Dik, Bob Franco, Carol Masutani, Kathleen Ogata and Jeff Zuckernick

Notetakers: Joanne Whitaker and Janice Yamada

Agenda:

- What will FY 15 look like on June 30 2015
- What will FY16 look like?
- Analysis of the new allocation requests
- Funding recommendations by the CAC Budget and Planning Work Group

For FY15, the combination of the appropriation of general funds, tuitions and fees special funds and cash balance equals a \$42.5 in total revenues. For expenditures, payroll is \$32.4 million with the total expenditure equaling \$40.6 million. Transfers to the system are \$3.6 million. This is a spending deficit of \$1.7 million and an ending cash balance of \$212,237. The deficit will be paid by the CCSF of Community College Special Fund. At the end of the year CCSF will have a balance of \$4 million as a reserve. Our revenue base is not decreasing but expenses are increasing such as electricity.

There are about 60 individual funds in the CCSF and there are no restrictions as to how the funds are used. Summer session tuition is important in increasing revenue for the college.

The legislature is suggesting that the FY 2016 appropriation to the University may be a lump sum allocation. In response, the Board of Regents (BOR) requested that each campus submit their FY 2016 operating budget. KCC's Vice Chancellor for Administrative Services (VCAS) had instituted a detailed operating budget for each area starting in FY 2015, which made it possible for us to provide the information to the BOR expediently. For FY 2016, the BOR requested an operation budget for the entire campus. However for FY 2017, the request is for a budget breakdown by program.

For FY 2016, we are projecting that the college will break even but only if we continue to apply the reduction strategies. Therefore, for new allocations to be funded, reductions to spending must be made. The VCAS suggested cuts in overtime spending to 10% of the employee's salary.

There were 79 new allocation requests. This number is combined total of last year's requests and this year's requests. Four requests were removed as there was no longer a need. Of the 79 requests, there were 9.5 positions and a total cost of \$5.16 million. The AGOs (Faculty Senate, Kalaualani, Student Congress and Staff Council) were asked to rate the requests high, medium and low. High was given a numeric value of 3, medium was 2 and low was 1. The AGOs were asked to assign no more than one third of the requests a high or medium but there were no limits on the number of low ratings..

The VCAS recommended that we fund the requests that were ranked 2.75 and 2.5. (There were no requests that received a 3.0 average). There were 6 requests that could be funded at a total cost of \$255,500. The VCAS felt there were adjustments the campus could make to fund the highest priorities of the college.

The six top ranked requests are as follows:

- Ranked at 2.75 – Funds for an emergency call box (Code Blue) upgrade and maintenance at \$42,000 (with a recurring portion at \$25,000)
- At 2.75 – Annual safety maintenance and inspection of program equipment for the health sciences department at \$4,000
- At 2.5 – Funds for campus security and safety mobile app at \$14,000 (with a recurring portion of \$7,000)
- At 2.5 – Funds for accreditation for Nursing, EMS, and Health Science programs at \$41,000
- At 2.5 – Funds for extension of warranties for nursing equipment at \$125,930
- At 2.5 – Health Science program accreditation fees at \$27,570

After a discussion, the following recommendation will be made to the Chancellor's Advisory Council at the meeting on May 8.

- \$92,000 for emergency call box upgrade & maintenance which includes \$42,000 for current year plus recurring \$25,000 each for the next two years
- \$4,000 for safety maintenance & inspection of program equipment
- \$14,000 for campus security & safety mobile app

With regards to nursing request for \$125,930 to extend equipment warranties, a recommendation was made that the CAC fund this ARF after the Nursing Department review the warranties and updates the information.

It was noted that accreditation fee requests were not for the current year and should be addressed by the respective departments/programs as part of their 5-year budget planning process.

The next steps are the Chancellor's Advisory Council will make a recommendation on the allocation requests after considering the recommendation made today by the CAC Budget and Planning Work Group. The Chancellor will make his final decision on the budget after the end of legislative session, which will be approximately in September 2015.