

**Budget Request for Fiscal Biennium 2005-2007**  
**Testimony of the University of Hawai'i, Community Colleges - UOH 800**

I. Introduction:

The program objectives are to develop eligible individuals to higher levels of intellectual, personal, social, and vocational competency by providing formal vocational and technical training and general academic instruction for certificates or degrees, or in preparation for the baccalaureate; and by offering adult continuing education for both personal and vocational purposes.

The University of Hawai'i Community Colleges offer lower division general education courses. Also offered are credit and non-credit technical and occupational education courses to prepare students for entry-level employment or to upgrade current levels of proficiency, and developmental courses to develop and strengthen basic skills needed by students to pursue one of the regular instructional programs. Additionally, the community colleges offer non-credit courses to meet statewide workforce training and other community needs and interests, including short-term, skills upgrading offerings, as well as cultural and performing arts programs to enrich the community.

University of Hawai'i Centers on Maui, Kaua'i, and in West Hawai'i on the island of Hawai'i provide permanent University of Hawai'i presence in those communities that otherwise lack easy access to programs offered elsewhere in the University of Hawai'i system. The University of Hawai'i Centers serve as receiving sites for courses and a limited number of complete degree programs of various University of Hawai'i system campuses. Courses and programs of study delivered at these Centers use a variety of delivery strategies, including distance learning technology, faculty who travel to the Center from their home campus, and faculty from the community served by the Center. University of Hawai'i Centers and distance learning are areas of priority program emphasis for the community colleges.

The University of Hawai'i Community Colleges are also progressing toward the selected offering of four-year baccalaureate degrees. Maui Community College has developed a four-year baccalaureate program in Applied Business and Information Technology (ABIT), which will be implemented in the near future. Honolulu Community College is progressing toward the development of a four-year baccalaureate program in Computing, Electronics, and Networking Technology (CENT). Kapi'olani Community College is considering a four-year advanced Culinary Arts degree.

A variety of services support the instructional program and provide access to the colleges. These services include library, media, computer and learning labs, academic assessment and advising, financial aid, admission services and record keeping, and special support services for disabled, minority, and second-language students.

Administrative support services at each campus provide campus-wide executive leadership, budgetary and financial management, personnel administration, procurement and property management, facilities and grounds maintenance, security, physical facilities planning of both repairs and maintenance and capital improvement projects, and auxiliary services.

Under the Systemwide Administration reorganization, the University of Hawai'i Community College administrative affairs and academic affairs support units have been placed under the purview of central administration vice presidents but continue to directly support the community colleges. The administrative affairs and academic affairs systemwide support units coordinate, support, and assist the community colleges in policy formulation, systemwide planning and coordination, effective use of available resources, and administrative, logistical and technical services.

Under this Systemwide Administration reorganization, all other positions from the former Community College Chancellor's Office were transferred to a systemwide International Education unit. The Office of International Education (OIE) is an integral unit which continues to support the international education effort. This unit provides statewide direction, planning, and coordination in support of international education efforts for students, scholars and faculty throughout the entire ten campuses of the University of Hawai'i and is being formally transferred to the Systemwide Institutional Support (UOH 900) program in the FB 2005-2007.

## II. Program Performance Results:

In recent years, credit headcount enrollment for the University of Hawai'i Community Colleges has steadily increased to levels in excess of 26,000. The community colleges expect to increase enrollment in future years through proactive efforts in defining and meeting the educational and training needs of the students and the communities that the colleges serve.

University of Hawai'i Community College tuition rates have increased from \$230 per semester in FY 1994 to the current \$564 per semester (\$47/credit -12 credits) in FY 2005, an increase of 145%. The Community College credit headcount enrollment declined from the 28,000 level in Fall 1994 to a low in Fall 2000 of 24,000. However, since Fall 2000, credit headcount enrollment has steadily increased to the current 26,000 level. Some of the initial decreases were the result of policy and procedural changes which, while lowering credit enrollment, were really means of enhancing overall program health. For example, Adult Basic Education is no longer offered as

credit instruction. Although the community colleges remain committed to the Open Door policy and to providing remediation as needed through non-credit offerings, the community colleges work in coordination with the State Department of Education (DOE) to provide the most basic level of remediation. The community colleges are collaborating with the State Department of Education, whose Adult Schools include Adult Basic Education in their mission, in order to bring needed services to students. Similarly, the movement to provide more workforce training in the form of short-term, non-credit instruction rather than credit instruction, is a factor in the decline of credit enrollments. Thus the decrease in credit enrollments, while a key indicator of “health,” must be understood within this broader context of “institutional health.”

Non-credit and special program activities fluctuate based on changing needs and emphasis on training, employment preparation, workforce development, and cultural programs. In recent years, the community college non-credit and community service programs have averaged 64,000 registration counts per academic year. Special program activities and theater performances continue to serve the intellectual and cultural needs of local communities.

### III. Problems and Issues:

Providing access to quality postsecondary education for the residents of Hawai'i continues to be the single most important mission for the community colleges, as reflected in the public policy mandated by Act 39, SLH 1964. This is accomplished by providing opportunities for individuals to enroll in liberal arts and career and technical education programs, at moderate cost, in institutions close to where they live and work. Through seven degree-granting campuses, and affiliated University Centers on Maui, Kaua'i, and in West Hawai'i, the community colleges collectively serve approximately 26,000 degree seeking students each semester (52% of the total University of Hawai'i credit headcount enrollment) and offer non-credit, short-term offerings, averaging 64,000 annual registrations in recent years (averaging 62% of the total University of Hawai'i annual non-credit registrations). However, continuing to fulfill this critical mission of open door access within the finite limits of the State's financial resources continues to challenge the community colleges.

Hawai'i is facing a skilled worker shortage. The aging of the current workforce and the growth in the economy over the past two years have resulted in approximately 22,000 jobs to be filled annually according to the most recent data reported by the State Department of Labor and Industrial Relations (DLIR). The changing local and world economies are requiring increasing levels of education and training for individuals to be successful. It is anticipated that more than half the jobs to be filled in the State over the next ten years will require education and training beyond high school. Providing access and support to individuals who have recognized the importance of continuing their education, including remedial/developmental education, is increasingly important if the State is to remain a player in the national and world economy.

However, there are significant structural impediments that must be addressed in order to successfully meet the anticipated demand for qualified workers. There is a need to increase the number of high school graduates who continue their education, a need to increase the number of working adults who continue their education, a need to increase the rate at which students who enroll successfully complete their programs of study, and a need to increase program capacity in fields with worker shortages.

While the State's shortage of qualified teachers and nurses are well reported, it is not widely known that there are significant shortages of qualified individuals to fill less than baccalaureate level technical positions. DLIR reported data indicates a need to fill about 4,000 jobs per year with individuals holding 2-year technical degrees; however, only about 2,200 such degrees are awarded annually by both public and private institutions in the State. This technically prepared worker gap is now being recognized by a number of employer groups as a major barrier to their future success. As high tech employers, the community colleges have also been struggling with the need to employ and retain qualified faculty and staff, to retrain and reeducate the existing workforce, and to renovate and reequip education and training facilities to meet the new demands that employers and students are placing upon us.

The University of Hawai'i Community Colleges have been at the forefront of responding to these changes by eliminating low demand programs and reallocating resources to develop new programs, equip facilities, retrain faculty, and respond to employer's requests for retraining their workforce. The community colleges will continue with this approach to meet the changing needs of the communities, but the current financial environment makes this an increasingly difficult challenge.

Increasing the number of program degree completers is made more difficult when increasing numbers of students are not prepared to enroll and advance in their desired programs of study. Historically, the community colleges have enrolled a significant number of students who have required remedial and/or developmental education to successfully meet their program requirements. This number has grown to more than half the students entering our campuses as more young adults discover the need to acquire a postsecondary degree to be successful. To reduce the number of under prepared new students, the community colleges have been working closely with colleagues at the State Department of Education through the P-20 initiative and the DOE/UHCC Coordinating Council to develop a more rigorous, seamless pathway between the two systems. A critical commitment of professional resources has been made to assure the success of this effort.

The community colleges of the University of Hawai'i are committed to serve as the "Open Door" point of access for the University System. The growing challenge, however, is to maintain an appropriate balance between quality and access. While facing general fund budget reductions over the past decade, the community colleges

have placed the highest priority on meeting instructional needs of students. To this end, the community colleges conduct program and course reviews and assessments; consolidate, transfer or terminate programs as required; and deliberately reallocate resources, both human and material, to continue meeting student demand for courses. To accomplish this, the community colleges have had to restrict the replacement of instructional and institutional equipment; kept positions vacant; eliminated or reduced some student and institutional support services; and have fallen behind in the repair and maintenance of facilities. However, there are limits to our ability to reallocate resources without negatively affecting the access to, and quality of education and training programs.

Besides continuing to provide access, the community colleges of the University of Hawai'i are proud of the continuing commitment to quality. For students pursuing the Associate in Arts degree, this quality is evident in the ability of students to transfer and be successful at UH-Mānoa, UH-Hilo, and UH-West O`ahu. For students enrolled in occupational-technical programs, their successful employment, and the reported satisfaction by their employers attest to the quality and of the programs being offered.

The University of Hawai'i Community College Strategic Plan 2002-2010, adopted by the Board of Regents in 2002, was developed and updated to identify critical State needs and internal operational issues, establish goals, and set the agenda for community college system priorities. This planning effort was the driving force for the development of the Community Colleges' FB 2005-07 operating budget. More specifically, the strategic plan allowed the University of Hawai'i Community Colleges to focus its requests for limited resources on its most important funding priorities.

Funding priorities for the FB 2005-07 operating budget were built upon urgent needs in the following categories:

- Promote Workforce and Economic Development  
(e.g., Workforce Development which includes 4-year programs for some campuses, Remedial Developmental Education, Academic and Student support services, etc.);
- Support for Operational Improvements  
(e.g., Management Information Systems and Information Technology Infrastructure, Equipment Replacement, Institutional Support, etc.);
- Support for Hawaiian Programs  
(e.g., Hawaiian Studies, Hawaiian Language, and student enrollment support); and

- Support for Increased Enrollment/Mission Clarification  
(e.g., Student support services, recruitment & retention services, financial aid support, distance learning support, etc.)

One of the major aspects of the mission of the Community Colleges is to respond to identified state needs for a diverse, competent, high quality workforce. Support for the University of Hawai'i Community Colleges' FB 2005-2007 budget request is a critical piece in the mix of resources necessary to fulfill that mission. The Workforce and Economic Development initiatives, along with the other priorities detailed in the Community College budget request are designed to address the current needs of students, businesses, and the community and also directly support and positively impact the State economy.

The following discussion highlights issues specific to each of the seven campuses.

### Honolulu Community College

Honolulu Community College's goals are: (a) to serve as the technical training center for the State of Hawai'i in the college's areas of program responsibility, including public service and early childhood education, construction technologies, environmental technologies, information technologies, transportation technologies, fashion, cosmetology and esthetics; (b) to serve as a gateway for upward mobility for the citizens of Hawai'i, especially first generation college students and under-represented minorities; and (c) to provide the courses necessary to educate students in the liberal arts, supporting student educational aspirations through a comprehensive curriculum leading to the completion of career paths at the associate level and for transfer to the baccalaureate level.

A funding priority for Honolulu CC in the current biennium budget is the establishment of the college's four-year baccalaureate degree in Computing Electronics and Networking Technology (CENT). In a recent survey of business and industry, local companies are bullish on the short-term future of their businesses and expect to hire large numbers of networking technicians. The proposed degree will greatly expand the college's service to the Information Technology community and create a new element in its mission.

The current boom in the local construction industry has created a demand for skilled labor not experienced since statehood. As part of the college's role in workforce development, Honolulu CC is moving toward accelerating the training and education of individuals in the building and construction trades. To further increase the pipeline of workers entering the construction industry, Honolulu CC has partnered with the Department of Education (DOE) to establish a Construction Academy pilot project involving eight participating high schools. The project involves the design of a new

curriculum to support the Building and Construction career pathway. A federal grant currently allows the hiring of “circuit rider” faculty to teach these highly specialized courses in the DOE. Students participating in the Construction Academy will receive dual credit at both the high school and community college level thus accelerating the through-put of students entering the building and trades. Initial funding was provided through a grant by the U.S. Department of Labor for \$1.4 million. Currently, the college needs to expand the program to other DOE schools.

Serving students with disabilities is also a top priority for Honolulu Community College. The college requires expansion of its institutional commitment to guarantee adequate and timely accommodation for all students with disabilities. The college faces a constant and increasing need to provide accommodation and support services to students with documented disabilities to ensure equity of educational opportunities. In Fall 1990, there were only 46 students seeking accommodations; in Fall 1995, there were 73 students; and in Fall 2003, there were 132 students seeking accommodations.

As part of the college’s accreditation and overall institutional evaluation process, Honolulu CC has made assessment activities on campus a high priority. These activities include ongoing evaluation by faculty, staff and administration, in regards to current outcomes and institutional effectiveness. To further these initiatives, Honolulu CC is in need of a permanent coordinator to provide leadership and guidance of this necessary organizational process.

Through the college’s Marine and Education Training Center (METC), Honolulu CC has developed a unique relationship with the Polynesian Voyaging Society. The METC facility is the current home of the voyaging canoes Hokule’a and Hawai’iloa. To leverage this partnership, Honolulu CC is seeking to develop a certificate program entitled Ocean Hawaii.

The Global Learning Network (GLN) is a blended learning infrastructure system developed by Honolulu CC, Cisco Systems, and McGraw-Hill. The GLN platform is the most advance e-learning architecture currently available in the world. Over the next several years, it is anticipated that content delivery via this platform will become a viable and preferable alternative to textbooks. To insure optimal use of the GLN technology, faculty need to be trained to teach using GLN contents and continually supported as they use this technology for both classroom and distance delivered courses.

### Kapi'olani Community College

Kapi’olani Community College continues to serve Hawai’i’s workforce needs through strong programs in traditional areas such as culinary arts and hospitality education, health education, business, as well as in emerging areas such as biotechnology,

exercise and sports science, paraprofessional education, and new media arts. Kapi'olani CC also continues to be a gateway for students seeking baccalaureate education with the largest number of students transferring into the UH baccalaureate schools.

In order to continue to fulfill this mission, the highest priority for Kapi'olani CC, as agreed to by faculty, staff, and students, is to address critical equipment replacement and critical repair and maintenance needs on campus. The erosion of the operating budget, the aging of the campus (now twenty years old), and the demands for technology in health, business, and other computer related fields have created a crisis for the future quality of education. Kapi'olani CC can no longer afford to postpone equipment purchases or needed repairs.

The second area of priority for Kapi'olani Community College is in replacing the anticipated loss of Federal funds in critical support areas, some of which are entitlements to students under Federal law. Currently almost all of the College's services to students with disabilities are provided through Federal grants that will not be continued beyond October 2005. Counseling services and services to provide accommodations to all disabled students, including the College's deaf student population, must be shifted to non-Federal sources. Similarly, almost all of the College's services for Hawaiian students are through extramural funds. If the College is to fulfill its obligations to Hawaiians, it needs to not only shift services to non-Federal funds but also to significantly increase services and opportunities so that Hawaiian enrollments can rise from the current 10% to a level more consistent with the Hawaiian percentage in the general population.

A third area of priority is the improvement of other support services and business processes on campus. Kapi'olani CC has only two security guards, a level of staffing not sufficient to ensure the security and safety of students, staff, and property. Other planned improvements are focused on business operations where the staffing levels have not kept pace with increasing workload demands resulting from growth of non-general fund budgets for Kapi'olani CC.

The final priority area focuses on general improvements related to workforce in Hawai'i. These improvements include expansion of the remedial/development program to increase the successful flow of students into higher education, expanded cooperative programs with the Department of Education, and staffing support for focused business training.

State general funds are currently only 55% of Kapi'olani CC's appropriated funds. The general funds the College receives is sufficient to cover only 80% of the general funded salaries. The balance of the general fund salaries, all costs for instructional lecturers, supplies, and equipment, and all other operating expenses for the College are funded by tuition, summer session, non-credit courses, and auxiliary enterprises. If Kapi'olani CC is to continue its mission as an access point to higher education and



as a provider of the state workforce in critical areas, additional State support is essential.

### Leeward Community College

Leeward Community College lies at the heart of one of the fastest growing regions in the State of Hawai'i. Since Fall 2000, Leeward CC's headcount enrollment has increased substantially from 5,259 to 6,201 in Fall 2003. As Kapolei and surrounding areas are further developed, the College's enrollment is projected to increase to about 6,600 students in Fall 2008.

Serving as the gateway to higher education in Central and Leeward Oahu, Leeward CC continuously engages in linkages with feeder schools, partnerships with businesses, and collaborations with community groups to actively support the educational and socio-economic well-being of the region by offering needed credit and non-credit courses and workforce development training.

In its mission statement, Leeward CC's differentiated mission is articulated as follows: "...the special mission of Leeward Community College is to provide **teacher training** and serve all the residents of our diverse communities, with particular attention to the Hawaiian population....". Through support of Leeward CC's biennium budget request, the College will be able to contribute significantly to teacher education and help alleviate the serious local (and national) teacher shortage, thereby helping address a critical workforce need.

By 2010 it is projected that the U.S. will need to hire over 2 million new teachers because of teacher attrition and retirement and increased student enrollment. In Hawai'i, the State Department of Education (DOE) hired 1,657 new teachers in school year 2003-04, an 83% increase over 6 years from the 906 new teachers hired in 1996-97. In Fall 2004, the DOE started the school year short 357 teachers and has had to hire 200 long-term substitutes.

Currently, Hawai'i baccalaureate teacher preparation programs are able to supply only about 40 % of the DOE's new teacher needs. The DOE therefore has had to rely more and more on recruiting mainland teachers. However, about 40% of out-of-State teachers resign within the first year and 55% within the first two years.

In this context, one of the priority initiatives of Leeward Community College is to establish a new Associate in Arts in Teaching (AAT) degree, a transfer teacher-training degree to be articulated with baccalaureate teacher education programs. More and more states are turning to community colleges to help alleviate the teacher shortage. The National Association of Community College Teacher Education Programs, which promotes quality teacher education programs in the community colleges, has more than 400 members from 164 colleges across 38 states in the U.S.

Resources are also needed to strengthen the College by establishing an Office for Planning, Policy, and Assessment. In addition to coordinating strategic planning and policy review and development, this office will oversee institutional research, including the assessment of student learning outcomes and the evaluation of the various programs offered by the College. Such assessment and program evaluations are mandated by our accrediting agency, the Accrediting Commission for Community and Junior Colleges (ACCJC) of the Western Association of Schools and Colleges. Meeting the new, more demanding ACCJC accreditation standards will require substantial expenditures of time and resources.

Leeward CC's buildings are about 35 years old, and our deteriorating facilities are of increasing concern. The College has a backlog of repair-and-maintenance projects of nearly \$10 million dollars that are slowly being addressed with limited funding. Of equal importance is the construction of a second access road for the health and safety of the College's 6,000+ students, faculty, and staff. In the event of an emergency requiring a major evacuation, rapid egress via the College's single access road is a major safety issue. Continued legislative support for this second access is essential through CIP funding to the State Department of Transportation.

Other funding issues faced by the College include: strengthening various instructional programs, including our Hawaiian Studies, distance education, science, English Language Institute, and international programs; implementing an equipment replacement and acquisition program; supporting our increasingly complex information technology infrastructure; providing adequate job placement, enrollment management, Web-management, security, and custodial services; and developing new instructional programs, including customized training and courses, to meet the needs of the community and area businesses.

### Windward Community College

As the only University of Hawai'i campus on the windward side of O'ahu, Windward Community College offers the community a quality educational center and vital cultural resource. Windward CC offers credit programs in the liberal arts and science disciplines leading to transfer to four-year institutions. The Windward CC student population is over 31% Hawaiian/Part-Hawaiian, reflecting the demographics of the neighboring communities. Windward CC provides a desirable alternative for students seeking the personal interaction that faculty and counselors on a small campus can provide.

Merged administratively into Windward Community College, the Employment Training Center (ETC) serves increasing numbers of adults and youth. In response to community needs, the Employment Training Center works actively with the State Department of Labor and Industrial Relations, as well as with other federal, state, city

and private agencies to develop new short-term workforce training programs.

Windward Community College is grateful for the legislative support that has provided new facilities that have allowed the instructional programs to move out of deteriorating state hospital buildings into environments that truly support learning. In addition, the multi-use facilities provided, such as the campus center and theatre, have positively changed the relationship between the college and the community. The community utilizes campus facilities extensively, and in turn has increased its support for and involvement with the college.

With new facilities and a focused effort on enrollment management, Windward has experienced significant growth in credit enrollment. This positive and needed growth has severely taxed college resources. The increase in tuition revenues has not been sufficient to support the increase in operating costs. The new facilities will enable the College to sustain the increase in program activity and enrollment only if sufficient staffing and resources are available. With sufficient technical staffing, the new facilities will become a state-of-the-art college and community resource.

A critical new facility that will cap Windward's transition into a 21<sup>st</sup> century college is the Library/Learning Center. The library is the heart of a quality liberal arts college and therefore represents a critical need. This facility will incorporate the consolidated services of the existing library, learning center, media center and academic computing into one information resource center. With funds appropriated by the legislature in FY 2002, the college has worked with a planning firm to plan an efficient Library/Learning Center that is consistent with the master plan of Windward Community College.

### Hawai'i Community College

Hawai'i Community College's goals are consistent with those of the Community College Strategic Plan. In addition to the College's Capital Improvement Project (CIP) requirements, the highest priority for Hawai'i Community College is the delivery of a comprehensive approach to workforce development that will enable a timely response to meet educational and training needs to support economic development for the entire island of Hawai'i. As the only community college serving the entire Big Island, the College plays a crucial role in supporting local industries as well as assisting the County in attracting new ones. The College has successfully worked in partnership with government entities, private agencies and non-profit organizations to assess the workforce training needs of businesses, and to deliver workforce training at all levels, from entry through skill upgrade training in support of local industries.

The College provides a transfer-level Liberal Arts Degree Program and Career and Technical education programs to meet workforce needs in such fields as: allied health care and nursing; public services in administration of justice, early childhood

education, and human services to include certification in substance abuse counseling; culinary program; hospitality management; construction and transportation trades. The College's programs in Native Hawaiian lifestyles demonstrate a unique approach to preserving Hawaiian culture and heritage and honoring the environment, as well as reaching out to underserved populations with programs that fit their needs and interests to draw them into higher education.

Another important role for the College is in providing developmental education for the high proportion of students on the Big Island who want to enter higher education, but are not adequately prepared. Such developmental programs require additional student support services and an increased emphasis on individualized instruction.

The College has made significant progress in achieving its vision of serving the entire Big Island, and intends to increase the depth and breadth of our service area in the future. The College currently operates from two separate locations – the main campus in Hilo, and from rented facilities in Kealahou in West Hawai'i. In addition to offering Hawai'i Community College classes at the West Hawai'i location, the University of Hawai'i Center in West Hawai'i expands access to higher educational opportunities by brokering baccalaureate and graduate programs from within the University system. The College also delivers courses and training to remote areas in North and South Hawai'i. Additional resources are needed to sustain programs developed with seed funding from federal grants and to further develop strategies that promote workforce and economic development, and expand access for residents of the County of Hawai'i.

To effectively meet the needs of our population in a cost effective manner, Educational specialists are needed to assist faculty who deliver laboratory instruction in workforce training programs. These educational specialists will be needed to support instruction in such areas as construction and transportation trades, food service, early childhood education, nursing and allied health, hospitality, agro-forestry, and the science labs. Educational specialists will assist faculty in the delivery and management of the laboratory where hands on applications reinforce classroom instruction freeing faculty to extend their educational reach to more students.

The socioeconomic benefits generated by Hawai'i Community College in a typical year are as follows:

- Hawai'i Community College pays \$10.5 million annually in direct faculty and staff wages, salaries, and benefits in the local region, and accounts for an additional \$104.5 million in earnings off campus.
- Taxpayers see a real money "book" return of 12.3% on their annual investments in Hawai'i Community College and recover all investments in 10.4 years.

- Students enjoy an attractive 23% annual return on their investment of time and money-for every \$1 the student invests in Hawai'i CC, he or she will receive a cumulative \$7.17 in higher future earnings over the next 30 years or so.
- The State of Hawai'i benefits from improved health and reduced welfare, unemployment, and crime, saving the public some \$1.5 million per year.

Source: CCbenefits Inc., [The Socioeconomic Benefits Generated by Hawai'i Community College](#), M. Henry Robison and Kjell A Christophersen, State of Hawai'i Executive Summary, January 16, 2004

### Maui Community College

Over the past nine years, the Legislature has been extremely supportive of Maui Community College's physical plant and higher education expansion. During this period, the college has approximately doubled its square footage with the most recent addition of a "state of the art" culinary facility. Our students, faculty, staff and community are extremely grateful for the continuing support. The current challenge is to finance the costs of utilities, maintenance and the general operation of the newer facilities. The college has leveraged partnerships with local, state and federal agencies as well as public/private organizations to address its financial issues. In addition, the college has increased its efforts in the area of energy efficiency.

To continue its progress, Maui Community College's strategic plan, congruent with the University of Hawai'i System's direction, strengthens student access, improves accountability, and provides service to the community. Maui CC's strategic plan specifically emphasizes workforce development. The college has identified several areas within the community, which demand a home-grown workforce. These areas are in Applied Business and Information Technology, Biotechnology, Oral Health Care and Early Childhood.

Maui CC's highest priority consists of two initiatives that will contribute directly to the County and State's economic development and diversification. The first will focus on adding faculty to introduce a bachelor of applied science degree that will leverage telecommunications, computing and the web to create e-commerce and business-to-business entrepreneurs. This first Maui CC baccalaureate program in Applied Business Information Technology is being reviewed by the Accrediting Commission for candidacy or initial accreditation in Spring 2005. Development in the baccalaureate arena requires the college to offer an active student life program on campus. The current Student Center Building is 30 years old and in need of immediate renovation.

The second relates to faculty needed to take advantage of new opportunities and address Biotechnology, Dental Assistant, and Childcare and Early Childhood Education workforce needs. Specifically, these Biotech, Oral Health Care, and Early

Childhood faculty positions will build on resources and equipment already received through grants to fund new programs. Each of these initiatives has identified community partners who will reinforce the case for relating state support to expand and diversify our economy. The existing Science facility was built in 1970. The labs and equipment have become outdated and requires extensive upgrading to accommodate the advanced Science and Health Care curricula.

Additionally, the college is pursuing construction of additional student housing on- and off-campus, which is based on current and anticipated growth of credit and non-credit programs at Maui CC. Presently, Maui CC operates a 44-bed, apartment style facility and receives approximately 400 potential student inquiries annually. Once completed, the college will have the capacity to accommodate a large waiting list of non-resident students. The administration foresees long-term financial progress and greater stability through non-resident tuition revenue.

As the only institution in the County of Maui representing the University of Hawai'i Community Colleges and the University System, Maui CC and its University Center seek support for growth, progress, and completion of its campus master plan.

### Kaua'i Community College

Kaua'i Community College is committed to providing access to quality, post-secondary educational opportunities and responding to workforce development needs in the community. The challenges and opportunities for Kaua'i continue to be shortages in health services, teaching and education related services, and social services. In addition, significant new demands are connected with the growth of the Pacific Missile Range Facility and the many associated high tech companies. At the same time, the continuing strength of the visitor industry, especially on Kaua'i, requires a sustained effort in business and culinary arts.

Through our transfer level programs as well as the University Center, the College's commitment to access stretches beyond our two-year programs. The University Center supports access to over twenty baccalaureate and graduate level degrees and certificates. This expansion of opportunity is particularly important for the growing high tech arena, which has needs ranging from technicians to scientists. Another of the College's responses to these workforce needs is the successfully piloted Academy for Future Nurses, designed to address the needs of under-prepared students desiring to enter the health care field. With funding from the University's EPSCoR grant, Kaua'i CC is able to significantly improve retention and achievement in both academic and career technical courses. If this initiative can be continued, a pipeline of prepared nursing students can be assured.

Success with the Academy points out that simple access is insufficient for the large number of under-prepared and non-traditional students who make up the Kaua'i CC

student body. In the period from 1997 to 2003, 75% of the local students taking the COMPASS placement test placed in pre-algebra, approximately equivalent to middle school math. Kaua'i CC has also experienced an upsurge in the numbers of students with special needs who have formally requested accommodations. Thus, in addition to direct instructional needs, the college must provide support through its Learning Center, counselors and other academic assistance. A second federally supported pilot is underway to develop a more generalized case management approach for all students who are either undecided on a career and/or require significant remediation in basic skills before they can be successful in the program of their choice. The situation at Kaua'i CC, as well as national research, points to these two factors, along with a lack of adequate financial aid, as among the most challenging obstacles to student success.

Kaua'i CC seeks sufficient state support to ensure the ability to respond in a timely manner to community educational and training needs.

### Summary

The open-door, low tuition philosophy is the single most critical factor which allows the University of Hawai'i Community Colleges to counsel, educate and train a large number of Hawai'i residents to become highly productive individuals. For many residents of Hawai'i, especially first generation college students, educationally and economically disadvantaged individuals, and under-represented minorities, the community colleges serve as the primary gateway for upward mobility. Without this opportunity, post-secondary education and training would not be available to many residents of Hawai'i, with a resultant negative impact to the general economic condition of the State. General fund support for the University of Hawai'i Community Colleges must be increased to properly maintain the open access mission as a critical investment for the future of the State of Hawai'i.

IV. Expenditures for Fiscal Year 2004-2005:

	Appropriation Budget Act FY 2004-05	Collective Bargaining	Transfer In Transfer Out	Restriction	Estimated Total Expenditure
Personal Services	(1630.85) 96,868,515	-- 2,581,827	-- --	-- --	(1630.85) 99,450,342
Current Expense	29,721,446	--	--	--	29,721,446
Equipment	651,702	--	--	--	651,702
Motor Vehicles	--	--	--	--	--
<b>TOTAL</b>	<b>127,241,663</b>	<b>2,581,827</b>	<b>--</b>	<b>--</b>	<b>129,823,490</b>
General Funds	(1533.25) 76,228,754	2,581,827	--	--	(1533.25) 78,810,581
Special Funds	(77.50) 42,623,100	--	--	--	(77.50) 42,623,100
Federal Funds	(15.60) 3,540,927	--	--	--	(15.60) 3,540,927
Revolving Funds	(4.50) 4,848,882	--	--	--	(4.50) 4,848,882



V. Biennium Budget Requests for Fiscal Year 2005-2006 and  
Fiscal Year 2006-2007:

	<u>Budget Request FY 2005-06</u>	<u>Budget Request FY 2006-07</u>	<u>Biennium Requirement</u>
Personal Services	(1626.85) 102,235,224	(1626.85) 104,726,714	(1626.85) 206,961,938
Current Expense	28,930,273	28,948,973	57,879,246
Equipment	1,569,913	1,586,375	3,156,288
Motor Vehicles	--	--	--
<hr/>			
TOTAL	132,735,410	135,262,062	267,997,472
General Fund	(1529.25) 80,661,372	(1529.25) 82,758,685	(1529.25) 163,420,057
Special Funds	(77.50) 43,684,229	(77.50) 44,113,568	(77.50) 87,797,797
Federal Funds	(15.60) 3,540,927	(15.60) 3,540,927	(15.60) 7,081,854
Revolving Funds	(4.50) 4,848,882	(4.50) 4,848,882	(4.50) 9,697,764

Workload or Program Request:

The Executive Biennium Budget for this program includes the following program change request:

	Item/Description	MOF	Cost Category	2005-06	2006-07
1.	Community College Tuition and Fee Special Fund	B	A-Personnel Costs	(--)	(--)
			B-Current Expenses	1,061,129	1,061,129
			C-Equipment	--	--
			TOTAL	(--)	(--)
				1,061,129	1,061,129

This request increases the Tuition & Fees Special Fund expenditure ceilings for all community colleges to accommodate the tuition increase approved by the Board of Regents for FY 2006. An expenditure ceiling increase of 4.26% is being requested for FY 2006 and continued for FY 2007.

The University of Hawai'i Community Colleges must continuously balance the need for tuition increases to meet increasing expenses with the primary mission of open access. The approved tuition increases in recent years have been kept to relatively modest increases of \$2 per credit hour per year for the community colleges.

	Item/Description	MOF	Cost Category	2005-06	2006-07
2.	Transfer of the Office of International Education (OIE) to Systemwide Programs (UOH 900)	A	A-Personnel Costs	<(4.00)>	<(4.00)>
			B-Current Expenses	<232,012>	<232,012>
			C-Equipment	--	--
			TOTAL	<(4.00)>	<(4.00)>
				<232,012>	<232,012>

Under the Systemwide Administrative reorganization, a systemwide International Education unit was established under the Systemwide Programs (UOH 900). The Office of International Education is an integral unit of this operation whose budget is being formally transferred to the Systemwide Programs (UOH 900) for the FB 2005-2007.

VI. Program Restrictions:

Although the Executive restriction of \$165,243 initially imposed on the University of Hawai'i Community Colleges was reinstated for FY 2005, this amount was reduced from the FB 2005-07 general fund budget. This type of budget reduction, along with the non-budgeting for inflationary increases and other unfunded requirements continues to further erode the general fund base of the Community Colleges. After years of budgeting within limited ceilings, the purchasing power of the general fund current service budget has been significantly reduced, requiring constant reallocation to cover areas of shortfall.

VII. Capital Improvement Program (CIP) Requests for Fiscal Biennium 2005-2007:

The Capital Improvement Program request will be covered in a separate testimony.

VIII. Proposed Lapses of Capital Improvements Program Projects:

The Capital Improvement Program request will be covered in a separate testimony.