

UNIVERSITY OF HAWAI‘I SYSTEM ANNUAL REPORT



REPORT TO THE 2008 LEGISLATURE

University of Hawaii – Community Colleges
Enrollment Growth Funding

Act 213, SLH 2007 (Section 93)

November 2007

University of Hawaii Community College Enrollment Growth Funding

Act 213, SLH 2007 (Appropriations Act) provided a general fund appropriation for the FY 2007-09 to assist the University of Hawai'i Community Colleges in addressing the need for additional class offerings to meet enrollment growth. The additional general funds are to be used to cover the differential cost (additional costs net of tuition revenue) for additional credit classes/credits required to meet enrollment growth demand. The additional funding (\$1,195,594 in FY 2008; \$2,273,625 in FY 2009) was based on projected needs for enrollment growth of 5% in each year of the biennium with differentiated cost factors for remedial/developmental and non-remedial/developmental classes.

This additional appropriation is designed to serve as a contingency fund administered by the Office of the Vice President for Community Colleges. The funding is available to the individual colleges who are able to demonstrate the need to meet growth in student demand, in excess of current enrollment capacity. These general funds are required to defray the cost of additional credit classes/credits with any remaining funds not used for this specific purpose lapsing to the State general fund at the end of each fiscal year.

Background

To respond to the changing state workforce needs, especially in science and technology, health care, information technology/telecommunications, and professional services, and to develop and sustain a high quality workforce, the community colleges must increase enrollment while successfully meeting the growing need to provide remedial/developmental education.

Hawai'i's economy is changing from one that had a focus on agriculture and mass tourism, to one that is placing a greater emphasis on science and technology, health care, information technology/telecommunications, and professional services. A major factor in sustaining Hawai'i's current economic momentum is the ability to develop and sustain a high quality workforce. Hawaii's persistently low unemployment rate and a number of other factors are issues, including:

- Inability to import (and retain) workers to fill shortages due to the cost of housing;
- Below average civilian participation in the workforce, especially from among those who currently do not have sufficient education and training to meet employers' job entry expectations;
- A net exodus from Hawai'i of workers between 30 and 64, particularly from among those with technical degrees and certificates;

- Hawai'i high schools graduate less than half the annual demand for jobs to be filled, and a significant number of graduates have a relatively low level of educational skill attainment, particularly in mathematics and communication which are critical for success in the education and training required for many jobs in technical fields;
- An aging population has led to a significant number of individuals leaving the workforce, a number that is expected to increase in the next decade;
- A growing number of employers are reporting that they have reduced their current operating capacity due to their inability to find qualified workers;
- Many individuals, continuing their education and training beyond high school, lack the basic skills needed for success in their programs of study and therefore drop-out prior to completion;
- The capacity for the existing workforce preparation system to supply a trained workforce is limited due to insufficient capacity in high demand fields and lack of coherent focus, particularly in the development of basic academic skills essential for postsecondary and workplace success; and
- Employers are facing a significant incumbent worker training requirement as mid-level managers and technicians retire, and workplace technologies change. Current data indicates more than 1,000 new first line supervisors will need to be employed (and trained) per year through 2012.

The community colleges, given the scope of technical and scientific programs, the ability to provide remedial/developmental education, and the accessibility throughout the state, are the best available option to respond to meeting the changing state workforce needs.

However, the community colleges are not able to respond to the growing need for a better prepared workforce without the instructional and related support services to serve an increased number of students. Unlike other UH campuses, the community colleges are not able to respond to increased demand solely with the additional tuition and fees collected from the new students as tuition is kept low to meet the open access mission of the community colleges. Therefore, it was necessary to establish a contingency fund that would provide the colleges with the additional financial resources to cover the cost differential to deliver additional classes. Additional classes are required to meet the growth in student demand needed to meet the workforce requirements of a growing and changing state economy.

Criteria

The following criteria were used to determine the number of additional classes/credits claimed:

- Applies only to additional credit classes/credits
- Enrollment Growth is defined as the need to offer additional classes/credits to meet the educational demands of students beyond the current capacity of the campus. Request for enrollment growth funding are normally supported by growth in established measures such as Student Semester Hours (SSH), Headcount Enrollment, and the total number of classes/credits taught.

Exceptions to the general enrollment growth needs are allowed on a limited basis and include:

- Classes that need to be institutionalized (start up non-general funds no longer available)
- Classes needed to meet specific student demands (e.g., timely degree attainment, specific time schedules, etc.)

In these situations, the need may not be reflected in established measures such as Student Semester Hours (SSH), Headcount Enrollment, and the total number of classes/credits taught.

- It is understood that campus administrators will have explored other possibilities to provide additional classes/credits to meet student demand without incurring significant additional costs. Requests for additional funding are not to include:
 - Additional classes funded through reallocated funds from existing resources
 - Additional classes funded by an appropriated general fund PCR item (e.g., Nursing faculty, Hawaiian Studies faculty, etc. provided in FB 2007-09)
 - Additional classes currently funded by non-general fund sources (e.g., Extramural federal funds, Private sponsored/sheltered MOA, etc.)

Preliminary Allocation

Preliminary allocation of general funds are initiated by a request (covering both fall and spring semesters) from each campus in mid-Fall to the Vice President for Community Colleges. The campuses based their requests on actual Fall data on classes, credits taught, SSH, Headcount enrollment, as well as any special requirements that arose during the registration period. The campuses estimated Spring enrollment growth needs based on trends indicated by actual Fall data.

In the review of the preliminary requests from the campuses, the Community Colleges are currently projecting a need for **\$721,539 of the \$1,195,594 appropriation** in FY 2008. Based on these current estimates, the remaining balance of **\$474,055 will be lapsed back to the**

State general fund at the end of the fiscal year, unless there is surge in enrollment growth in the Spring semester. The following table summarizes the estimates:

FY 2008 Claim	Remedial/ Developmental	Non-Remedial/ Developmental	Total
<u>Fall</u>			
Subtotal Claims \$	\$64,206	\$196,000	\$260,206
Classes/Credits	17 / 54	65 / 196	82 / 250
Fall SSH Inc-(Decr) prior yr / %			+5,008 / +2.3%
Fall Hdct Enroll Inc-(Decr) prior yr / %			+630 / +2.5%
<u>Spring (Estimated)</u>			
Subtotal Claims \$	\$115,333	\$346,000	\$461,333
Classes/Credits	40 / 97	120 / 346	160 / 443
<u>Annual Requirement</u>			
Total Claims \$	\$179,539	\$542,000	\$721,539
Classes/Credits	57 / 151	185 / 542	242 / 693

Note: Attachment A is a summary of the preliminary allocations of enrollment growth cost differential funding to each of the campuses.

The Fall semester enrollment growth indicators generally support the partial claim of the \$1,195,594 appropriation as Fall Headcount Enrollment for the Community Colleges has increased from 25,260 to 25,890 (2.5%), Fall Student Semester Hours from 218,694 to 223,702 (2.3%), and Fall number of classes from 3,517 to 3,602 (2.4%). The preliminary allocations to the individual campuses generally correlate with Fall enrollment growth indicators.

Final Request/Review and Final Allocation of Funds

Verification of the preliminary allocations and any resultant adjustments to the allocation of general funds will be determined after the spring census, near the end of March. Campuses will adjust their claims based on analysis of actual data for both the Fall and Spring semesters.

Therefore, it is critical to note that the preliminary allocations being provided in this report will be adjusted based on the review of actual Fall and Spring data later in the fiscal year when the data becomes available. The final claim for enrollment growth funding for the Community Colleges will be determined during the final review process, and the amount of general fund lapsing to the State will be adjusted accordingly.

University of Hawai'i - Community Colleges
FY 2008 Preliminary Allocation - Enrollment Growth Cost Differential Funding

11/9/2007

	Fall						Spring						FY 2008 Total						
	Rem/Dev		Non-Rem/Dev		Total		Rem/Dev		Non-Rem/Dev		Total		Rem/Dev		Non-Rem/Dev		Total		
UHCC System Total																			
\$ Claimed	64,206		196,000		260,206		115,333		346,000		461,333		179,539		542,000		721,539		
Classes/Credits Claimed	17	54	65	196	82	250	40	97	120	346	160	443	57	151	185	542	242	693	
SSH Inc/(Decr) - Fall					5,008	2.3%													
Headcount Enroll Inc/(Decr) - Fall					630	2.5%													
																	FY 2008 Appropriation		1,195,594
																	Remaining Balance		474,055

	Fall						Spring						FY 2008 Total					
	Rem/Dev		Non-Rem/Dev		Total		Rem/Dev		Non-Rem/Dev		Total		Rem/Dev		Non-Rem/Dev		Total	
Honolulu CC																		
\$ Claimed			18,000		18,000				15,000		15,000		0		33,000		33,000	
Classes/Credits Claimed			6	18	6	18			5	15	5	15	0	0	11	33	11	33
SSH Inc/(Decr) - Fall					-932	-2.6%												
Headcount Enroll Inc/(Decr) - Fall					-116	-2.8%												
Kapi'olani CC																		
\$ Claimed	3,567		30,000		33,567				53,000		53,000		3,567		83,000		86,567	
Classes/Credits Claimed	1	3	9	30	10	33			19	53	19	53	1	3	28	83	29	86
SSH Inc/(Decr) - Fall					1,572	2.5%												
Headcount Enroll Inc/(Decr) - Fall					245	3.4%												
Leeward CC																		
\$ Claimed	35,670		106,000		141,670		49,938		96,000		145,938		85,608		202,000		287,608	
Classes/Credits Claimed	10	30	35	106	45	136	14	42	32	96	46	138	24	72	67	202	91	274
SSH Inc/(Decr) - Fall					2,005	4.0%												
Headcount Enroll Inc/(Decr) - Fall					141	2.5%												
Windward CC																		
\$ Claimed					0		3,567		61,000		64,567		3,567		61,000		64,567	
Classes/Credits Claimed					0	0	1	3	22	61	23	64	1	3	22	61	23	64
SSH Inc/(Decr) - Fall					178	1.2%												
Headcount Enroll Inc/(Decr) - Fall					43	2.4%												
Hawai'i CC																		
\$ Claimed	24,969		42,000		66,969		24,969		37,000		61,969		49,938		79,000		128,938	
Classes/Credits Claimed	6	21	15	42	21	63	12	21	13	37	25	58	18	42	28	79	46	121
SSH Inc/(Decr) - Fall					2,193	10.1%												
Headcount Enroll Inc/(Decr) - Fall					245	10.4%												
Maui CC																		
\$ Claimed					0		36,859		84,000		120,859		36,859		84,000		120,859	
Classes/Credits Claimed					0	0	13	31	29	84	42	115	13	31	29	84	42	115
SSH Inc/(Decr) - Fall					591	2.4%												
Headcount Enroll Inc/(Decr) - Fall					140	4.9%												
Kauai CC																		
\$ Claimed					0						0		0		0		0	
Classes/Credits Claimed					0	0					0	0	0	0	0	0	0	0
SSH Inc/(Decr) - Fall					-599	-6.4%												
Headcount Enroll Inc/(Decr) - Fall					-68	-6.1%												