

UNIVERSITY OF HAWAI‘I SYSTEM ANNUAL REPORT



REPORT TO THE 2009 LEGISLATURE

University of Hawai'i – Community Colleges
Enrollment Growth Funding

Act 213, SLH 2007 (Section 93)

November 2008

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 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.)

FY 2008 Final Allocation

The final Enrollment Growth Cost Differential Funding allocations to the community colleges **total to \$921,405, as compared to the FY 2008 appropriation of \$1,195,594, resulting in a lapse of \$274,189.** The claim for the \$921,405 was based on 296 additional classes and 894 additional credits.

- The official census Fall Student Semester Hour (SSH) increased over the FY 2007 baseline from 218,694 to 223,702 (2.3%), the Spring SSH from 196,555 to 208,252 (6.0%), resulting in a fiscal year increase of 4.0%.

- The official census Fall headcount enrollment increased over the FY 2007 baseline from 25,260 to 25,890 (2.5%), the Spring headcount enrollment from 23,256 to 24,824 (6.7%), resulting in a fiscal year increase of 4.5%.
- The official census Fall FTE enrollment increased over the FY 2007 baseline from 14,580 to 14,913 (2.3%), the Spring FTE enrollment from 13,088 to 13,882 (6.1%), resulting in a fiscal year increase of 4.1%.

All of these overall factors, as well as the individual campus data, supports the enrollment growth claims for funding at the 77% (of appropriation) level. The original enrollment growth claim was based on a projected 5% enrollment growth factor. The following table summarizes the FY 2008 final allocation:

FY 2008 Final Allocation	Remedial/ Developmental	Non-Remedial/ Developmental	Total (FY 2007 Baseline)
<u>Fall</u>			
Subtotal Allocation \$	\$74,907	\$334,000	\$408,907
Classes/Credits	20 / 63	109 / 334	129 / 397
Fall SSH Inc-(Decr) prior yr / %			+5,008 / +2.3%
Fall Hdct Enroll Inc-(Decr) prior yr / %			+630 / +2.5%
<u>Spring</u>			
Subtotal Allocation \$	\$97,498	\$415,000	\$512,498
Classes/Credits	29 / 82	138 / 415	167 / 497
Spring SSH Inc-(Decr) prior yr / %			+11,697/ +6.0%
Spring Hdct Enroll Inc-(Decr) prior yr/%			+1,568 / +6.7%
<u>Annual Requirement</u>			
Total Allocation \$	\$172,405	\$749,000	\$921,405
Classes/Credits	49 / 145	247 / 749	296 / 894
Total SSH Inc-(Decr) prior yr / %			+16,705/ +4.0%
Total Hdct Enroll Inc-(Decr) prior yr / %			+2,198 / +4.5%

Note: Attachment A is a summary of the FY 2008 final allocations of enrollment growth cost differential funding to each of the campuses.

FY 2009 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 base 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 projected Spring enrollment growth needs based on trends indicated by actual Fall data.

In view of the severe downturn in the State economy and the requirements for budget reductions, the Community Colleges will reduce the \$2,273,625 base appropriation for enrollment growth by \$500,000 in FY 2009 and the FB 2009-11.

In the review of the preliminary requests from the campuses, the Community Colleges are currently projecting a need for **\$1,538,000 of the \$1,773,625 reduced appropriation** (\$500,000 restriction) in FY 2009. Based on these current estimates, the remaining balance of **\$235,625 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 claim for the \$1,538,000 is based on 521 additional classes and 1,541 additional credits.

- The official census Fall Student Semester Hours increased over the two year period from 218,694 to 244,438 (11.8%).
- The official census Fall Headcount Enrollment has increased over the two year period from 25,260 to 28,444 (12.6%).
- The official census Fall FTE enrollment has increased over the two year period from 14,580 to 16,297 (11.8%).

Claims for additional classes/credits are submitted by each of the campuses only if the educational demands of students exceed the current enrollment capacity of the campus. Reallocations from existing resources and other funding sources are considered before requesting for the additional enrollment growth funding. The Fall semester enrollment growth indicators generally support the partial claim of the restriction reduced appropriation. The original enrollment growth claim was based on a projected 10% enrollment growth factor over the two year period.

The following table summarizes the FY 2009 preliminary allocation:

FY 2009 Preliminary Allocation	Remedial/ Developmental	Non-Remedial/ Developmental	Total (FY 2007 Baseline)
<u>Fall</u>			
Subtotal Allocation \$	\$264,037	\$576,220	\$840,257
Classes/Credits	71 / 229	209 / 613	280 / 842
Fall SSH Inc-(Decr) FY 2007 / %			+25,744 / +11.8%
Fall Hdct Enroll Inc-(Decr) FY 2007 / %			+3,184 / +12.6%
<u>Spring (Projected)</u>			
Subtotal Allocation \$	\$220,223	\$477,520	\$697,743
Classes/Credits	63 / 191	178 / 508	241 / 699
<u>Annual Requirement (Projected)</u>			
Total Allocation \$	\$484,260	\$1,053,740	\$1,538,000
Classes/Credits	134 / 420	387 / 1,121	521 / 1,541

Note: Attachment B is a summary of the FY 2009 preliminary allocations of enrollment growth cost differential funding to each of the campuses.

FY 2009 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 for FY 2009 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.

The Community College Enrollment Growth funding provided under Act 213, SLH 2007 strongly supports the efforts of the Community Colleges to meet the educational and training needs of the students and communities that the colleges serve.

University of Hawai'i - Community Colleges
FY 2008 Final Allocation - Enrollment Growth Funding

4/4/2008

4/4/2008

	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	74,907		334,000		408,907		97,498		415,000		512,498		172,405		749,000		921,405			
Classes/Credits Claimed	20	63	109	334	129	397	29	82	138	415	167	497	49	145	247	749	296	894		
SSH Inc/(Decr) FY07-FY08					5,008	2.3%					11,697	6.0%					16,705	4.0%		
Headcount Enroll Inc/(Decr) FY07-FY08					630	2.5%					1,568	6.7%					2,198	4.5%		
																		FY 2008 Appropriation		1,195,594
																		Remaining Balance		274,189

	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			48,000		48,000				15,000		15,000		0		63,000		63,000	
Classes/Credits Claimed			16	48	16	48			5	15	5	15	0	0	21	63	21	63
SSH Inc/(Decr) FY07-FY08					-932	-2.6%					-1,005	-3.2%					-1,937	-2.9%
Headcount Enroll Inc/(Decr) FY07-FY08					-116	-2.8%					-2	-0.1%					-118	-1.5%
Kapi'olani CC																		
\$ Claimed	3,567		30,000		33,567		24,969		85,000		109,969		28,536		115,000		143,536	
Classes/Credits Claimed	1	3	9	30	10	33	7	21	20	85	27	106	8	24	29	115	37	139
SSH Inc/(Decr) FY07-FY08					1,572	2.5%					3,983	6.9%					5,555	4.6%
Headcount Enroll Inc/(Decr) FY07-FY08					245	3.4%					425	6.1%					670	4.7%
Leeward CC																		
\$ Claimed	35,670		106,000		141,670		32,103		147,000		179,103		67,773		253,000		320,773	
Classes/Credits Claimed	10	30	35	106	45	136	9	27	51	147	60	174	19	57	86	253	105	310
SSH Inc/(Decr) FY07-FY08					2,005	4.0%					3,235	7.1%					5,240	5.5%
Headcount Enroll Inc/(Decr) FY07-FY08					141	2.5%					474	9.0%					615	5.6%
Windward CC																		
\$ Claimed					0		3,567		23,000		26,567		3,567		23,000		26,567	
Classes/Credits Claimed					0	0	1	3	11	23	12	26	1	3	11	23	12	26
SSH Inc/(Decr) FY07-FY08					178	1.2%					518	4.0%					696	2.4%
Headcount Enroll Inc/(Decr) FY07-FY08					43	2.4%					129	8.3%					172	5.1%
Hawai'i CC																		
\$ Claimed	24,969		42,000		66,969		26,158		72,000		98,158		51,127		114,000		165,127	
Classes/Credits Claimed	6	21	15	42	21	63	9	22	26	72	35	94	15	43	41	114	56	157
SSH Inc/(Decr) FY07-FY08					2,193	10.1%					3,062	15.8%					5,255	12.8%
Headcount Enroll Inc/(Decr) FY07-FY08					245	10.4%					305	14.0%					550	12.1%
Maui CC																		
\$ Claimed	10,701		108,000		118,701		10,701		73,000		83,701		21,402		181,000		202,402	
Classes/Credits Claimed	3	9	34	108	37	117	3	9	25	73	28	82	6	18	59	181	65	199
SSH Inc/(Decr) FY07-FY08					591	2.4%					1,851	8.9%					2,442	5.4%
Headcount Enroll Inc/(Decr) FY07-FY08					140	4.9%					221	8.6%					361	6.7%
Kaua'i CC																		
\$ Claimed					0						0		0		0		0	
Classes/Credits Claimed					0	0					0	0	0	0	0	0	0	0
SSH Inc/(Decr) FY07-FY08					-599	-6.4%					53	0.7%					-546	-3.2%
Headcount Enroll Inc/(Decr) FY07-FY08					-68	-6.1%					16	1.7%					-52	-2.5%

University of Hawai'i - Community Colleges
FY 2009 Preliminary Allocation - Enrollment Growth Funding

Attachment B

11/13/2008

11/13/2008

	Fall						Spring - Projected						FY 2009 Total							
	Rem/Dev		Non-Rem/Dev		Total		Rem/Dev		Non-Rem/Dev		Total		Rem/Dev		Non-Rem/Dev		Total			
UHCC System Total																				
\$ Claimed	264,037		576,220		840,257		220,223		477,520		697,743		484,260		1,053,740		1,538,000			
Classes/Credits Claimed	71	229	209	613	280	842	63	191	178	508	241	699	134	420	387	1,121	521	1,541		
					2 Year FY 07-FY09															
SSH Inc/(Decr)					25,744														11.8%	
Headcount Enroll Inc/(Decr)					3,184														12.6%	
* \$500,000 Budget Restriction/Reduction (2,273,625 - 500,000 = 1,773,625)													FY 2009 Appropriation		1,773,625					
													Remaining Balance		235,625					

	Fall						Spring - Projected						FY 2009 Total					
	Rem/Dev		Non-Rem/Dev		Total		Rem/Dev		Non-Rem/Dev		Total		Rem/Dev		Non-Rem/Dev		Total	
Honolulu CC																		
\$ Claimed	0		60,160		60,160		0		39,480		39,480		0		99,640		99,640	
Classes/Credits Claimed	0	0	21	64	21	64	0	0	14	42	14	42	0	0	35	106	35	106
					2 Year FY 07-FY09													
SSH Inc/(Decr)					65 0.2%													
Headcount Enroll Inc/(Decr)					75 1.8%													
Kapi'olani CC																		
\$ Claimed	20,754		150,400		171,154		27,672		138,180		165,852		48,426		288,580		337,006	
Classes/Credits Claimed	4	18	54	160	58	178	6	24	55	147	61	171	10	42	109	307	119	349
					2 Year FY 07-FY09													
SSH Inc/(Decr)					6,573 10.5%													
Headcount Enroll Inc/(Decr)					949 13.1%													
Leeward CC																		
\$ Claimed	107,229		142,880		250,109		69,180		100,580		169,760		176,409		243,460		419,869	
Classes/Credits Claimed	30	93	51	152	81	245	20	60	36	107	56	167	50	153	87	259	137	412
					2 Year FY 07-FY09													
SSH Inc/(Decr)					8,452 16.9%													
Headcount Enroll Inc/(Decr)					1,025 17.8%													
Windward CC																		
\$ Claimed	0		4,700		4,700		0		23,500		23,500		0		28,200		28,200	
Classes/Credits Claimed	0	0	2	5	2	5	0	0	10	25	10	25	0	0	12	30	12	30
					2 Year FY 07-FY09													
SSH Inc/(Decr)					1,088 7.0%													
Headcount Enroll Inc/(Decr)					178 10.0%													
Hawai'i CC																		
\$ Claimed	61,109		105,280		166,389		47,273		69,560		116,833		108,382		174,840		283,222	
Classes/Credits Claimed	18	53	40	112	58	165	18	41	24	74	42	115	36	94	64	186	100	280
					2 Year FY 07-FY09													
SSH Inc/(Decr)					5,320 24.4%													
Headcount Enroll Inc/(Decr)					526 22.3%													
Maui CC																		
\$ Claimed	74,945		112,800		187,745		76,098		106,220		182,318		151,043		219,020		370,063	
Classes/Credits Claimed	19	65	41	120	60	185	19	66	39	113	58	179	38	131	80	233	118	364
					2 Year FY 07-FY09													
SSH Inc/(Decr)					4,195 17.3%													
Headcount Enroll Inc/(Decr)					446 15.7%													
Kaua'i CC																		
\$ Claimed	0		0		0		0		0		0		0		0		0	
Classes/Credits Claimed	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
					2 Year FY 07-FY09													
SSH Inc/(Decr)					51 0.5%													
Headcount Enroll Inc/(Decr)					-15 -1.3%													