

**GUAM COMMUNITY COLLEGE
FIVE-YEAR STRATEGIC RESOURCE PLAN
2012-2016**

Vision

GCC will continue to pioneer labor force development within the Western Pacific, best understanding and meeting the educational, career and technical training needs of the economy. It will be Guam's premier career and technical education institution and finest secondary and postsecondary basic educational institution serving the island's adult community. Its excellence will be recognized for its service to employers, employees and the community at large.

Mission

GCC's mission is to be a leader in career and technical workforce development by providing the highest quality education and job training in Micronesia.

Sinangan Misi6n (Chamorro translation)

I misi6n i Kulehon Kumunid6't Gu6han, guiya i g6'hilo' i fina'che'cho' siha yan i kinahulo' i mamf6fa'che'cho' ya u na'gu6gu6ha nu i man6khilo' yan manmaolek na tiningo' yan fina'n6'guen cho'cho' siha gi iya Maikronisiha.

EXECUTIVE SUMMARY

This document represents a Five-Year Strategic Resource Plan (FYSRP) that sets forth a framework for the Board of Trustees and the College administration to examine future implications of major financial decisions. This FYSRP is part of GCC's annual planning cycle that integrates the college's Institutional Strategic Master Plan (ISMP), Program and Course Assessment Plans and Program Review with the resources necessary to meet these strategic planning objectives. This document is updated annually and is divided into three sections.

- 1) **Summary.** Integrates the assumptions and summarizes conclusions reached in this five-year resource plan.
- 2) **Projections and Assumptions.** The five-year projections included are for all funds of the College except those that are self-supporting such as the Auxiliary and Restricted Purpose Funds.
- 3) **Historical Data.** Summarizes the financial history to determine trends and used as a basis for many of the assumptions within the plan.

PROJECTIONS AND ASSUMPTIONS

Revenue Assumptions

The major operating funds of the College consist of the Appropriated and Non-Appropriated Funds. The major sources of revenue for these funds consist of local government of Guam appropriations and tuition and fees (non-appropriated) funding. The assumptions used for these categories are summarized as follows:

	<u>CHANGE</u>					
	<u>Baseline</u>					
	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>
Local Appropriations	0%	-6%	3%	3%	3%	3%
Tuition Rate	\$ 110	\$ 130	\$ 130	\$ 130	\$ 130	\$ 130
Tuition Increase	0%	18%	0%	0%	0%	0%
Enrollment	14.5%	9%	9%	9%	9%	9%
Total Fees	\$ 146	\$ 162	\$ 162	\$ 162	\$ 162	\$ 162
Fee Increase	0%	11%	0%	0%	0%	0%

Local Appropriations. Over the past five years, the local appropriations balance fluctuated based on funds that are available and appropriated by the Guam Legislature and signed into public law by the Governor of Guam. The appropriation process used by the Legislative Office of Finance and Budget (OFB) and the GovGuam Bureau of Budget and Management (BBMR) is based on revenue projections and ensures a balanced budget. Education encompasses 45% of the total government of Guam budget, of which the College accounts for 3%. In 2008, the College's appropriations decreased by 1%, 2009 there was no change, 2010 increase of 12%, 2011 decrease of 5% and 2012 an estimated decrease of 17%. The allocation of the general fund to the College for its operations and the licensed practical nursing and vocational guidance programs is computed by BBMR and the OFB. The College's local appropriation funds primarily support personnel. Through the budget and planning process, the College's departments submit their annual budget request based on need, which is then compiled by the Business Office. Departments may also submit a growth budget request for related programmatic growth initiatives. The Business Office reviews and incorporates requests into the College's annual budget request used by BBMR and OFB to compile the annual GovGuam Appropriations. The GCC budget request is submitted to BBMR by February 15 of each year for the following fiscal year.

Based on the Governor of Guam, *I Maga'lahaen Guåhan*, Biennial Budget for fiscal years 2012 and 2013, there are three areas that will affect the economic outlook of the island. The first is the Defense Buildup Plans which was originally slated to start in 2010, but now has been pushed backed to 2013 and 2014. Due to the United States continued economic depressed status, Congress has frozen the funding for the Guam buildup in the FY2012 defense appropriation bill pending a Department of Defense (DOD) master plan. The second area is tourism visitors from Japan, Korea, Taiwan and the U.S. mainland. The March 2012 Great East Japan Earthquake will continue to affect visitor levels. FY2012 visitor levels are expected to be below FY2010 levels and little growth is expected. The third area is in the construction for military, public, and private sectors. Any continued construction projects will be dependent on the buildup plans and the global economy. Therefore, the College conservatively forecasts no growth in its local appropriation budget beyond the rate of inflation of 3.9%.

GCA Chapter 7, Title 22, §7120~ allocates 70% of the Manpower Development Fund (MDF) to GCC, however the amount appropriated is based on estimates and adjusted by the GovGuam

Department of Administration based on actual cash collections. MDF revenues are generated from annual registration fee collected for non-immigrant temporary workers or H-2 Workers.

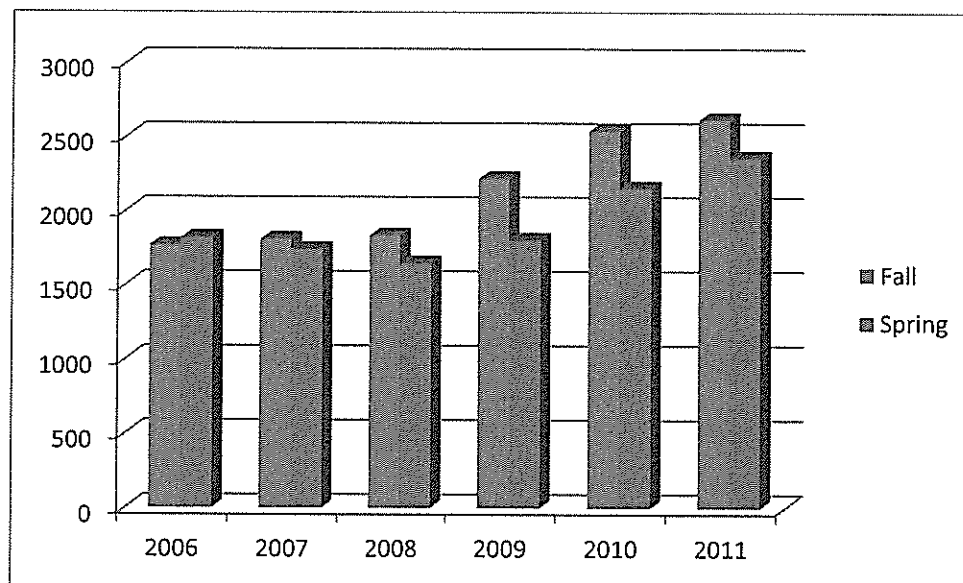
Appropriations	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Fund					
Authorized	\$ 14,129,050	\$ 13,311,108	\$13,302,653	\$ 13,302,653	\$12,586,489
Actual	13,643,859	13,219,535	13,292,653	13,302,653	12,208,894
LPN/Vocational Guidance					
Authorized	541,565	649,846	644,209	644,209	742,166
Actual	541,565	649,846	542,066	644,209	719,901
Manpower Development Fund					
Authorized	383,940	840,000	881,300	2,450,000	2,753,339
Actual	327,479	823,406	822,465	2,450,000	2,670,739
Authorized	<u>\$ 15,054,555</u>	<u>\$ 14,800,954</u>	<u>\$14,828,162</u>	<u>\$ 16,396,862</u>	<u>\$16,081,994</u>
Actual	<u>\$ 14,512,903</u>	<u>\$ 14,692,787</u>	<u>\$14,657,184</u>	<u>\$ 16,396,862</u>	<u>\$15,599,534</u>

Tuition and Fees. Over the last six years, credit hours have grown annually by an average 4.96%. Currently, the Fall 2011 semester postsecondary enrollment number has reached an all-time high for the third year in a row. A record 2,550 students have registered for this Fall 2011 semester, a slight increase over the Fall 2010 (2,542). This enrollment number is also the highest in the College's 34-year history. For Spring 2011, the enrollment has increased approximately 9.5%, but this may decrease since students are still able to drop classes and receive a tuition refund. It should also be noted that capacity to accommodate student demand may hinder future enrollment growth.

Primarily because of Guam's economic conditions, it has been three years since the College increased in tuition and fees based on a 5 year plan adopted by the Board of Trustees in March 9, 2006 (Resolution 5-2006). On February 2010 the Board of Trustees approved a resolution to extend suspension of the tuition and fee increases scheduled for Fall 2010. A year later (Fall 2011), the College increased Tuition and Fees from \$110 to \$130 per credit hour – an 18.2% increase. There are no additional expected increases in tuition and fees for the next five years. As of Fall 2011, GCC's tuition and fees of \$130 per credit is slightly above the Colleges within the Pacific region area which range from \$95 - \$190 per credit hour. As of the date of this plan, the affect of the tuition rate increase on student enrollment numbers is not known to have a negative effect as can be seen in the continued Fall 2011 slight increase.

Due to the depressed US economic state and federal deficit cuts that continue, there is a possibility that Pell awards could decrease back to pre-ARRA rates affecting 65% of students who rely on Pell as their funding source for tuition, fees, and books. The March 30, 2011 enrollment study estimates a conservative 9% enrollment growth projection for Fall 2011-2016, based on historical data.

Unduplicated Fall and Spring Enrollment



Source: 2011 GCC Fact Book

Fall 2011 Regional College/University Tuition Rates

College/University	Cost Per Credit Hour
Guam Community College	\$130/credit
University of Guam	\$190/credit
Northern Marianas Community College	\$95/credit
Hawaii Community College	\$97/credit
Honolulu Community College	\$97/credit
Kapiolani Community College	\$97/credit
College of the Marshall Islands	\$97/credit
Palau Community College	\$110/credit
College of Micronesia – FSM	\$105/credit

Expenditure Assumptions

In 2010, College operated with 238 full-time personnel positions consisting of 112 faculty, 23 administrators, and 103 staff. There has been no major growth in the total number of employees over the past few years. This does not include adjunct faculty members hired to teach additional postsecondary courses. The College's local appropriation funds are used to provide personnel and other resources to the five secondary high schools and the post-secondary programs. The College continues to receive funding for the Licensed Practical Nursing (LPN) and Vocational Guidance

programs. The LPN program addresses the islands' continued need to develop and train students for the Allied Health fields. The additional funding also places Vocational Counselors in each of the five public high schools to provide information to students about the career and technical opportunities available from the College. The College continues to receive funds from the Manpower Development Fund to support the apprenticeship programs which served 377, 356, and 326 apprentices over 57, 54, and 50 employers in Fall 2011, 2010, and 2009, respectively.

Full-Time Employees					
Employee Classification	2006	2007	2008	2009	2010
Staff	85	84	83	80	103
Administrators	32	34	36	35	23
Faculty	95	100	165	108	112
Full-time employee totals	212	218	284	223	238
Faculty	2006	2007	2008	2009	2010
Full-time	95	100	165	108	112
Adjunct	46	59	58	54	74
Faculty Total	141	159	223	162	186

Source: 2011 GCC Fact Book

For the operating funds of the College, the largest expenditure is personnel costs. Currently, personnel costs represent 59% of the total operating expenses of the College and consist of salaries and mandated GovGuam benefits of retirement, medical, dental, and life insurance. Following personnel costs (salaries, wages, and benefits) is contractual expenditures which accounts for approximately 12% of budgeted expenditures. Contractual expenditures cover trash collection, custodial, security guard services, lease of photocopying equipment, insurance, audit, grass cutting, and pest control. Capital expenditures, equipment, supplies, utilities and other make up the balance of the expenditures. The following summarizes the expenditure assumptions for operational expenditures used in the five-year resource plan.

EXPENDITURES	<u>CHANGE</u>					
	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>
Salaries and Wages	5%	5%	5%	5%	5%	5%
Benefits	5%	5%	5%	5%	5%	5%
Contractual Expenditures	3%	3%	3%	3%	3%	3%
Capital Expenditures	2%	0%	2%	2%	2%	2%
Utilities	5%	7.5%	7.5%	7.5%	7.5%	7.5%
Other Expenditures	0%	0%	3%	3%	3%	3%

The College has a separate union contract that covers faculty, both instructional and non-instructional in the secondary and postsecondary environments. Full-time permanent classified staff is covered under the Government of Guam Civil Service Commission. Administrators' salaries and wages are governed by the GCC Board of Trustees. Annual increments for fulltime

employees range from between 3%-4%, not inclusive of promotion costs. Annual salaries and benefits increases from FY2004-2010 averaged 5%. The increases in salaries, wages, and benefits are based on the average historical increase over the past 7 years. The increases from current contractual agreements have been used in the projections. The College relies on the government of Guam to negotiate its health, dental, retirement, and life insurance benefits. Other expenditures are budgeted with minimal increase for FY2012 and at an estimated inflationary rate of 3% per each year after.

FY12 Utilities is budgeted for a 7%-8% increase considering increases in utility rates and those associated to the new buildings that will be placed into service. Continued increases in fuel and water costs warrant this increase. The amount allocated for capital improvement projects will expand and contract in line with the non-appropriated funds annual budget.

Grants. The office of Development and Alumni is tasked to develop grant proposals on behalf of the College. In the last two years, the office was able to successfully write over \$8,730,000 in non-operating federal grants. These grants included supported the implementation of key projects such as GCC's Banner system, recruitment, photovoltaic parking lights, and furniture and other CIP projects.

GCC is the State Agency for WIA, Title II, Adult Education and Family Literacy Act and Perkins IV. As such, eligible applicants may submit an application requesting for these Federal funds to support and implement new innovative activities related to adult or career and technical education programs. The Planning and Development Office administers these grants and announces the availability of funds annually (March and September). GCC anticipates that it will continue to receive these two grants, awarded by the US Department of Education, directly to GCC annually at the current level of approximately \$1 million to support programmatic endeavors such as to upgrade the Point of System (Marketing Department), acquire EVOC simulators (Criminal Justice Department), establish learning laboratory (Education Department), and obtain books (Adult Education). It is projected that because of GCC's designation as both the State and Local Educational Agency awards to GCC from USDOE will continue to support resource planning.

Capital Expenditures

Short Term. Funding for repair and upkeep of the College's aging buildings has been through local appropriated and non-appropriated unrestricted funds. Through the Planning and Development Office, an announcement for capital improvement projects (CIP) is posted online and made at the department chairperson meetings to give faculty and non-faculty the opportunity to submit projects aside from through the regular budgetary process. CIPs are compiled and presented to the Resource, Planning, and Facilities Committee (RPF) whose members include a student, staff, faculty (Faculty Senate Chair, Senate Chair Elect, and Faculty Union Chair), dean, assistant director of planning and development, and the VP Finance and Administration. RPF gives priority to critical projects affecting the health or safety of those who learn and work at GCC. The priority list is forwarded to the College Governing Council (CGC) for consideration. Approved projects are presented to the BOT for funding consideration. Equipment and small

purchase needs are requested through the annual budget cycle requests. Computer lab replacements are governed by the College Technology Committee (CTC) in its annual budget prioritization. CIP budget limits follow parameters set forth in board resolutions and calculated annually during the budget request period. The GCC Technical Opportunities Assessment Plan (a.k.a. Energy Audit) completed in February 23, 2011 has allowed GCC to include into the CIP requests, energy saving projects such as change out of light fixtures and HVAC replacements. Additionally, ARRA funding and other grants awarded from the Guam Energy Office, U.S. Department of Interior, and Department of Education provided the College the ability to implement projects such as the photovoltaic lights, and Banner campus wide integrated database system.

Long Term. Long term planning process for capital projects evolves informally and formally. The informal process (Stage I) starts with an all-inclusive discussion amongst the Vice President of Finance and Administration, Vice President of Academic Affairs, deans, assistant directors (communications and promotions, planning and development, alumni, and continuing education), and human resource as to the need, opportunities, possible obstacles, and sustainability of capital projects. Later, a consultant further develops a draft plan (Stage II) based on findings from these sessions and presents it to stakeholders through committees whose members include faculty, staff, and students - making certain departmental and programmatic needs are thoroughly addressed (e.g., enrollment growth, and technological and curriculum needs, etc.). The consultant then incorporates feedback and comments from faculty and non-faculty into a final draft (Stage III) prior to presenting the plan to management. Finally, sessions to roll out the plan takes place with stakeholders (Stage IV). This is the process utilized to develop the ISMP – GCC’s institutional strategic plan – and for other planning documents. The Physical Master Plan has already gone through Stage I and will soon start on Stage II - draft plan. The ISMP links long-range capital plans – as it incorporates the Physical Master Plan – to institutional plans.

Technology Plan

The CTC recommends “action plans to support the technology needs and technology users of the College in promoting student learning outcomes ... also identifies needs of technology planning, distance learning, and appropriate training.” CTC developed six strategic goals as listed below:

Strategic Goal 1: GCC will develop and implement a target Enterprise Architecture.

Strategic Goal 2: GCC will develop policies, procedures, and processes to analyze and acquire the components (hardware, software, applications) of the Enterprise Architecture.

Strategic Goal 3: GCC will acquire the funding needed to implement the Enterprise Architecture

Strategic Goal 4: GCC will expand the use of technology in education by the College faculty.

Strategic Goal 5: GCC will enhance the governance process to provide timely and efficient integration of users’ needs into decisions on investments in technology.

Strategic Goal 6: GCC will build partnerships with external business and government organizations to expand business, educational, and funding opportunities.

The CTC and MIS oversee the Technology Master Plan goals and objectives, which includes the replacement of computer labs throughout the campus. Funding is allocated under the non-appropriated funds on an annual basis from recalculation of the College Technology Fees collected. Additional funding at departmental level for technology replacement is requested through the annual budget process. An external third party was contracted to update the Enterprise Architecture (EA) and the Information Technology Strategic Plan (ITSP). These plans are being reviewed by the CTC and are expected to be completed in early January 2012.

Capital Assets and Long Term Debt. GCC's capital assets of \$18,880,493 as of September 30, 2010, include property, plant, and equipment. Costs incurred for the A&E and construction of buildings not completed at the end of a fiscal year are included in CIP. The Learning Resource Building construction was substantially completed early December 2010. The College awarded the bid for the construction of the Student Center in August 2010, and completion is expected in December 2011. The renovation of the Foundation Building was awarded in April 2011 and the expected completion date originally expected in February 2012, has been extended to May 2012. During 2009, the College submitted an application for a U.S. Department of Agriculture (USDA) loan for the remaining construction costs of the Learning Resource Center. Although the building was substantially completed in December 2010, and the College is pending the final loan closing by December 2011. The College anticipates the first monthly repayment to be \$9,698 starting on March 10, 2013. In December 2010, the College fully paid off the College Housing and Academic Facilities Loan from USDOE. The College remains current in its monthly payment of \$2,755 for the USDA Water Tank Loan, maturing on 4/16/2024. Loan request are reserved for long term capital projects to include construction of new buildings or major renovations of existing facilities.

Fund Balances

The College has a policy of a balanced operating budget with which it has complied. Any excess in the operating funds increases the fund balance. Through board resolution each year, funds can be used for future instructional and academic equipment purchases or major capital projects. In addition, the college maintains reserve fund for capital improvement projects and maintains a cash balance of at least 5% unrestricted expenditures. As of September 30, 2011, these reserves will be reported in the audited financial statements.

Strategic Planning

Strategic Planning is an on-going process that ultimately culminates in the fulfillment of the GCC mission and vision long-term goals. As a living document, this strategic plan will be evaluated annually and modified as economic and environmental changes occur over the next five years. Strategic planning involves taking a holistic overview of the entire organization and responding to changes in organization so as to more accurately respond to financial, physical, technological, and human resource needs. The goal of the strategic planning process is to provide GCC with tools and plans to anticipate and respond to change – both internal and external – to its environment. These changes are systematically evaluated and integrated into the planning processes developed by the College. The Strategic Planning process at GCC

links with the ISMP, budget planning process, program review, Facility Master Plan, and Information Technology Strategic Plan, to the expected enrollment growth plan. These are evident in the assessment process which requires academic and non-academic programs to link departmental goals with ISMP goals, through TracDat.

Linking College Goals and Priorities

The strategic goal initiatives of the Institutional Strategic Master Plan (2009-2014) are:

- a. **Pioneering:** The combination of identifying the community's career and technical as well as basic educational skill requirements and then coordinating the development of a periodic employer's needs assessment survey to improve the skill levels and productivity of its own workforce.
- b. **Educational Excellence:** Educational excellence at GCC will be defined by its ability to demonstrate that student learning outcomes are attained. Improvements in program effectiveness and the determination of the institution's overall effectiveness will be derived from GCC's success in meeting student-learning outcomes.
- c. **Community Interaction:** To improve awareness of the College and increase public support for its vision. Such actions are intended to reduce GCC's financial dependence on the Government of Guam.
- d. **Dedicated Planning:** To develop a process of providing a means to measure progress towards attaining the vision for the College each year through a systematic review.

College priorities are set through the below three processes:

1. Institutional Priorities established and approved through the participatory governance process. These consist of organizational and academic priorities, as listed below:

- a. **Organizational Priorities**

- i. Sustainability or “greening” of the campus
- ii. Modernization of classrooms, instructional technology, and facilities
- iii. Improving delivery of services to students
- iv. Compliance with federal/local/contractual reporting requirements (e.g., grants, programs, contract, etc.)
- v. Renewable energy/ alternative energy sources
- vi. Diversification of funding sources
- vii. Professional career planning., leading to upward mobility program (UMP) for employees
- viii. Personal professional development, such as team building, career mobility, and morale building
- ix. Financial stabilization strategies
- x. Succession planning

- b. **Academic Priorities**

- i. Accreditation – Student Learning Outcomes (SLOs), program review, linking institutional planning to budget

- ii. Course and program level assessment, General Education, Institutional Learning Outcomes (ILOs)
 - iii. “Greening” of the curriculum
 - iv. Faculty/ staff credentialing
 - v. Career and technical workforce development
 - vi. Enrichment in one’s content area, or improving staff or faculty competencies as related to their work
 - vii. Student evaluation of learning and teaching process in the classroom
 - viii. Science, Technology, Engineering, and Mathematics (STEM) – related activities
 - ix. Curriculum and program expansion in career and technical education fields
 - x. Career pathways, career clusters, and career planning
2. American Disability Act, health, and safety regulations.
 3. Federal grants matching requirements.

The ISMP covers the period through 2014, and serves as a guide and plan to enable the College to realize its long term goals and initiatives. As of November 2011, the Physical Master Plan is being updated and the pre-final document is expected to be released in December 2011. Campus discussions will be held to review the document before finalizing. The Physical Master Plan will cover the period 2012 – 2016, and serves to address the expected growth of campus facilities due to enrollment estimates and environmental factors. The institutional priorities were last reviewed and approved at the College Governing Council March 31, 2011 meeting. Any changes to the institutional priorities will be modified based on community and institutional needs and processed through the participatory governance.

Future Plan

The purpose of this five-year resource plan is to identify baseline data, evaluate, and set forth financial and other resource issues that the Board of Trustees and the College administration should plan for and address. These issues include the following

- Continued decreases in local government appropriations.
- Future Defense Buildup Plans requiring an increased Guam skilled workforce.
- Projected enrollment growth and increased human, physical, and financial needs recognized through the assessment and budget process.
- Addressing long-term and short-term capital improvement projects.
- Updating the strategic resource plan and ensuring institutional priorities are implemented.

Long-term capital, classroom, and infrastructure projects as identified in the Physical Master Plan will not be met through current resources. New sources of funding through federal, local, or other sources will be necessary to address the growth needs of the College.

Current revenue sources are available through appropriated and non-appropriated funds. However, with the stagnant growth of the local Guam economy and uncertainties that exist regarding the defense buildup plans, expected growth in the near future may potentially be unrealized for local appropriations. Therefore, for this analysis expected growth is conservatively set at 3%.

Tuition and fees are expected to increase due to combinations in increased enrollment and increased rate per credit hour. Based on the tuition increase and enrollment planned increases of 9% over the next five years, non-appropriated funds from tuition and fees would be a significant source of funding. However, facility capacities may restrict enrollment growth and staffing growth. Additionally, combined with the fact that 65% of the post-secondary students receive financial aid through Pell grants, tuition and fees revenue will need to be monitored closely.

Summary

The projections are presented as a basis for discussions on strategic planning as the College addresses the future needs of its stakeholders and the institution. In order for the College to implement the ISMP strategic goal initiatives, accommodate future growth, and maintain current education resources, an annual review of the strategic plan is necessary. Additional resources identified to meet the needs of the Guam Community College will allow it move forward into the future. Information and discussions in this plan will be used as building block for the annual budget development process. Through this process, GCC will continue to pioneer labor force development within the Western Pacific, best understanding and meeting the educational, career and technical training needs of the economy. As Guam's premier career and technical institution, it is the finest secondary and post secondary basic educational institution serving the island's adult community. Its excellence will continue to be recognized; because of its service to employers, employees and the community at large.

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HISTORICAL DATA