

AUG 11 2017 *ab*

2017-2021

# Strategic Resource Plan



GUAMCOMMUNITYCOLLEGE

**GUAM COMMUNITY COLLEGE  
STRATEGIC RESOURCE PLAN  
2017-2021**

**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 is a leader in career and technical workforce development, providing the highest quality, student-centered education and job training for Micronesia.

***Sinangan Mision (Chamorro translation)***

*Guiya I Kulehon Kumumidā't Guāhan, i mas takhilo' mamanguen fina'che'cho' yan i teknikat na kinahulo' i mamfāfa'che'cho' ya u na'guāguāha nu i manākhilo' yan manmaolek na tiningo' ni I manmafananagui yan i fina'nā'guen cho'cho' 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. GCC's annual planning cycle integrates priorities and key initiatives articulated in the college's Institutional Strategic Master Plan (ISMP), Program, Course, Student Services, and Administrative Unit Assessment Plans and Program Review, and other institutional plans with the resources necessary to meet strategic planning objectives. This document is updated every five years 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 local and federal funds of the College except those that are self-supporting such as the Auxiliary and Restricted Funds.
- 3) **Historical Data.** Summarizes the financial history to determine trends and used as a basis for many of the assumptions within the plan.

**Major Operating Funds**

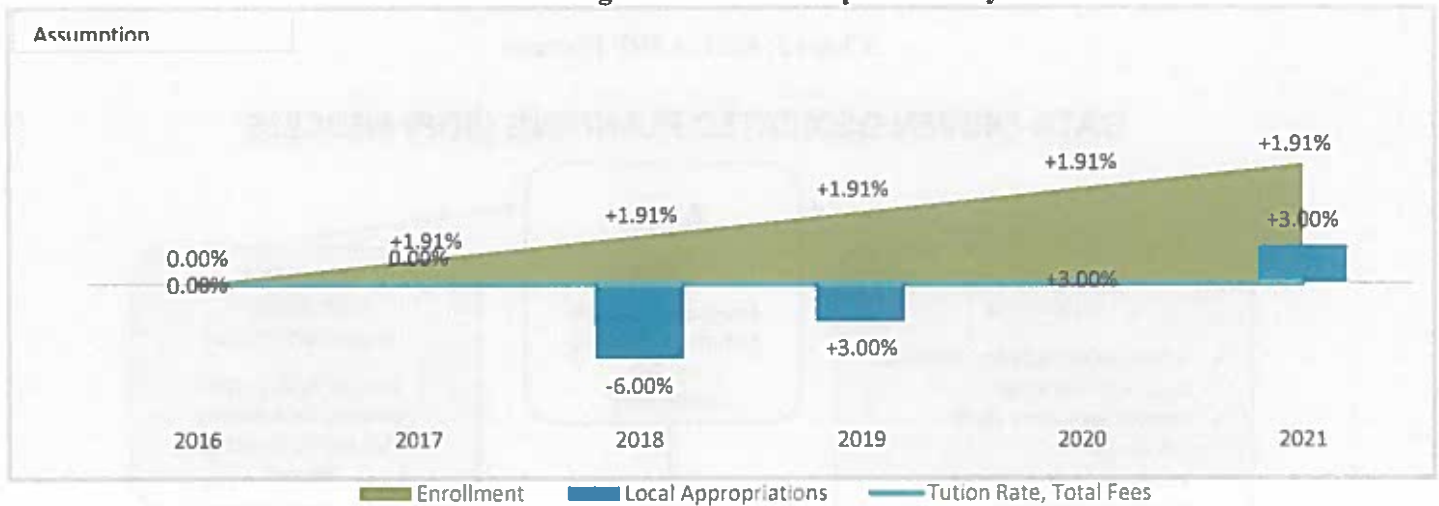
The major operating funds of the College are the Appropriated and Non-Appropriated Funds. The major sources of revenue for these funds consist of local Government of Guam appropriations and tuition and fees (non-appropriated) funding. The increase in revenue assumptions used for appropriated and non-appropriated funding are summarized in *Chart 1: Percent change in revenue from prior fiscal year* on the next page.

**Local Government of Guam Appropriations**

Based on the Governor of Guam, *I Maga'lahaen Guāhan*, budget for fiscal year 2017, a predicted moderate to increased growth pace is forecasted for Guam in 2017 and the next few years<sup>1</sup>. Therefore, the College conservatively forecasts no growth in its local appropriation budget beyond a conservative rate of inflation of 3%.

<sup>1</sup> Three areas that will affect the economic outlook of the island: (1) Department of Defense construction: Contracts have averaged around \$240 million annually, and indicators of new construction will see continued construction growths; (2) Tourism: Increase in visitors from Korea and China due to direct flights and new carriers entering the market. This coupled with the completion of the Dusit Thani in 2015.

Chart 1. Percent change in revenue from prior fiscal year



\*Baseline is fiscal year 2016.

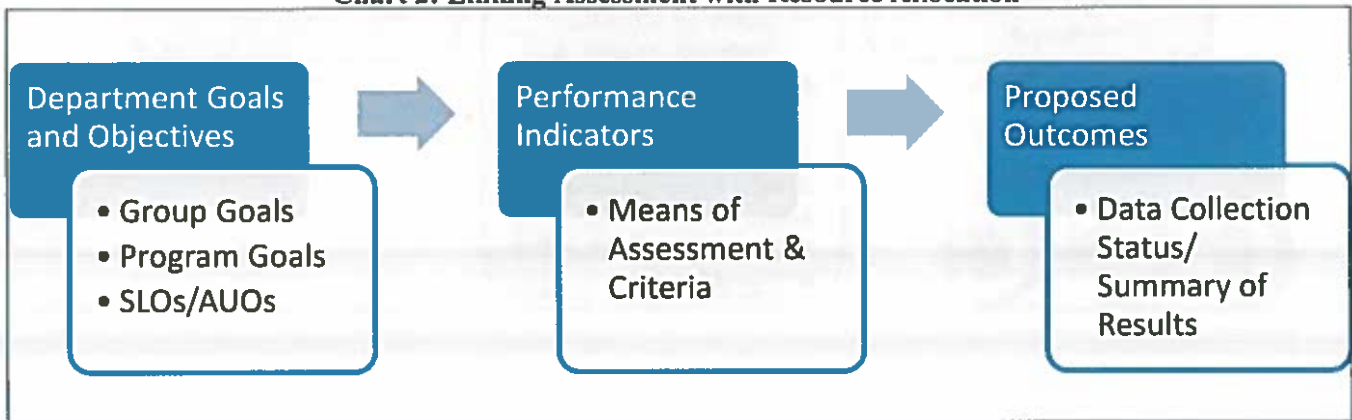
\*There is no expected increase to tuition rates and student fees. Course lab fees are subject to change.

**Sources of revenue for GCC operating funds:**

Of the entire Government of Guam budget, education encompasses 38%, of which the College accounts for 2%. The allocation of the general fund to the College for its operations and the licensed practical nursing and vocational guidance programs is computed by the Government of Guam Bureau of Budget and Management (BBMR) and the Legislative Office of Finance and Budget (OFB). The College’s local appropriation funds primarily support personnel, utilities, and major contractual services.

The College submits an annual budget request to BBMR and OFB on February 15 of each year for the following fiscal year. The annual budget is partially based on each department’s need, which is justified through using a data-driven dedicated planning process (3DP). The planning process links strategic planning, budgeting, and planning for institutional growth needs with program review, assessment and the self-study process. In addition, departments may submit a growth budget request for related programmatic growth initiatives. The College’s Business Office reviews and incorporates requests into the College’s annual budget request. The Board of Trustees reviews and approves the final budget.

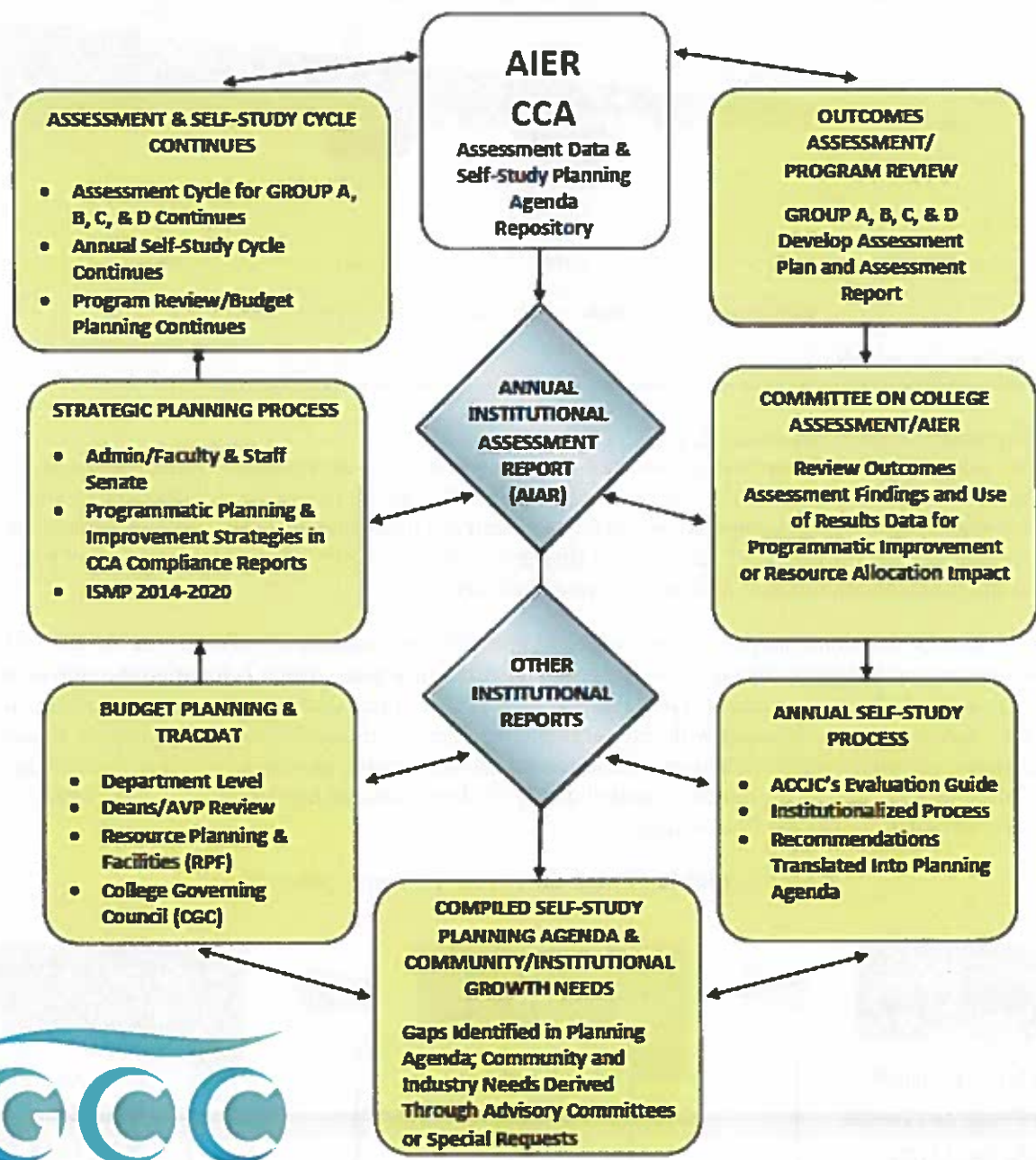
Chart 2: Linking Assessment with Resource Allocation



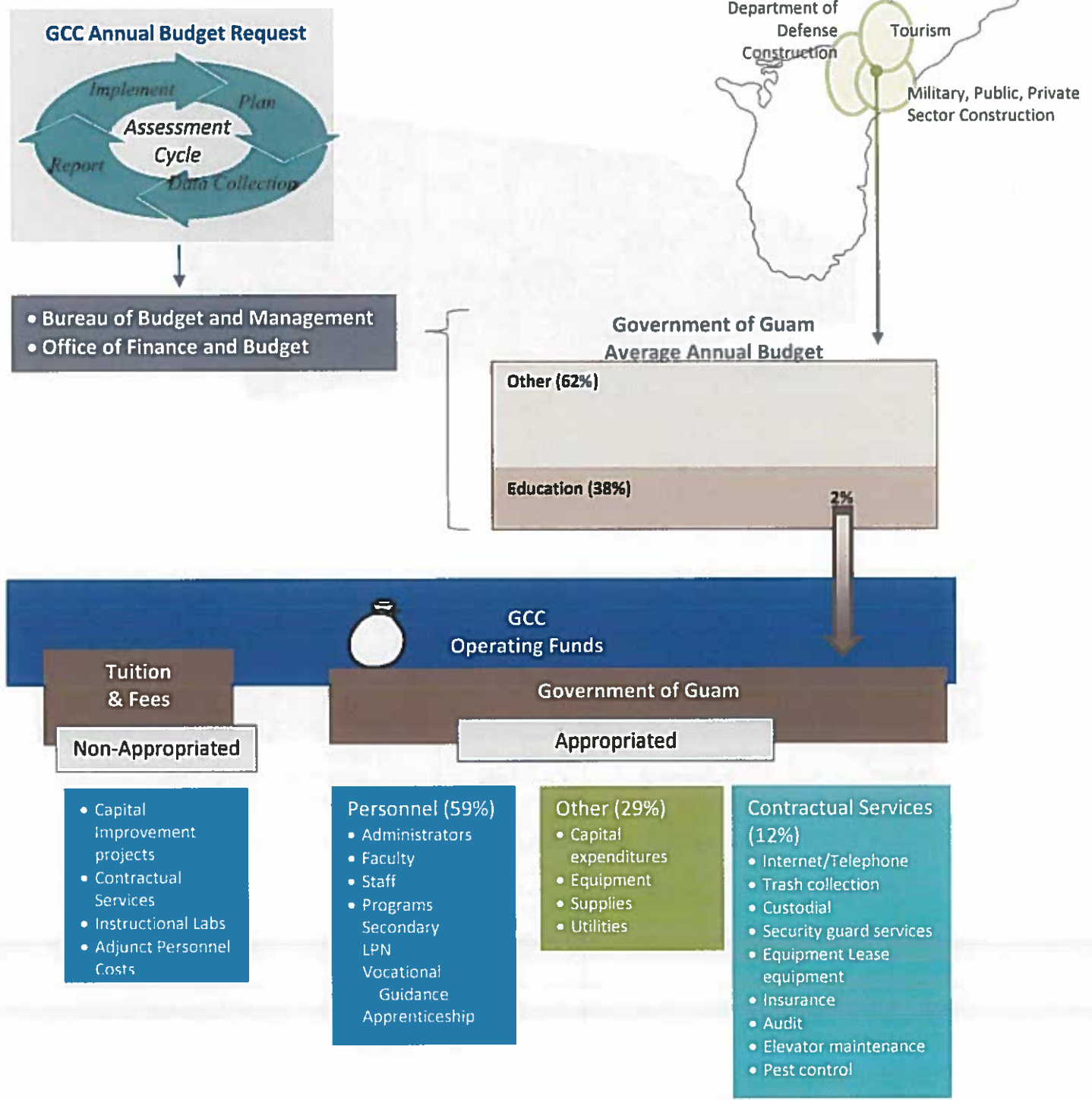
providing more hotel rooms for the tourism industry; and (3) Construction for military, public, and private sectors: Published military projects from 2016 and continuing into 2017 totaled \$277 million.

Chart 3: GCC's 3DP Process:

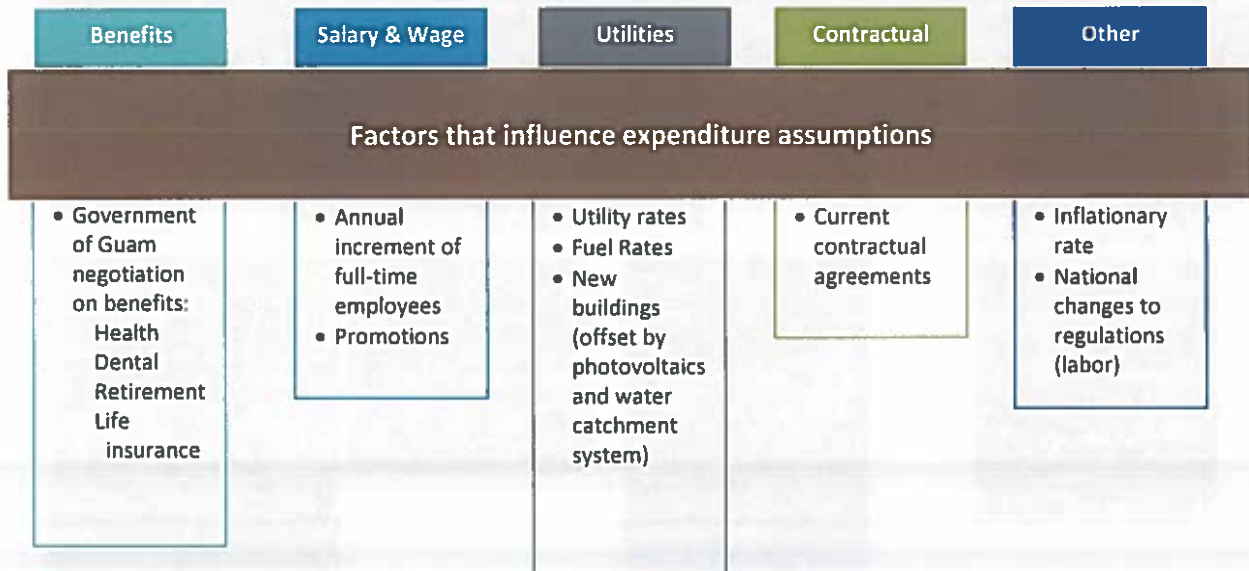
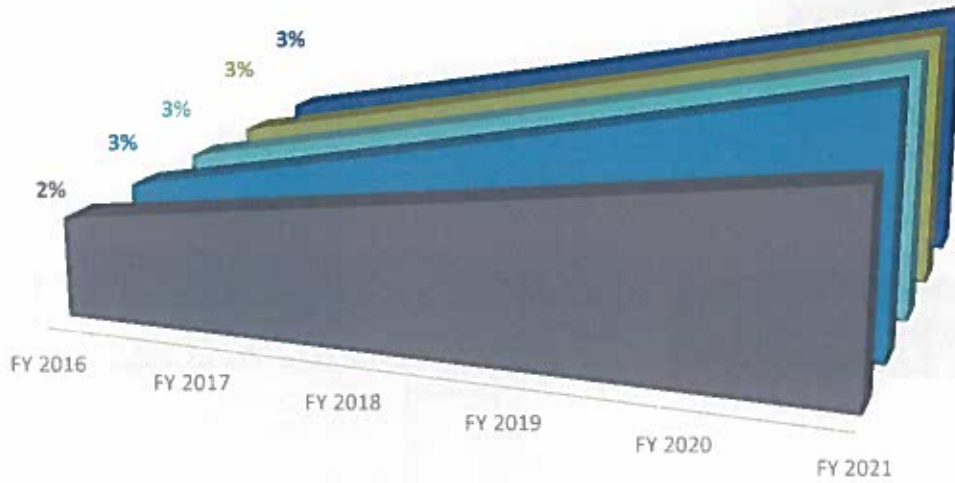
### DATA-DRIVEN DEDICATED PLANNING (3DP) PROCESS



**Chart 4: Sources of Revenue for GCC Operating Funds**



**Chart 5: Annual percent change in Expenditures**



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### Projections and Assumptions

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 Government of Guam Department of Administration based on actual cash collections. MDF revenues are generated from annual registration fee collected for non-immigrant temporary workers or H-2B Workers. The approval rates of H-2B workers by the US Citizenship and Immigration Services has declined from 95% approval in 2015 to currently less than 5% approval. Thus, the funding from MDF revenues is predicted to decline significantly in 2018 and future years.

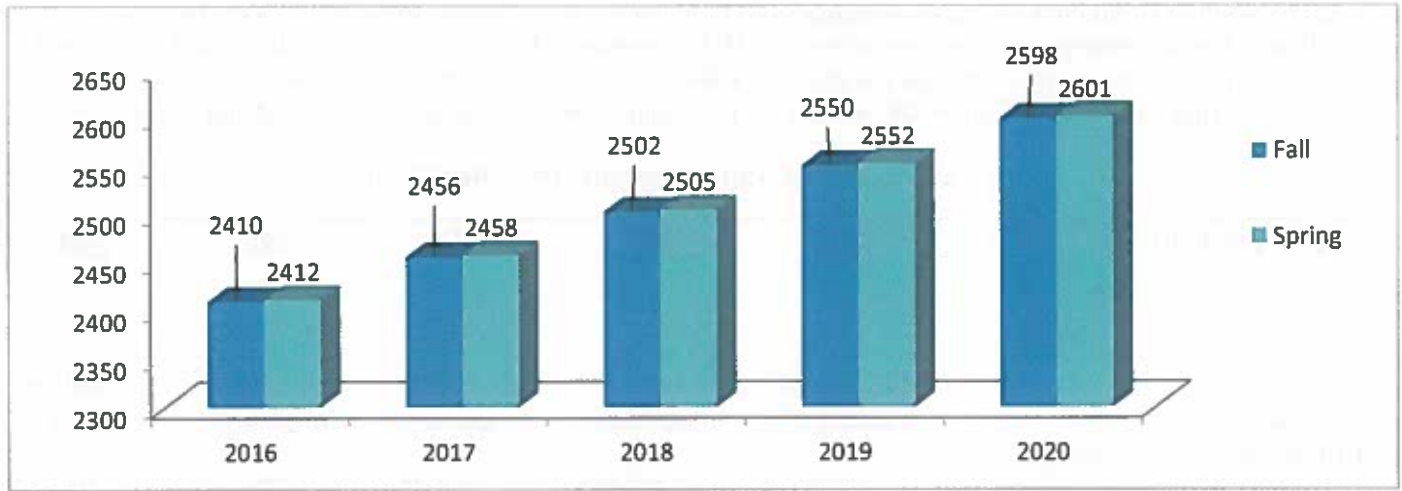
**Table 1: Actual Appropriations (2012 thru 2016)**

Appropriations	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>General Fund</b>					
Authorized	\$13,296,517	\$13,301,611	\$14,261,859	\$16,376,571	\$18,003,072
Actual	12,501,508	12,503,514	14,683,574	16,376,571	14,746,723
<b>LPN/Vocational Guidance</b>					
Authorized	705,058	705,058	782,570	782,570	835,600
Actual	655,704	662,754	743,442	782,570	693,276
<b>Manpower Development Fund</b>					
Authorized	1,688,448	1,688,448	1,770,203	988,586	879,906
Actual	787,712	894,981	708,692	988,586	879,906
<b>GF Apprenticeship Supplemental</b>					
Authorized	-	-	-	1,132,850	374,951
Actual	-	-	-	1,132,850	374,951
<b>TAF</b>					
Authorized	24,154	24,154	24,154	24,154	24,154
Actual	24,154	24,154	24,154	24,154	24,154
<b>TAF Supplemental</b>					
Authorized	-	1,500,000	522,241	-	-
Actual	-	1,500,000	496,129	-	-
Authorized	<u>\$15,714,177</u>	<u>\$17,219,271</u>	<u>\$17,361,027</u>	<u>\$19,304,731</u>	<u>\$20,117,683</u>
Actual	<u>\$13,969,078</u>	<u>\$15,585,403</u>	<u>\$15,427,016</u>	<u>\$19,304,731</u>	<u>\$16,719,010</u>

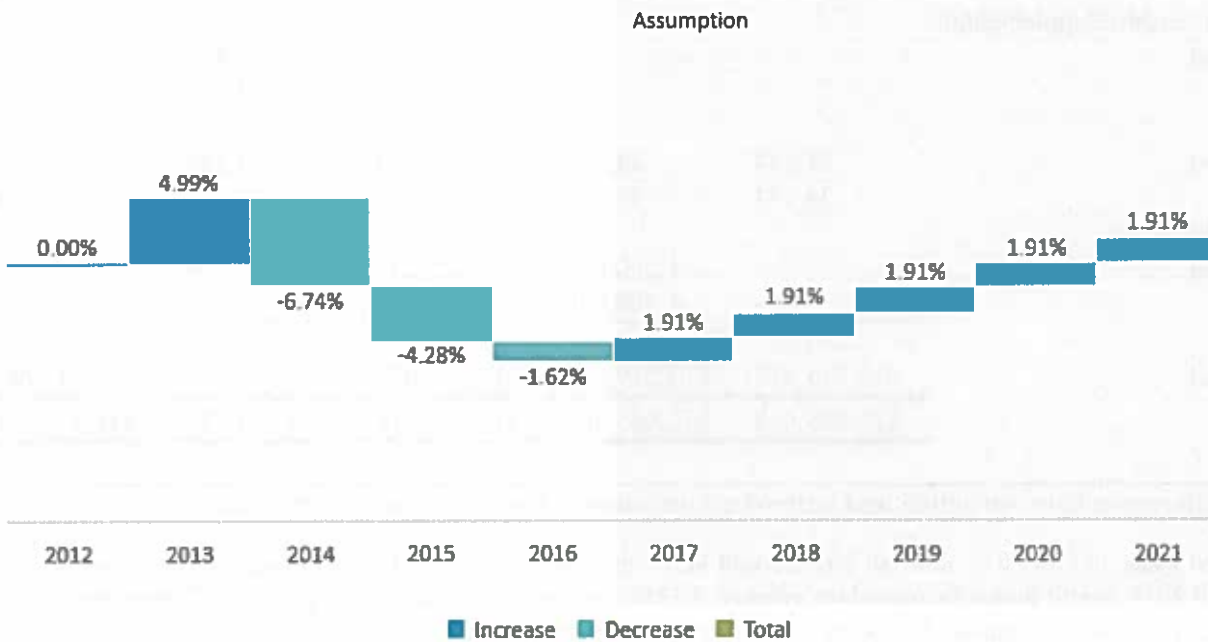
**NOTE: Differences between actual and authorized amounts is due to GovGuam reserves.**

**Tuition and Fees.** In Fall 2016 and Fall 2012, credit hours increased by 3% and 12%, respectively. From Fall 2013 to Fall 2015, credit hours decreased on average 3.33%, annually. Currently, the Spring 2017 semester postsecondary enrollment number has decreased by approximately 14% with a decrease of approximately 16% in credit hours when compared to the Fall 2016 semester. Based on this information enrollment has stabilized. As detailed in The Projections of Fall Enrollment to 2022 report developed by AIER, enrollment is expected to be approximately 1.9% per academic year.

**Chart 6: Unduplicated Fall and Spring Enrollment**



**Chart 7: Percent change in fall enrollment from prior year**



Source: GCC Fact Book, Volume 11

Fall 2011 was the last time the College increased its tuition and fees based on a 5 year plan adopted by the Board of Trustees in March 9, 2006 (Resolution 5-2006). At that time, the College increased Tuition and Fees from \$110 to \$130 per credit hour – an 18.2% increase. The College does not anticipate any additional increases in tuition and fees in the near future. However, as budgets are developed annually, the need for tuition and fee increases will be reviewed as part of the budget process. Based on *Table 2: Comparison of Fall 2011 and 2017 Regional*



College/University Tuition Rates below, GCC's \$130 per credit tuition and fees is competitive as compared with other Colleges within the Pacific region area which range from \$105 - \$210 per credit hour.

**Table 2: Comparison of Fall 2011 & 2017 Regional College/University Tuition Rates**

College/University	2011 Cost per Credit Hour	2017 Cost Per Credit Hour
Guam Community College	\$130/credit	\$130/credit
University of Guam	\$190/credit	\$210/credit
Northern Marianas College	\$95/credit	\$128.25/credit
Hawaii Community College	\$97/credit	\$126/credit
Honolulu Community College	\$97/credit	\$126/credit
Kapiolani Community College	\$97/credit	\$126/credit
College of the Marshall Islands	\$97/credit	\$130/credit
Palau Community College	\$110/credit	\$110/credit
College of Micronesia – FSM	\$105/credit	\$105/credit

Maximum Pell awards have increased steadily over the past 6 years annually by 1% to 2%, with \$5,815 for academic year 2016-2017. Federal cuts by the Trump administration include decreased funding for SEOG and Federal Work Study grant awards. Further federal cuts could include cuts to Pell awards affecting 55% to 65% of students who rely on Pell as their funding source for tuition, fees, and books. The US DOE changes to the financial aid grant programs will continue to be monitored closely.

#### Expenditure Assumptions

In 2016, College operated with 246 full-time personnel positions consisting of 112 faculty, 35 administrators, and 97 staff. There has been no major growth in the total number of employees over the past few years. This does not include the 91 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 six 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 560, 528, and 459 apprentices in 74, 84, and 81 employers for Fall 2016, 2015, and 2014, respectively.

**Table 3: GCC Employee Counts- 2012 thru 2016**

<b>Fulltime Employees</b>					
Employee Classification	2012	2013	2014	2015	2016
Staff	89	95	104	97	95
Administrators	34	35	35	32	35
Faculty	115	114	115	114	112
<b>Fulltime employee totals</b>	<b>238</b>	<b>244</b>	<b>254</b>	<b>243</b>	<b>242</b>
<b>Faculty</b>					
	2012	2013	2014	2015	2016
Full-time	115	114	115	114	112
Adjunct	94	84	79	57	91
<b>Faculty Total</b>	<b>209</b>	<b>198</b>	<b>194</b>	<b>171</b>	<b>203</b>

Source: GCC Fact Book, Volume 11

For the operating funds of the College, the largest expenditure is personnel costs. Currently, personnel costs represent 51% of the total operating expenses of the College and consist of salaries and mandated Government of

Guam benefits of retirement, medical, dental, and life insurance. Following personnel costs (salaries, wages, and benefits) is contractual expenditures which accounts for approximately 7.2% 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.

**Table 4: Percentage Change in Expenditures- FY2016 thru FY2020**

EXPENDITURES	CHANGE					
	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Salaries and Wages	3%	3%	3%	3%	3%	3%
Benefits	3%	3%	3%	3%	3%	3%
Contractual Expenditures	3%	3%	3%	3%	3%	3%
Utilities	2%	2%	2%	2%	2%	2%
Other Expenditures	3%	3%	3%	3%	3%	3%

(Note: Instructional expenditures are expected. Change will reflect enrollment changes of 1.9%)

The Agreement Between the Guam Community College Faculty Union Local 6476 AFT/AFL-CIO & the Guam Community College Board of Trustees 2017-2023 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 FY2011-2016 averaged 5%. The increases in salaries, wages, and benefits are based on the average historical increase over the past 5 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 FY2017 and at an estimated inflationary rate of 3% per each year after.

FY17 Utilities is budgeted for a minimal 2% increase considering increases in utility rates, fuel rates, and those associated to the new buildings that will be placed into service, which will be offset with savings from sustainability measures such as photovoltaics and water catchment systems. The amount allocated for capital improvement projects will expand and contract in line with the budgets allocated through the non-appropriated funds.

**Grants.** The office of Development and Alumni is tasked to develop grant proposals on behalf of the College. Grants will include support for the implementation of key projects such as GCC's Banner system, recruitment, sustainability projects, and furniture and other CIP projects.

GCC is the State Agency for WIOA (in partnership with Guam Department of Labor, 2016 WIOA State Plan for the Territory of Guam), Title II, Adult Education and Family Literacy Act and Carl D. Perkins IV. As such, eligible providers 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. GCC will continue to monitor these two grants, awarded by the US Department of Education (USDOE), as the federal government requirements are changing. GCC annually receives approximately \$1 million to support programmatic endeavors to support Adult and Career and Technical Education in the secondary and post-secondary environments. 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 annual 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 Vice President for Finance and Administration. RPF gives priority to critical projects to provide a conducive learning environment and work environment to the students, faculty and staff 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. The College's technology and network infrastructure, including computerized classrooms, are guided by the College's Information Technology Strategic Plan priorities and the Enterprise Architecture. Technology funding is allocated under the non-appropriated funds on an annual basis from recalculation of the College Technology Fees collected. Additional funding at the departmental level for technology is requested through the annual budget process and informed by assessment results. 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. Other projects include classroom furniture and equipment replacement, campus-wide fire alarm and mass notification system, Building 1000 restroom renovations, ADA walkway, Barrel Vault covered walkway, classroom furniture and fixture upgrades and other projects.

**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 for Finance and Administration, Vice President for Academic Affairs, deans, assistant directors (communications and promotions, planning and development, alumni, and continuing education), and Human Resources 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). Projects include construction of Wellness Center and Maintenance Building and renovation of Building 300.

**Capital Assets and Long Term Debt.** GCC's capital assets is \$35,010,234 as of September 30, 2016, 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 ARRA funded Student Center construction was substantially completed in October 2011 and the Foundation Building completed in later October 2012. Building 200 (Building E) renovation/construction project was completed in December 2014. The College was able to pay off the USDA Water Tank Loan in FY2013. In FY16, the College was awarded a \$5,000,000 Community Facilities Direct loan from USDA for the renovation and construction of Building 100 and the Gregorio D. Perez Crime Lab extension. Building 100 renovation project was awarded in September 2016 and anticipated completion expected by January 2018. Building 100 will be connected to Building E and renamed upon completion. The Forensic DNA Building is expected to go out to bid in May 2017. The College remained current in the repayment of Learning Resource and Foundation Building construction loans from USDA and requests 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 based on accreditation requirements. As of September 30, 2016, these reserves are 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 the 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 projected in this Strategic Resource Plan. These are evident in the assessment process which requires academic and non-academic programs and units to link departmental goals with institutional goals, through TracDat.

### **Linking College Goals and Priorities**

#### **Institutional Strategic Master Plan (2014-2020):**

1. Retention and Completion
  - a. Incorporate the student-centered learning model into the curriculum and the classroom.
  - b. Strengthen the professional development support for faculty to effectively implement the student-centered teaching method.
2. Conducive Learning Environment
  - a. Enhance and monitor the college's facilities master plan to keep pace with institutional growth and educational projections and priorities.
  - b. Strengthen the participatory governance process to ensure that all stakeholders understand their role in collaborative governance.
3. Improvement and Accountability
  - a. Update the college's existing institutional financial/resource allocation master plan to align with the college's new institutional strategic master plan, vision, mission, and goals.
  - b. Utilize the institution's assessment system and program review to evaluate the effectiveness of the college's resources allocation process.
4. Visibility and Engagement
  - a. Develop a 5-year marketing plan to promote the GCC brand and to provide awareness of the educational and workforce development programs that the College has to offer.
  - b. Promote internationalizing our campus.

The ISMP covers the period through 2020, and serves as a guide and plan to enable the College to realize its long term goals and initiatives. The ISMP may be found in Appendix B of this report.

The 2015-2020 Physical Master Plan found in Appendix C of this report was completed in July 2016 and presented to the Board of Trustees at the September 30, 2016 meeting. Campus discussions were held and input sought to review the document before finalizing. The Physical Master Plan serves to address the expected growth of campus facilities, classrooms, and parking due to enrollment estimates and environmental factors. Three new planning factors included the GCC Annex, Building 300 and the new ponding basin.

The Institutional Strategic Master Plan found in Appendix D of this report guides and supports the institution's mission and technology needs by identifying goals and objectives, strategies, and standards for the on-campus and distance learning environments that promote student learning outcomes and success.

The 5-Year Distance Education Strategic Plan (DESP) 2015-2020 guides the College in its distance education efforts. The impact of rapid change in educational technologies, and increased need for technological support from the College require continual assessment. The DESP takes into consideration the various factors that impact DE, such as academic planning and technology services that enable the promotion of growth, effectiveness, and efficiency of robust DE implementations. The DESP allows the College to carefully determine resources needed to provide access to students.

The Comprehensive Professional Development Plan (CPDP) effective in the Spring of 2016 covers the professional development needs of all the important sectors of the college, from faculty to staff to administrators. A section is also devoted to the professional development of adjunct faculty. The CPDP provides a distinct focus in which professional development is implemented with the central goals of improving instructional practices and increasing the delivery of services to our students.

The 2015-2020 organizational and academic priorities were approved on May 8, 2015 at the Joint Leadership meeting. Any changes to the institutional priorities will be modified based on community and institutional needs and reviewed annually through the participatory governance process. Institutional priorities for professional development consist of organizational and academic priorities as defined in Appendix G-Institutional Priorities.

The 2017-2020 GCC Marketing Plan found in Appendix H of this report incorporated the College's ISMP marketing goals in order to elevate GCC to new levels of engagement with regard to career and technical education and workforce development, on local, regional, national and international levels. The various components of the Marketing Plan are designed to highlight and promote GCC programs, technology, facilities, and most importantly, student/graduate successes.

#### **Future Plan**

The purpose of this 5-Year Strategic Resource Plan is to identify baseline data, evaluate, and set forth financial and other resource priorities 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 and federal grant funds.
- Defense Buildup Plans and decreases in H2B visa approvals, 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 (Appendix C) 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 slight growth of the local Guam economy and uncertainties that exist regarding the new Trump administration coupled with the H2B visa issues and the proposed 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 increased enrollment with maintained rate per credit hour. Based on the tuition increase and enrollment projection increases of 1.9% annually over the next five years, non-appropriated funds from tuition and fees would be a significant source of funding. Additionally, combined with

the fact that 55%-65% of the post-secondary students receive financial aid through Pell grants, tuition and fees revenue will need to be monitored closely.

### SUMMARY

GCC continues to be a good steward of its local and federal funds, as can be seen with its maintenance of 16 years as a low risk auditee. The College continues to update its policies and procedures in regards to resource allocation and management, to ensure the inclusion of college leadership in the planning process, through participatory governance. The projections of this 5-Year Strategic Resource Plan 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 postsecondary 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.