



I ULU NO KA LĀLĀ I KE KUMU. FROM OUR FOUNDATION WE ARE STRONG.

CHIEF EXECUTIVE
OFFICER'S

message

There was no particular sound while it was under construction, and as it neared completion there was no applause. In fact, there was no ceremony of any sort to mark the historic achievement.

THE FOUNDATION IS LAID. THE FOUNDATION IS STRONG.

But, by the end of the fiscal and academic year 2000 -2001, Kamehameha Schools (KS) had completed a top to bottom transformation of our institutional focus, management structure, and ways of doing business. Thanks to the men and women of Kamehameha and our extended *'ohana* – parents, alumni, and interested members of the community who volunteered their time, effort and expertise over an entire year – the foundation of Kamehameha's future as an educational system was firmly set in place.



Clockwise from top:

-Preschool artists

-Trustee and CEO investiture procession

-Hamilton I. McCubbin, Ph.D.

-Interim trustees honored

LEADERSHIP TRANSITION

In December 2000, students, parents and staff bid fond aloha to interim trustees Robert K.U. Kihune, Constance H. Lau, Ronald D. Libkuman, Francis A. Keala and Rev. David P. Coon.

In ceremonies throughout the Kamehameha Schools system, the interim trustees were honored and remembered for their considerable achievements. In their short tenure, they reaffirmed education as the primary purpose of this institution; preserved Kamehameha's tax exempt status; established a Chief Executive Officer (CEO)-based management structure; launched an objective trustee selection process with term and compensation limitations; extended the reach of both Hawai'i and Maui campuses to full kindergarten to grade 12 (K-12) facilities, and initiated a comprehensive strategic planning process.

To protect Kamehameha's tax-exempt status, the interim trustees negotiated and signed the Internal Revenue Service (IRS)/Kamehameha Schools Closing Agreement in February 2000. The agreement upheld the trustees' fiduciary and policy-making role while delegating day-to-day operations to a CEO-based management structure.¹

In January 2001, the investiture of permanent trustees Robert K.U. Kihune, Constance H. Lau, J. Douglas Ing, Diane J. Plotts, Nainoa Thompson and myself completed the first in a series of structural changes reflecting Kamehameha's new governance structure.

Completion of *Kamehameha Schools Strategic Plan 2000-2015* was our turning point.² The Plan set the stage for structural and operational change throughout our KS system. Upon its adoption and September 28, 2000 signing, the Strategic Plan became the *kuleana*, or responsibility, of Kamehameha Schools' leadership, faculty and staff to implement and make operational.

¹ The complete text of the IRS/Kamehameha Schools Closing Agreement is available on Kamehameha Schools' Web site at <http://www.ksbe.edu>.

² The complete text of the *Kamehameha Schools Strategic Plan 2000-2015* is available on Kamehameha Schools' Web site at <http://www.ksbe.edu>.

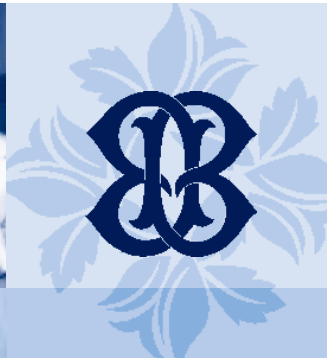
REORGANIZATION

In August 2000, the Board of Trustees authorized a structural reorganization of Kamehameha Schools that began with our institutional governance. For the first time in the Schools' history, responsibility for the day-to-day management of Kamehameha's education and endowment operations was placed in the hands of a Chief Executive Officer.

When I assumed my duties as CEO of Kamehameha, I began to build a team of chief executives to represent each of Kamehameha's operational groups — Education, Administration, Finance, Investment, and Legal. In July 2001, we added a chief education officer (CEdO), mandated to oversee systemwide staff and operations support essential to the expansion of educational programs and services as our Strategic Plan entered its implementation phase.

Another first at Kamehameha was the creation of search committees to seek out and select the best leadership for the organization. Comprised of a cross section of Kamehameha staff, each search committee screened candidates, conducted interviews, and made leadership hire recommendations. In each case, those recommendations were accepted and implemented with the concurrence of the chief executives and trustees.

By the end of the fiscal year, June 2001, staff-led search committees had chosen new leaders including the CEdO, Maui and Hawai'i headmasters, dean of extension education, chief administrative officer, director of alumni development and the director of Kamehameha Schools Press.



Clockwise from top:

-Chief executives:
Wendell F. Brooks Jr.,
Investment; Colleen I.
Wong, Legal; Dudley
Hare Jr., Ed. D.,
Education; and, Eric K.
Yeaman, Finance



-New logo for Ke Ali'i Pauahi Foundation

-Kamehameha Schools Association of Maui was the first major donor to Ke Ali'i Pauahi Foundation

A REVITALIZED KAMEHAMEHA

As CEO, I worked closely with our leadership and staff to maximize our institutional inclusiveness, accountability, and efficiency through a series of strategic initiatives, now firmly in place, that included:

- Adopting inclusive advisory decision making as institutional policy;
- Maintaining emphasis on two-way communication with stakeholders;
- Establishing financial reporting procedures consistent with generally accepted accounting principles;
- Rededicating this institution to the cultivation, perpetuation and practice of *Ike Hawai'i* – Hawaiian culture, values, history, language, oral traditions, literature and care for significant cultural and historical places;
- Optimizing our Endowment Group's uses of legacy lands for educational and cultural programs;
- Restoring process integrity by placing both Admissions and Financial Aid offices under direct CEO supervision, and re-instituting KS' internal audit function;
- Securing functional efficiencies by consolidating redundant activities;
- Centralizing operations where appropriate – i.e., finance, legal and administrative functions – and decentralizing operations where appropriate, such as Neighbor Island campuses, Early Childhood Education sites and Extension Education; and,
- Streamlining Kamehameha's internal policies and procedures for consistency, standardization, clear lines of authority, accountability, and thorough reporting to the trustees, for we at Kamehameha will be accountable for what we do.

A NEW PARADIGM FOR GIVING

Another important element of KS' 2000-2001 reorganization was the founding and launching of Ke Ali'i Pauahi Foundation (KAPF). Created as a tax-exempt support organization to Kamehameha Schools, its purpose is to extend the legacy of Ke Ali'i Pauahi by generating new and diverse sources of income to provide for the increasing educational needs of people of Hawaiian ancestry.

In fall 2001, Kamehameha Schools Financial Aid and Post-High Counseling divisions were moved into the KAPF organization. Specifically, KAPF promotes proactive fund-raising, and administers Kamehameha Schools' pre-kindergarten through post-high financial aid and scholarships. It also provides post-high counseling services and offers unique opportunities for continuing Pauahi's legacy through meaningful contributions to the Foundation's endowment.

In a remarkable show of selfless giving and support, Kamehameha Schools Association of Maui, a group of dedicated parents of boarding students, presented the first major donation – \$100,000 – to KAPF. In its first four months, KAPF garnered commitments totaling more than \$4 million to further educational opportunities for Hawaiians.

STRATEGIC PLAN MOVES TOWARD IMPLEMENTATION

Transforming Kamehameha Schools from its historic single-campus focus to more fully reflect the reality of our multi-campus, statewide educational system got underway during the year.

With the KS Strategic Plan firmly in place, two newly formed divisions—Strategic Planning Enhancement Group (SPEG) and Policy Analysis and System Evaluation (PASE)—conducted a review of existing programs and proposed initiatives using analytical processes and scientific data. Their work fine-tuned strategies and provided data that trustees, chief executives and other KS leaders needed to make informed decisions regarding the allocation or leveraging of resources for the most effective educational initiatives to meet our stated goal of extending the educational reach of Kamehameha Schools.



Under SPEG's auspices, Proposal Development Teams (PDT) — made up of volunteers both within and outside Kamehameha — steadfastly and willingly gave their time and expertise to examine proposals that held promise for our mission and strategic directions.

Among PDT topics of exploration were literacy, career options, charter schools, distance learning, special needs, educational collaborations with the Bernice Pauahi Bishop Museum and the State Department of Education (DOE), Resource Centers and the Hawaiian Culture Center Project.

Concurrently, my office arranged a series of lively “Brainstorming” sessions where KS faculty, staff and alumni exchanged ideas and helped prioritize strategic objectives.

All this information, combined with KS and DOE program data gathered by PASE, was reviewed at a June 2001 retreat that included all five trustees and other leaders from throughout our institution.



-Strategic implementation discussions included a cross-section of KS staff

At the two-day retreat, we reached consensus on Kamehameha Schools critical audience targets, priority outcomes, processes and a timeline to guide the development of the second phase of our Five-year Strategic Implementation Plan (SIP II). Working together we reached agreement on two- and five-year priorities that must include the following criteria:

- Meets the needs of Hawaiian people
- Meets stakeholder expectations
- Aligns with the Strategic Plan
- Aligns with KS' capabilities to deliver and/or partner, and for which
- Success is measurable

That pivotal retreat paved the way for the following implementation goals and commitments that will come to life in Kamehameha Schools Five-year Strategic Implementation Plan:

- Maintain the excellence of current programs;
- Extend reach in early childhood education (0 to four-year-olds) to target one-third of the eligible population – approximately 10,000 students;
- Extend reach in kindergarten-12th grade education through new collaborations with the DOE to target 1,000 new students;
- Extend career awareness opportunities to target 1,350 options;
- Expand lifelong educational options through Extension Education targeting 4,200 students;
- Develop eco-cultural collaborations targeting 8,200 participants;
- Establish or expand learning centers on the islands;
- Establish a database to extend our reach and support families;
- Develop and reallocate resources to support expanded educational reach; and,
- Collaborate with others to support the development of Hawaiian culture centers.

Our mandate is clear: Kamehameha Schools is committed to improving the well-being of people of Hawaiian ancestry by extending the reach of our educational programs and services. Broadly defined, Kamehameha Schools views individual well-being as the healthy development of mind, body and spirit with a sense of responsibility to the world.

SIP II is the next increment of this process. The work we completed this past year is the foundation that will enable its success.

**THE FOUNDATION IS LAID.
THE FOUNDATION IS STRONG.**

Today, top-to-bottom, we are an institution transformed in focus, structure and ways of doing business.

Today, our strategic focus has shifted, bearing witness to the extent of Kamehameha's push to serve more and more students of Hawaiian ancestry.

We are proactively seeking collaborations and partnerships to leverage our resources to extend our reach.

We are developing multiple educational programs using our legacy lands that will impact thousands of students annually.

We seek to double our Early Childhood Education enrollment and reach a system-wide K-12 enrollment of more than 5,000 students by 2005.

To maintain this momentum, we must continue to work together. We must continue to find common ground for consensus building. And, we must commit ourselves to continue to advance toward our perpetual mission: to carry on the Legacy of Ke Ali'i Bernice Pauahi Bishop.



Hamilton I. McCubbin, Ph.D.
Chief Executive Officer
KAMEHAMEHA SCHOOLS

