BRINGING THE FUTURE INTO FOCUS

Work on a new strategic plan and the hiring of a new chief executive officer highlight the year’s endeavors

The year 2014 represented a major milestone in our journey to elevate Native Hawaiian well-being. The solidifying of the new strategic plan and the selection of Livingston “Jack” Wong as the new chief executive officer, we can look to the next leg of the journey with confidence and clarity of purpose.

Designating a new leader and committing to a new direction within the same year was not an accident. Over the past year, the trustees spent many hours discussing the future of our organization. Our deliberations were shaped by significant and sustained input from employees, community, and students. This helped us immensely in our role to navigate the path ahead.

But how would the plan be brought to life? And who would be at the helm? Through an intense year of considering many outstanding leaders, Jack Wong emerged as the unanimous choice to serve as CEO.

Starting in April, when Jack became interim CEO, we came to experience firsthand his efficiency, precise thinking and focused execution of plans and processes. He participated with the trustees during many conversations as we weighed each word, sentence, and paragraph of the strategic plan. He has observed our process of sharing ideas, taking chances, being vulnerable, and working through differing opinions until consensus is reached.

He knows our intentions and understands what is at stake. In a relatively short period of time he has learned to “manage up” to help us be more effective in our leadership roles. In this way, Jack has shaped our journey as trustees and has brought a greater degree of strength, focus and unity.

But Jack’s qualifications extend far beyond his six months as interim CEO. Interim CEO, we came to experience first-hand his efficiency, precise thinking and focused execution of plans and processes. He participated with the trustees during many conversations as we weighed each word, sentence, and paragraph of the strategic plan. He has observed our process of sharing ideas, taking chances, being vulnerable, and working through differing opinions until consensus is reached.

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Since joining Kamehameha Schools in 1997, he has been one of our organization’s strongest advocates in defending our preference policy. An attorney by training, Jack’s exceptional skills in logic, prudence, decisiveness, and strategic orientation have been essential not only in preserving our ability to educate Native Hawaiians, but also in overcoming the many challenges our organization faced in the late 1990s.

Jack’s institutional knowledge and contributions over the past 17 years position him to be a strong and effective leader to enact the transformative change envisioned by the trustees.

The future we envision represents our aspirations and commitment to help all Native Hawaiian learners achieve greater success. As trustees acting in our fiduciary and strategic capacities, our collective mana’o has informed the following vision statement:

“Within a generation of 25 years, we see a thriving Lāhui where our learners achieve postsecondary educational success, enabling good life and career choices. We also envision that our learners will be grounded in Christian and Hawaiian values and will be leaders who contribute to their communities, both locally and globally.”

This vision forms the basis of our organization’s efforts for one generation, from 2015 to 2040. Postsecondary success is a major theme of this vision, because jobs in Hawai‘i will increasingly require postsecondary training, and employment is key in achieving a thriving Lāhui.

Collaborations are also central in this vision, as Kamehameha Schools cannot do the work alone. Our new strategic plan outlines our priorities to work toward this long-term vision over the next five years.

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The strategic planning process has allowed us to collaborate with our executive team and community stakeholders to provide direction and to encourage new and innovative ways to achieve the mission of Kamehameha Schools.

We look forward to the upcoming months and years as our entire
Fiscal Year 2014 Highlights

Kamehameha Schools invests $378 million in its campus- and community-based educational programs.

The number of children and families served by Kamehameha Schools’ campus and community programs was 48,417 learners, including a total of 12,317 parents and caregivers in the prenatal to grade 12 community who received training to support their children.

As of June 30, 2014, the overall fair market value of the Kamehameha Schools endowment, which includes Hawaii’s real estate and global financial assets, was $11.0 billion with the endowment achieving a return of 13 percent.

For fiscal year 2014, Kamehameha Schools invested $378 million in its campus- and community-based educational programs.

Kamehameha Schools spent $165 million on campus-based programs and $112 million on community-focused programs.

These resources enabled the organization to accomplish the following highlights:

- Kamehameha Schools three K-12 campuses on Hawai‘i, on Maui and at Kapālama enrolled 5,421 learners.
- A total of $20.3 million in collaboration efforts was awarded to more than 50 community organizations, including ‘Aha Pānana Leo, Alu Like, the state Department of Education, Institute for Native Pacific Education and Culture (INPEAC), Kānou o ka ‘Āina Learning ‘Ohana (KALO), Partners in Development Foundation and University of Hawaii’s systems.
- A total of $27.5 million, up 9 percent over the previous year, was spent on Hawaii’s State Department of Education funding and collaborations including: $8.4 million for on-site literacy instruction by Kamehameha Schools staff in 20 DOE schools (K-3) statewide; $7.1 million in funding support for a variety of programs for students in DOE schools; $7.5 million in per-pupil funding and support for 17 Hawaiian-focused start up and conversion public charter schools serving 4,100 students and their families; and $4.4 million in educator training and support, including funding for Teach for America participants serving predominately Hawaiian public schools.
Kamehameha Schools’ mission is to fulfill Pauahi’s desire to create educational opportunities in perpetuity to improve the capability and well-being of people of Hawaiian ancestry.

The endowment achieved a return of 13 percent during the fiscal year. The Consolidated Balance Sheet that follows shows total assets to be $9.0 billion; it records real estate at cost rather than fair market value, and includes endowment, educational, agricultural and conservation assets. Fiscal year 2014 was the ninth year of the 10-year Kamehameha Schools Education Strategic Plan, adopted in 2005 and based on the Kamehameha Schools Strategic Plan 2000-2015. The number of children and families served by Kamehameha Schools campus and community programs in fiscal year 2014 was 48,417 learners, including a total of 12,317 parents and caregivers in the prenatal to grade 12 community who received training to support their children.

In direct service to Pauahi’s mission of educating her beneficiaries, Kamehameha Schools saw the following service results in education:

PRENATAL TO 8 YEARS OF AGE
Kamehameha Schools served 9,422 keiki ages 0-8 and their parents and caregivers through 30 KS-center-based preschools, preschool scholarships, literacy instruction and various educational collaborations.

GRADES 4 THROUGH POST-HIGH
Kamehameha Schools served 23,257 learners through its enrichment, campus outreach, collaborations, distance learning and summer school programs such as the Explorations Series, Kamehameha Scholars and Career Post-High Counseling and Guidance.

CAMPUS PROGRAMS
Kamehameha Schools educated 5,421 students, including graduating 697 seniors, at campus programs on Hawai‘i, on Maui and at Kapalama. More than 95 percent of these seniors committed to attend college. Orphan and indigent children comprised approximately 31 percent of the 2014-2015 invited students.

For more, including a copy of Kamehameha Schools audited “Consolidated Financial Statements and Supplemental Schedules” for fiscal year 2014, please visit www.ksbe.edu/annual reports.

KAMEHAMEHA SCHOOLS ENDOWMENT
Kamehameha Schools’ mission is fully supported by its endowment. The endowment was valued at $11.0 billion as of June 30, 2014. A globally diversified financial assets portfolio of $7.9 billion, and Hawai‘i’s commercial real estate representing $3.1 billion at fair market value.

KAMEHAMEHA SCHOOLS' LANDS
Commercially zoned lands make up 1 percent of total acreage (363,669) belonging to Kamehameha Schools. Agricultural and conservation lands comprise 99 percent and are primarily considered sustainability assets, not included in the endowment fund. During the fiscal year 2014, Kamehameha Schools spent $11 million (net of agricultural rents) to steward agricultural and conservation lands and natural resources.