

## Statement for 4.7 How Will UH Hilo Adapt to Anticipated Changes?

The commitment, resilience, and resourcefulness of this campus is strong, and those qualities can and will see us through the current challenge and those we will face in the future. Our future as a university is inextricably linked to that of Hawai'i Island, and our *kuleana* extends throughout our campus and our community. This rich environment sustains us, and the fact that we are a Hawaiian place of learning, guided by Hawaiian values of land and community permeates everything we do. Our diverse community strengthens us, and makes it possible for us to address global issues with perspectives that few can match. Our success comes down to our desire to do better and to be our best selves, despite any adversity. What we value remains constant: creating environments in which students will thrive and succeed; bettering our local community, island and state through our research and community outreach; and fostering a respectful and supportive workplace for our staff and faculty.

UH Hilo administration with the UH System administration monitors proposed state and federal legislation and resolutions that may influence and impact annual budget allocations, higher education financial aid, as well as higher education programming and support services. The following is an example of the significant role of the State Legislature: "University of Hawai'i President David Lassner said there will be no formal layoffs, retrenchment or reductions-in-force of faculty or staff with employment security within the 10-campus UH system until the Hawai'i State Legislature approves a biennial budget and that budget is enacted by Gov. David Ige. Lassner made the statement in [a budget presentation \(PDF\)](#) to the UH [Board of Regents](#) at their January 7, 2021, meeting. "Our practice for the last several years and, which we believe will serve us well this year, is to see what the legislature does with our budget, and then advise you on what we recommend and ask for your approval," said Lassner. Lassner noted that experts agree that the budget crisis will last a minimum of four to five years. (<https://www.hawaii.edu/news/2021/01/08/president-update-budget-situation-planning/>)

In light of the current global, national, state, and county financial climate, challenges, and uncertainties, UH Hilo convened its Long-Range Budget Planning Committee (LRBPC) to assist the administration in strategically identifying areas for reduction, not only to address the potentially significant budget shortfall but on a broader level, investing in "Where are we going?" and "How will we get there?" The LRBPC identified three guiding factors to ground budget reduction decisions: 1. Native Hawaiian Serving; 2. Specialty Areas; 3. Community Service. Fundamentally, in this time of reduction, we are better articulating who we are, what do we do best, and who we intend to serve, and how we strategically align the budget with that. The LRBPC then created a metric/report card to assess the effectiveness of academic programs which evaluates several factors: 6-year graduation rates, enrollment trend, relation to mission, student semester hours (SSH) per FTE, SSH per class, and cost per SSH. The data set has been compiled to assist in providing recommendations to the Chancellor for the implementation of budget reductions and has been posted for campus to review ([UH Hilo Program Data](#)). Financial assessment is also being built in the academic program review process to stress the importance of financial viability to departments. A strong emphasis will be placed on the three guiding factors to ensure that a program's financial decisions align with UH Hilo's mission.

Prior to the current financial crisis, UH Hilo had reduced our reliance on the TFSF reserve to overcome operational shortfall. The approach has been to utilize the TFSF reserve for one-time investments into campus, such as deferred maintenance projects and energy reinvestment projects, as well as one-time expenses that were considered non-operational. In FY 2021, UH Hilo does not plan to utilize TFSF reserves. Although the TFSF reserve is at a robust level, use of the reserve for deficit spending to meet projected budget shortfalls is not sustainable. Reduction strategies for FY 2021 are being implemented, continuing the expenditure restriction strategy implemented in the fourth quarter of FY 2020. The LRBPC will continue to serve as a guiding body to UH Hilo administration especially in how we self-evaluate and assess where appropriate investments should be made for our institution's future. UH Hilo will continue to engage the campus community through budget forums and regular campus communications. In addition, the strategic planning process, which also engages community and alumni, will continue in concert with the LRBPC.

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