Essay Four:
Ensuring Institutional Capacity and Effectiveness in the Future

If we were preparing this essay in the summer of 2009, we would have been very optimistic about the University of Hawai‘i at Hilo’s ability to grow and strengthen its educational effectiveness. The campus was experiencing sustained enrollment growth and strong state general fund support; further, a five-year tuition plan was in place with healthy yearly increases, new facilities were under construction or in the queue for approval, and we had the support of an influential legislative delegation. The campus had admitted its second class of students to the new College of Pharmacy, initiated a master’s program in U.S.-China Relations and received funding to begin planning an engineering degree program. A long-range campus planning process was initiated, envisioning a doubling of the student population within 10-15 years. And work began on developing a new strategic plan.

Four years later, that optimism is tempered by fundamental changes that have caused us to question and change much of what we took for granted. The fiscal crisis of the past few years has caused state general fund support to drop and stall, and tuition growth has slowed. New facilities have come on line, including new student housing, but implementing new degree programs has slowed. Our vision of ourselves was well articulated in a new strategic plan, but our targets for long-term growth are being tempered by current realities and future uncertainties. And new leadership is in place across the campus, in departments, colleges and executive positions, the details of which will be described later in this essay.

Nonetheless, UH Hilo has a strong foundation to continue its programs and support its future. Our institutional capacity—determined by our financial, personnel, facilities and processes—has been challenged by events and there are weaknesses we can see that need attention. But we continue to be an effective educational institution, growing in our ability to challenge students and committed to increasing student success in our programs.

Our Current Status

Financial Health. Figure 1 provides a general snapshot of UH Hilo’s current revenues.¹ The main impact of the financial crisis has been to reduce our state general fund support from ~60% of our total revenues to ~45%. Tuition revenue has increased, but at a slower rate than before 2009. As tuition has increased, we have allocated 1% more of it per year to scholarships, to remain accessible even to low-income students. Our total revenues have increased during the financial crisis, though at a markedly slower rate than in the past. This year, however, like many of our peer institutions, we experienced

¹ Source: Allocation Memorandum from University Budget Office (G Fund), Campus Budget Allocation Worksheet (TFSF)
a 2.7% drop in headcount enrollment\(^2\) causing projected tuition revenues to fall short, with overall revenues falling short of projection by 1.0%.

![Figure 1. General Fund and Tuition/Fees Revenue. Source: Allocation Memorandum from University Budget Office (G Fund), Campus Budget Allocation Worksheet (TFSF)](image)

We have managed our expenses to stay within revenues, retaining a small percentage for reserve each year. The limited growth in revenues has not kept pace with the increases in some costs, which has required us to reallocate within our budgets. Energy costs on the island of Hawai‘i are among the highest in the United States. While we have installed alternative energy sources and initiated conservation practices on campus, our overall electricity bill has increased from $3.6 million in 2009 to $4.5 million in 2013.\(^3\) Costs for goods and services on this island also increase faster than at universities located elsewhere, but not by as much as for energy. Because of our isolation, travel costs are very high. The vice chancellor for academic affairs continues to fund faculty travel through the UH Hilo Research Council.\(^4\) But units like our Division II athletics program have had to absorb the very high costs of travel to mainland events. Maintenance costs have increased due to the addition of new facilities. Debt service costs have remained steady, and the completion of new student housing means they are now paid entirely from housing revenues.

To achieve a balanced budget during the past four years, we have been unable to replace many of the positions that have become vacant by attrition. Some units have been able to add staff where they have special fund revenue not included in general


\(^3\) Source: UH Hilo Business Office Utility Report

\(^4\) Faculty Development website [http://hilo.hawaii.edu/uhh/vcaa/FacultyDevelopmentPolicies.php](http://hilo.hawaii.edu/uhh/vcaa/FacultyDevelopmentPolicies.php)
operating budgets (e.g., federal grant programs, housing, etc.). Unit operating budgets have also declined as unavoidable costs, such as energy, have increased.

UH Hilo has been characterized as an “emerging research institution.” Faculty have been successful at obtaining federal grants. With teaching loads of three courses each semester, their success at renewing funding is even more notable. In recent years, total grants and contract funding awarded was as high as $33 million (FY2010), with subsequent years at $21.6 million (FY2011), $17.5 million (FY2012), and $14.3 million (FY2013). Programmatic support from Upward Bound and Title III has allowed UH Hilo to have continued impact on underserved students in Hawai‘i. The indirect costs returned from federal awards is a significant revenue source to initiate new faculty research projects and increase student involvement in research. These funds support almost all faculty travel to conferences and for research purposes. Because of grant funding, our students have access to equipment, techniques, and experience that would be hard to obtain at most campuses of our size and rural location.

2010 marked the end of the first capital campaign for UH Hilo, which raised $15.4 million. Since then, giving has been consistent at about $2 million in a combination of annual fund and special gifts. The UH System will embark on a new capital campaign in the near future, with a significantly higher target for this campus.

**Personnel.** Hilo is a small town on an isolated, sparsely populated island. Talented and experienced staff, not to mention faculty, are not easy to recruit and often must be hired from O‘ahu or the mainland. Because of this, during the financial crisis, UH Hilo preserved its human capital by maintaining all permanent positions that were not vacant. What savings we made in personnel costs came from attrition and the judicious use of temporary positions.

All employees in the UH System, except for executives and research employees, are members of collective bargaining units. Each bargaining unit accepted a furlough program as part of our overall response to the financial crisis. While this affected each employee’s paycheck, it did enable UH to avoid layoffs. Because attrition is random with respect to function, we now have some units with an unbalanced workforce. The furlough programs have now ended, and the state, which negotiates all contracts except for faculty, has funded the restored salaries plus raises. The UH System is discussing with the legislature whether faculty salary restoration and raises will be covered by general funds or tuition.

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5 Source: UH Office of Research Services  
UH Hilo has been able to replace some vacancies that have arisen over the past four years. Table 1 presents the numbers of positions by job function for faculty, staff and executives. As positions became newly vacant, strategic hires were made, to include faculty in the high demand areas of psychology, sociology, and anthropology, and STEM areas of math, computer science and physics. We also secured a director for student health and wellness.

<table>
<thead>
<tr>
<th>Job Function</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative, professional &amp; technical</td>
<td>123</td>
<td>131</td>
<td>136</td>
<td>140</td>
<td>140</td>
</tr>
<tr>
<td>Civil service</td>
<td>146</td>
<td>137</td>
<td>135</td>
<td>128</td>
<td>131</td>
</tr>
<tr>
<td>Executive &amp; managerial - academic</td>
<td>11</td>
<td>12</td>
<td>13</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td>Executive &amp; managerial - non academic</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Executive &amp; managerial</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Faculty</td>
<td>253</td>
<td>258</td>
<td>260</td>
<td>258</td>
<td>262</td>
</tr>
<tr>
<td>Lecturers</td>
<td>82</td>
<td>76</td>
<td>98</td>
<td>73</td>
<td>87</td>
</tr>
<tr>
<td>Graduate assistant</td>
<td></td>
<td></td>
<td></td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>47</td>
<td>50</td>
<td>51</td>
<td>82</td>
<td>84</td>
</tr>
<tr>
<td>Total</td>
<td>670</td>
<td>673</td>
<td>701</td>
<td>703</td>
<td>730</td>
</tr>
</tbody>
</table>

Table 1: UH Hilo Faculty Staff Counts by Job Function Description. Source: Human Resources Table PSEMPL of UH HILO Action Employees

In spite of the losses from among the instructional faculty and student services support staff, UH Hilo remains able to support student success. Our six-year graduation rate rose to 39% in academic year 2011-12, up from 36% in 2007-08, the year prior to our period of fiscal decline. We can and will continue focused efforts to improve our retention rates and other indicators of student success, but this indicator reflects UH Hilo’s core capacity to deliver and support learning excellence as does the increasing total number of degrees and certificates awarded (Figure 2).

Figure 2. Degrees and Certificates earned. Source: Hawai‘i Graduation Initiative.

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9 Source: Human Resources Table PSEMPL of UH Hilo Action Employees
10 Loss in instructional faculty experienced in academic units other than the rapidly growing College of Pharmacy.
12 [http://www.hawaii.edu/cgi-bin/iro/maps?gchi07_external.pdf](http://www.hawaii.edu/cgi-bin/iro/maps?gchi07_external.pdf) (see Table 1, 6-year rate for the fall 2001 entering cohort)
13 Source: Hawai‘i Graduation Initiative [http://www.hawaii.edu/hawaiigradinitiative/?p=452](http://www.hawaii.edu/hawaiigradinitiative/?p=452)
**Facilities.** The Hawai‘i State Legislature has been very supportive of the growth of our physical facilities. Table 2 presents the new facilities added. General state bonds have funded all except student housing, which was funded by a mix of general and revenue bonds. As new space has come online, we have reallocated previously occupied space to relieve congestion and permit growth of instructional and faculty space. For example, completion of the new student services building will allow the College of Business and Economics to occupy a building of their own in the old student services space. That move will open up expansion space for programs in social sciences and the humanities.

<table>
<thead>
<tr>
<th>Facility</th>
<th>Gross Square Feet</th>
<th>Date Opened</th>
<th>Program Service</th>
<th>Funding</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Business Incubator</td>
<td>13,801</td>
<td>2004</td>
<td>Small Business</td>
<td>$1M/$625K</td>
<td>G.O. Bonds/ Federal</td>
</tr>
<tr>
<td>Pacific Aquaculture &amp; Coastal Resources Center</td>
<td>15,437</td>
<td>2005</td>
<td>Aquaculture Research &amp; Outreach</td>
<td>$500K/$1.8M</td>
<td>G.O. Bonds/ Federal</td>
</tr>
<tr>
<td>Student Life Center</td>
<td>21,634</td>
<td>2008</td>
<td>Campus Recreation</td>
<td>$18M</td>
<td>G.O. Bonds</td>
</tr>
<tr>
<td>College of Pharmacy (Interim)</td>
<td>23,952</td>
<td>2009/2011</td>
<td>Pharmacy Instruction</td>
<td>$6M/$3M</td>
<td>G.O. Bonds/ Revenue Bonds</td>
</tr>
<tr>
<td>Sciences &amp; Technology Building</td>
<td>42,112</td>
<td>2011</td>
<td>Physics, Chemistry, Biology Instruction</td>
<td>$25M</td>
<td>G.O. Bonds</td>
</tr>
<tr>
<td>North Hawai‘i Education &amp; Research Center</td>
<td>18,024</td>
<td>2004/2013</td>
<td>CCECS outreach</td>
<td>$8M</td>
<td>G.O. Bonds</td>
</tr>
<tr>
<td>New Student Services Center</td>
<td>35,016</td>
<td>2013</td>
<td>Student Affairs</td>
<td>$21M</td>
<td>G.O. Bonds</td>
</tr>
<tr>
<td>College of Hawaiian Language Building</td>
<td>34,540</td>
<td>2013</td>
<td>Ka Haka ‘Ula O Ke‘elikōlani instruction</td>
<td>$21M</td>
<td>G.O. Bonds</td>
</tr>
<tr>
<td>Living Learning Community (renovation)</td>
<td>13,799</td>
<td>2013</td>
<td>Student Housing</td>
<td>$4M/$4M</td>
<td>G.O. Bonds/ Title III</td>
</tr>
<tr>
<td>University Village Student Housing</td>
<td>105,505</td>
<td>2013</td>
<td>Student Housing</td>
<td>$16M/$16M</td>
<td>G.O. Bonds/ Revenue Bonds</td>
</tr>
<tr>
<td>Total</td>
<td>323,820</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Table 2. All but student housing funded from state GI bonds. Source: UH Hilo Office of Facilities Planning and Construction.*

Our greatest facilities challenge is providing a permanent home for the Daniel K. Inouye College of Pharmacy. As it has grown, the college has used space in five buildings both on- and off-campus. We have requested legislative funding for a permanent building in each of the past three years, without success. The building is the UH System’s highest priority construction project, and we have edited the design to address feedback from legislators. The Board of Regents has included funds for the building in this year’s legislative request and we are hopeful it will be funded. The college’s provisional accreditation from the Accreditation Council for Pharmacy Education is at risk if the building is not funded. In its last report in June, 2013, ACPE identified the lack of a building as the only deficiency, but requires us to obtain the commitments for the building by June 2014.

New facilities are exciting but hard-won; repair and maintenance is routine, but necessary. UH Hilo’s Office of Facilities Planning and Construction is responsible for the schedule of repair and maintenance of our facilities both on and off campus (e.g., UH Hilo Farm Laboratory at Panaʻewa). Figure 3 summarizes the repair and maintenance activities since 2008. The facilities staff have been strategic and careful with the limited funds available for repair and maintenance. Our repair and maintenance backlog, or deferred maintenance, is the lowest in the UH System (save for the new West Oʻahu campus that opened in 2013); current deferred maintenance is 4.5% of current value. Our staff have been good stewards of our physical resources, which is challenging on a campus with 180 inches of rain annually, salt-laden sea breezes daily, and heavy use by the campus community.

![UH Hilo Facilities Condition Index](image)

**Figure 3. Facilities Condition Index = Deferred Maintenance Backlog/Current Replacement Value.** The % figures on the Y axis are deferred maintenance as a % of current market value of facilities. Source: Office of Capital Improvements, Sightlines Annual Renewal Reinvestment Study.

### Processes.
UH Hilo has made good progress in improving our procedures and processes to facilitate student learning and faculty and staff work. As in any complex organization, this is an ongoing process, but some of the more important additions and changes in the past few years include the following, some of which are described more fully elsewhere in this report.

- A robust, cross-college Faculty Congress for improved faculty involvement in shared governance.

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17 UH Hilo Faculty Congress website [http://hilo.hawaii.edu/uhh/congress/](http://hilo.hawaii.edu/uhh/congress/)
• The Enrollment Management Implementation Team to develop, coordinate, implement, monitor and evaluate new “promising practices” to improve student recruitment, foster student success and persistence, and reduce time to graduation.\textsuperscript{18}

• A Long Range Budget Planning Committee with faculty, staff, student and administrator membership to discuss options for budget strategies.\textsuperscript{19}

• A new UH Hilo Strategic Plan 2011-2015, which articulates goals and priorities for the campus, and which articulates our current view of our mission.\textsuperscript{20}

• The Strategic Plan Progress Review Team, to monitor implementation of the new strategic plan and provide feedback on programmatic success.

• Research support services for grants and contracts has been reorganized for more localized service and better integration in UH System research support systems. The role of vice chancellor for research has been merged with the vice chancellor for academic affairs to better integrate support for faculty work in teaching and research.\textsuperscript{21}

• International programs and student support services were consolidated in Student Affairs, to better integrate recruitment of international students, their support on campus, and the coordination of study abroad activities.

• Financial management changed to the online Kuali system, to begin a process of improvement in financial transactions. The related online research management system was also implemented under the name myGrant.

• Faculty and staff professional development programs have started, organized and produced by faculty and staff groups themselves.

• An Applied Learning Experience (ALEX) office to lead efforts across campus to implement applied learning experiences for students.\textsuperscript{22}

• Conversion to Banner Student Information System, followed by STAR advising development.

• Development of Curriculum Central, key to improvement in UH Hilo curriculum review process, initiated as a result of WASC 2008 report.\textsuperscript{23}

Changes in leadership inevitably bring changes in processes and priorities. The following are some of the changes, most of which have been promotions from within the campus.

• Donald Straney arrived in August 2010 as the new chancellor and oversaw the completion of the new UH Hilo Strategic Plan 2011-2015.

\textsuperscript{18} EMIT website \url{http://hilo.hawaii.edu/EMIT/}
\textsuperscript{19} Long Range Budget Planning Committee website \url{http://lrbpc.uhh.hawaii.edu/}
\textsuperscript{20} UH Hilo Strategic Plan 2011-2015 \url{http://hilo.hawaii.edu/strategicplan/}
\textsuperscript{21} UH Hilo Office of Research website \url{http://hilo.hawaii.edu/research/}
\textsuperscript{22} UH Hilo Office of Applied Learning Experiences (ALEX) website \url{http://hilo.hawaii.edu/ALEX/}
\textsuperscript{23} UH Hilo Curriculum Central website \url{http://hilo.hawaii.edu/curriculumcentral/}
Some executive positions were allowed to lapse on the retirement of their incumbents (e.g., director of technology and distance learning, director of the Center for Global Education and Exchange).

Marcia Sakai moved from serving as dean of the College of Business and Economics to become vice chancellor for administrative affairs. She brings a deep understanding of academic programs to an important role.

Matt Platz joined us as vice chancellor for academic affairs following service at Ohio State University and the National Science Foundation. He also assumed the responsibilities for support for research programs.

Deans of the College of Agriculture, Forestry and Natural Resource Management, the College of Business and Economics, and Ka Haka ʻUla O Keʻelikōlani College of Hawaiian Language are new. The dean of the business college was recruited after a national search.

Within the College of Arts and Sciences, Susan Brown has become associate dean after serving as chair of psychology. Seri Luangphinit, Ernest Kho, and Chris Frueh became division chairs for humanities, natural sciences, and social sciences respectively. Helen Rogers returned to the Mookini Library as director after serving as executive assistant to the chancellor.

In Student Affairs, Kelly Oaks became interim associate vice chancellor for student affairs and dean of students, replacing James Mellon, who moved to be director of international student support. Curtis Nishioka became director of admissions.

Repairing Our Foundation

Reflecting on our current status, there are several areas we need to improve or fix. As we come out of the financial crisis, the campus needs to repair the damage it did to our capacity. Decisions and actions taken under severe constraints must be re-examined to restore our ability to meet our mission. During the fall 2013 semester, campus leaders are re-examining the UH Hilo strategic plan’s goals to focus on a few priority steps that will guide our recovery.

To prepare for future challenges, there are key steps we need to take to strengthen UH Hilo’s foundation.

1. Adjust financial expectations to reflect dependence on tuition. The relative role of tuition and general fund revenue is unlikely to change in the near term. Tuition will continue to be more than half of our revenue. That has implications in Hawai’i. The benefits for positions appropriated and funded from state general funds are covered by the state. Benefits for positions funded by tuition are not, nor are benefits for temporary hires. The campus was able to manage the new benefits costs centrally during the four years when more and more positions
were supported by tuition, but from this year forward units will need to think of these as part of their personnel costs.

Increased dependence on tuition also means we must pay more attention to enrollment and student progress towards their degrees. As we learned this year, a small change in retention leads to a noticeable reduction in revenues and, hence, in budgets. Fortunately, the Enrollment Management Implementation Team is in place and several of its initiatives (e.g., pre-built freshmen schedules, intrusive freshmen advising) can form the basis for further efforts to bolster student retention. During the fall 2013 semester, Vice Chancellor Hong and Vice Chancellor Platz, co-chairs of EMIT, are talking with campus constituencies about factors we can influence to enhance retention and actively manage our enrollment.

For the next fiscal year, we will need to link enrollment projections with revenue forecasts. Some part of unit allocations will need to be linked with their success at retaining and graduating students. UH as a system has been discussing performance-based funding since 2010 and the community college campuses have implemented a form of that in their budgeting process. One important goal for this academic year is to consult across campus and develop mechanisms that can provide resources to units that need them to support their retention success.

2. **Schedule faculty hiring to make up for unintended consequences of attrition.** Perhaps the greatest strain put on UH Hilo by the fiscal crisis has been the unplanned and uneven pattern of lost faculty positions. Even accounting for hires we were able to make over the past few years, some departments with high enrollments have gone without replacement of faculty who are no longer here. During this academic year, Vice Chancellor Platz and the deans will develop a strategic schedule of hiring that will seek an appropriate balance across departments.

3. **Build capacity for faculty success in grant funding.** The UH System has benefited over the years from congressional earmarks to support its research enterprise. UH Hilo faculty, though, are now competing directly for federal funding. The good news is that they are being successful. But to maintain and increase success requires new approaches to supporting faculty work. Vice Chancellor Platz is reorganizing the research support services on campus, bringing them into colleges and in closer proximity to where faculty work. At the same time, he has successfully lobbied the UH System vice president for research and innovation to provide significant funding for faculty release time to ameliorate the challenge of preparing competitive proposals while teaching a three-course load.

We will need to plan for growth of research and laboratory needs of faculty who are successful in obtaining funding. We are in the process of obtaining a former
National Guard building across the street from campus that can serve, after renovation, as expanded space for research. We are also negotiating with the state for a lease for land in West Hawai‘i to base a marine education center to serve the needs of marine science faculty. Planning for the infrastructure to support research at UH Hilo must begin now.

Scholarship is not a luxury for faculty at UH Hilo. The scholarly activities of the faculty influence their work with students in the classroom and for most of our faculty, teaching and scholarship are two sides of one coin. Support for their research also provides equipment, staff, and experiences that our students would not have access to otherwise. Particularly in technical and scientific fields, grant support is necessary to maintain the margin of excellence we promise our students. Even in the other disciplines, these funds augment library holdings, bring in visiting scholars, and otherwise enrich the learning environment.

4. *Reduce substantially our energy costs.* The costs for electricity at UH Hilo are a substantial constraint on our operations. We cannot control the costs directly, nor are we entirely free to control our sources of electricity. But working within regulatory constraints, we must take steps to reduce the cost of energy. Administrative Affairs is developing performance contract and power purchase agreement options that we can take in the near term. We have the capacity to monitor electricity use in buildings, and this will be the basis for an active effort to change people’s patterns of use of electricity. We have created a new position for an energy manager, who can assist us by taking a direct role in reducing our energy costs.

The Gathering Winds of Change

Repairing our foundation will help UH Hilo deal with the changing face of higher education in Hawai‘i, the nation and the world. As an institution, for what future events, forces, or occurrences do we need to prepare? Located in Hilo, with its active volcanoes, hurricanes, daily earthquakes and all-too-frequent tsunamis, we do understand preparedness.

UH Hilo is planning and adapting to the changing higher education landscape by better understanding our challenges. We are implementing proactive strategies and structures to improve and enhance our ability to address these challenges.

1. *Emphasis on accountability.* As the sole public institution of higher education in Hawai‘i and a major contributor to the capital of the state, Hawai‘i state government and the University of Hawai‘i Board of Regents are requiring the UH System to become more accountable and transparent in its operations and
financial management. The Hawai‘i Graduation Initiative (HGI)\(^{24}\) is a commitment UH has made to close the educational attainment gap to increase access, affordability and success for more local students to attend and graduate from UH. Specifically, HGI seeks to increase the number of UH graduates by 25 percent by the year 2015 (10,500 graduates in 2015). HGI’s strategies reflect UH Hilo’s commitment to support increased student participation and college completion and to expand workforce development opportunities to maintain the economic vitality of our island and state.

An initiative and partnership with Complete College America,\(^{25}\) Access to Success,\(^{26}\) and Educational Delivery Institute,\(^{27}\) HGI strategies span the P-20 educational pipeline and are linked to the following UH strategic outcomes and performance measures:

- Total UH Degrees and Certificates of Achievement Earned\(^{28}\)
- Going Rates to UH Campuses\(^{29}\)
- UH Degree Attainment of Native Hawaiians\(^{30}\)
- Disbursement of Pell Grants\(^{31}\)
- Workforce Shortage Areas and Total UH Degree Output\(^{32}\)
- STEM Degrees\(^{33}\)

UH Hilo developed intermediary goals, initiated strategies based on data-driven decision-making, and established a baseline for future performance. Our key progress measures include time and credits to degree, and leading indicators that impact completion.\(^{34}\)

2. **Alignment of resources with educational mission and strategic plan.** We will invest our funds in ways that will increase our portfolio and reduce our expenses. Our resource investments will be linked with our mission and strategic planning priorities, UH System performance outcomes and indicators, and data-driven

\(^{24}\) Hawai‘i Graduation Initiative [http://www.hawaii.edu/hawaiigradinitiative/](http://www.hawaii.edu/hawaiigradinitiative/)

\(^{25}\) Complete College America [http://wwwCOMPLETECOLLEGE.ORG](http://wwwCOMPLETECOLLEGE.ORG)

\(^{26}\) Access to Success [http://www.edtrust.org/issues/higher-education/access-to-success](http://www.edtrust.org/issues/higher-education/access-to-success)

\(^{27}\) Educational Delivery Institute [http://www.deliveryinstitute.org/](http://www.deliveryinstitute.org/)

\(^{28}\) Total UH Degrees and Certificates of Achievement Earned [http://www.hawaii.edu/hawaiigradinitiative/?p=17](http://www.hawaii.edu/hawaiigradinitiative/?p=17)

\(^{29}\) Going Rates to UH Campuses [http://www.hawaii.edu/hawaiigradinitiative/?p=170](http://www.hawaii.edu/hawaiigradinitiative/?p=170)

\(^{30}\) UH Degree Attainment of Native Hawaiians [http://www.hawaii.edu/hawaiigradinitiative/?p=34](http://www.hawaii.edu/hawaiigradinitiative/?p=34)


\(^{32}\) Workforce Shortage Areas and Total UH Degree Output [http://www.hawaii.edu/hawaiigradinitiative/?p=199](http://www.hawaii.edu/hawaiigradinitiative/?p=199)

\(^{33}\) STEM Degrees [http://www.hawaii.edu/hawaiigradinitiative/?p=185](http://www.hawaii.edu/hawaiigradinitiative/?p=185)

\(^{34}\) HGI Campus Completion Scorecard 2011-2012 [http://www.hawaii.edu/offices/app/hgi/scorecards/2013_Hilo-1.pdf](http://www.hawaii.edu/offices/app/hgi/scorecards/2013_Hilo-1.pdf)
decision-making. Our investments will be balanced with our efforts to support our unique role in serving the community and the state in areas of teaching, research and service.

Efforts being examined that have revenue-generating potential include:

- **Focused strategic enrollment management.**
- **Alternative instructional delivery,** to include distance learning and enhanced credit and non-credit offering outside the regular academic schedule.
- **Grants and contract activities** which produce overhead return to the campus and can be used to leverage other funds.
- **Enhanced fundraising** as part of the UH Capital Campaign; UH Hilo’s share of the campaign is estimated to be $40 million.

UH Hilo will continue to take advantage of centralized services provided through the UH system. We will begin to examine an appropriate model for responsibility-centered budgeting, sharing of campus-wide costs by those units that are self-sustaining or auxiliary to the campus. These include but are not limited to University Housing, the College of Pharmacy, and the College of Continuing Education and Community Services.

3. **Strategic enrollment management.** We will employ targeted actions that will improve student retention and graduation, as well as strengthen our market position with prospective students and grow the pipeline for student recruitment. They include the implementation of EBI Map-Works, a web-based system that provides access to student data to record, manage, and track students; it also allows the university to coordinate “just in time” intervention with students experiencing academic difficulty or personal distress. Further, this fall, executive administrators will attend the Noel-Levitz National Conference on Student Recruitment, Marketing, and Retention, the most comprehensive conference on enrollment management.

To meet the enrollment goals of the university and increase the educational capital of the state, recruitment will continue to focus upon increasing the participation and completion of students, particularly Native Hawaiians, low-income students, and those from underserved regions of the state. New energies and efforts will be invested to both increase the number of U.S. domestic non-residents (including those from states that do not participate in WUE), and international students in program areas with available capacity. In the recruitment process, our goal is to balance thoughtful investments in scholarships to maximize enrollment yields and tuition income. We will increase our efforts to support student success to reduce costs associated with student attrition/departures, and we will leverage institutional financial aid to maximize
student recruitment and retention. These combined strategies will serve to maximize tuition revenues.

4. **Balancing local kuleana (responsibility) with global impact.** Tuition revenues have become a major component of the operating budget for all UH campuses as state support declines. We are in the second year of a systemwide five-year schedule of tuition increases (fall 2012 to spring 2017).  

Increasingly, UH Hilo has two strategic directions: (1) to serve the needs of local students and communities, and (2) to increase the opportunity for international students to study in Hawai‘i. The state is encouraging all universities in Hawai‘i to double the number of international students in five years. UH Hilo has the capacity to increase our international recruiting. In the recent past, we had as many as 40% of our students from out of state. Concerns about the possible negative impact on access for resident students led us to rapidly reduce that proportion to 30%, and the UH Board of Regents has adopted a policy that campuses should not exceed 35% out-of-state students. The financial benefits of increasing out-of-state and international enrollment are attractive in a period of slow growth in state funding. How we balance that benefit against our kuleana (responsibility) to serve the needs of Hawai‘i residents—particularly Native Hawaiian students—will be a central focus of our strategic enrollment planning efforts.

5. **Alternative educational delivery models.** The history of distance learning at UH Hilo has been one of constant change and evolution and the adaptation of other alternative educational delivery models has been slow in comparison to other UH campuses. UH Hilo’s distance learning advisory committee is currently developing a strategic plan to project what distance learning programs will be provided over the next five years. We are beginning to examine alternative instructional delivery models such as hybrid and "flipped" classrooms as well as enhanced credit and non-credit offerings outside the regular academic schedule to deliver education effectively to achieve a wide range of institutional objectives including, but not limited to, increasing access in a rural region with poor public transportation infrastructure, generating new revenue from target

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35 Tuition schedule [http://www.hawaii.edu/finaid/tuition.html](http://www.hawaii.edu/finaid/tuition.html)  
36 In the early 2000s, UH chancellors were allowed to set their own enrollment goals without UH Board of Regents’ approval. UH Hilo began recruiting more non-residents which resulted in a decrease in resident enrollment from 69% in fall 2002 to 60% in fall 2003 and leveled out at that percentage until 2006. In fall 2007, campuses were required to follow BOR policy, which resulted in UH Hilo returning to the higher resident cap. The following is a link to enrollment report; to see historical UH Hilo enrollment, click on Fall 2007 UHH, go to Table 4, Selected Characteristics of Credit Students Fall 2003-2007 [http://www.hawaii.edu/iro/maps.php?category=Enrollment](http://www.hawaii.edu/iro/maps.php?category=Enrollment)  
student populations not previously served by UH Hilo, and expanding degree/certificate offerings for non-traditional and returning adult students who wish to advance professionally but cannot step away from work and family responsibilities.

Conclusion

In closing, we believe UH Hilo is a sound institution. We have weathered a financial storm, though not without strains and sacrifice. We are taking steps now to repair our foundation and prepare for future challenges. We have continued to serve our students and community throughout a difficult period, and will continue to improve and enhance our ability to do that. We are committed to achieving our mission and vision, as spelled out in our strategic plan. We are equally committed to serving the needs of the community that called this campus into being.