Our Current Financial Planning - A Continuous Work in Progress.
The HCC Operational Model

Integrated Planning, Implementation, Budgeting, Assessment
Basis in Policy

• University of Hawai`i Executive Policy
• UH Community Colleges Policy
• Honolulu CC Policy
  – UHCCP 4.101 Integrated Planning, Resource Allocation, and Assessment
The Operational Model

- Strategic Planning
- Implementation Strategies
- Assessment
- Resource Requirements
STRATEGIC PLANNING

- **UHCC Strategic Plan** (2008)
  Complementary with UH System Plan
  Detailed Measurable Outcomes for Each College

- **HCC Strategic Plan 2010-2015** (2009)


- **HCC Long-Range Facilities Development Plan** (2011)
IMPLEMENTATION STRATEGIES

- **Implementation Plan** (2010-2015)
  Specific Activities to meet Strategic Outcomes
  Estimate of Implementation Costs
  Individuals Responsible and Involved
  Timetable

- **Annual Update** (2010-2015)
### RESOURCE REQUIREMENTS

- **Five-Year HCC Financial Plan** *(2010 - 2015)*
  - Anticipated Revenues
  - Planned Expenditures

- **Annual Budgets** *(2013 - 2015)*
  - Achievement of Strategic Plan Outcomes
  - Program Improvement *(from program review)*
  - Additional Operational Requirements
    - e.g. enrollment growth, R&M, need for additional space, health & safety, etc.
ASSESSMENT

• Program Reviews
  Annual Health Indicators Assessment
  Multi-year Trend Analysis

• Annual Report on Strategic Plan Progress (2011)

• Regional and Professional Accreditations
  ACCJC
  NATEF
  Others
Fiscal Biennium
Budget Update

January 2012
HCC General Fund Appropriations

• FY 2011
  – State appropriation reduced by $2,446,627
  – Legislature appropriated an additional $811,000 reduction.
  – More than a 19% decrease in General Funds compared to FY 2009

• FY 2012
  – State appropriation increased by $270,629
  – HGEA, UPW, and administration continue 5% salary reductions = $383,836
HCC Tuition & Fees Special Fund

• FY 2011
  – Tuition and Fee Special Fund increased by $746,538
  – By UH policy: Need-based scholarship expenditures resulted in $651,019 to eligible students

• FY 2012
  – Tuition and Fee Special Fund expected to increased by $525,328
  – By UH policy: Need-based scholarship expenditures will increase to $779,977 available to eligible students, an increase of 89% over FY 2009
Factors Impacting FB 2012-13 Budget

• $1,081,644 from the American Recovery and Reinvestment Act (ARRA) ended 6-30-11.

• Salaries of UHPA members were reinstated at annual cost of $859,220 beginning in FY 2012.

• Tuition rose to $97 per credit in FY 2012. Future tuition approved by BOR adoption for next 5 years.
So When is the Recovery?

• This is part of a long term trend; it appears to be the “New Normal”.

• Since the 1980s:
  – Personal Income has grown about 125%
  – Cost of higher education has grown 325%

• In Hawai`i:
  – UH portion of state budget has declined from 13% to 8%.
  – UHCC tuition has increased by 525%
Five-Year HCC Financial Plan

January 2012
## HCC Financial Plan FY 2009 to FY 2017

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<td>Total Planned Revenues</td>
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### Planned Expenditures

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<td>Regular Personnel</td>
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<td>Lecturers (full schedule)</td>
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<td>Student Assistants</td>
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<td>Temporary and casual</td>
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<td>Workers Compensation Insurance</td>
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<td>Supplies, Services, Equipment</td>
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<td>8,220,505</td>
<td>8,467,120</td>
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<td>Restoration Salaries to FY 09 Level-UHPA ONLY</td>
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<td>Restoration of UHPA Salary Reductions</td>
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<td>UHPA Salary Increase @ 3%</td>
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<td>Transfer to UOH 800-Performance Initiative</td>
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<td>Need Based Financial Aid New and Cont.</td>
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<td>Need Based Financial Aid Transfer Out</td>
<td>(2,320)</td>
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<td>New Classes to meet enrollment</td>
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<td>Appropriated TFSF Cost Transfer</td>
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<td>Facilities Renovation/Improvements</td>
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<td>Lease Rent for 801 Dillingham</td>
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<td>214,776</td>
<td>859,105</td>
<td>893,469</td>
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<td>Additional Operational Requirements</td>
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<td>Annual Contingent Reserve (1.0%)</td>
<td>335,642</td>
<td>339,920</td>
<td>349,839</td>
<td>361,810</td>
<td>370,815</td>
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<td>Operational ACCJC Mandated Reserve</td>
<td>1,488,321</td>
<td>1,773,343</td>
<td>1,829,252</td>
<td>1,855,545</td>
<td>1,923,708</td>
<td>1,947,039</td>
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<td>Total Planned Expenditures</td>
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<td>37,575,837</td>
<td>38,754,203</td>
<td>39,316,276</td>
<td>40,759,669</td>
<td>41,258,631</td>
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<td>Difference Between Revenue &amp; Expenditures</td>
<td>(66,542)</td>
<td>(1,591,980)</td>
<td>(807,212)</td>
<td>(352,173)</td>
<td>(700,284)</td>
<td>(455,572)</td>
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<td>Excess Reserve Funds (Nonrecurring)</td>
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How Do We Proceed?

• Maintain our focus on mission, planning, and assessment.
• Focus new and reallocated resources on critical issues:
  – Attainment of strategic outcomes
  – Program improvement through program review
  – Meeting new operational requirements
• Increase operational efficiency.
• Rigorously evaluate use of vacant positions to determine highest priority need consistent with #2.
• Increase non-state revenues
Annual Budget Update
FY 2013

January 2012
Our Critical Tasks

• Offer sufficient classes to meet enrollment demand.
• Design and implement activities to meet BOR approved Strategic Outcomes.
• Maintain a five-year financial plan that balances revenues and expenses.
• Make critical repairs and upgrades to aging infrastructure
• Prepare for ACCJC re-accreditation in fall 2012
Our Immediate Tasks

• Compile budget request items for consideration in FY 2013
  – Strategic Plan Implementation
  – Program Improvement
  – Additional Operational Requirements
• Seek advice from governance bodies on priorities
• Work with Budget Subcommittee to develop FY 2013 budget proposal
• Review and recommendation by Planning Council
## Annual Budget Development Cycle and Timeline

### Fall Semester 2012

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### Spring Semester 2013

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###Timeline

- **Faculty Return End of Instruction**
- **Distribute FY Allocation Letter**
- **Adopt Revised Implementation Plan (PC)**
- **Deans Submit PCRs for Strategic Plan Implementation**
- **Deans Submit PCRs for Additional Operational Requirements**
- **Recommend List of Additional Strategic Plan Implementation and Operational Requirements (PC)**
- **Review Report on Program Reviews (PC)**
- **Deans Submit PCRs for Program Improvement**
- **Distribute Comprehensive Budget Requests to Governing Bodies**
- **Governing Bodies Recommend Prioritization - 1**
- **Distribute Comprehensive Priority List**
- **Governing Bodies Recommend Prioritization - 2**
- **Recommended Budget Plan for next FY (PC)**

### Calendar

- **Fall Semester 2012**
  - 1-Jul
  - 13-Aug
  - 20-Aug
  - 27-Aug
  - 3-Sep
  - 10-Sep
  - 17-Sep
  - 24-Sep
  - 1-Oct
  - 8-Oct
  - 15-Oct
  - 22-Oct
  - 29-Oct
  - 5-Nov
  - 12-Nov
  - 19-Nov
  - 26-Nov
  - 3-Dec
  - 10-Dec

- **Spring Semester 2013**
  - 3-Jun
  - 10-Jun
  - 17-Jun
  - 24-Jun
  - 1-Jul

### CAMP:

- US
- CLOSED D