

**STANDARD IID:
RESOURCES:
FINANCIAL RESOURCES**

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III.D: Financial Resources

III.D. Financial resources are sufficient to support student learning programs and services and to improve institutional effectiveness. The distribution of resources supports the development, maintenance, and enhancement of programs and services. The institution plans and manages its financial affairs with integrity and in a manner that ensures financial stability. The level of financial resources provides a reasonable expectation of both short-term and long-term financial solvency. Financial resources planning are integrated with institutional planning.

Descriptive Summary

The University of Hawaii's annual operating budget cycle is based on the State of Hawai'i fiscal year, which is July 1, 20XX to June 30, 20XX. The University of Hawaii including Honolulu Community College is able to augment its general funds on an annual basis. This budgeting process is accomplished by either requesting funds from the State of Hawaii Legislature on a Biennium period (two fiscal years) or on a Supplemental period (2nd fiscal year of the Biennium period). The Biennium Budget Request is considered to be the primary method of augmenting each unit's general funds base.

The annual operating budget of the College primarily consists of general funds, and tuition and fees collected from students for classes. The general funds are static year to year unless reduced by legislative action. Generally, general funds account for approximately 80% of our annual operating budget. Tuition and fees account for the other 20% of the budget. During the period, July 1, 2008 to June 30, 2010, the general funds budget decreased from \$22,199,957 (319.00 FTE) to \$20,447,581 (323.00 FTE). This decrease is due to the economic condition of our State and Nation. However, during the same period, tuition and fees collection increased from \$4.3 million to \$6.4 million. This increase is attributable to increased student enrollment and increase in the per credit rate. The College received Enrollment Growth Funds (EGF) from the Vice President for Community Colleges to address its increasing enrollment. The College received \$105,375, net in FY 2010 and allocated \$175,260, net in FY 2011 in EGF. Furthermore, to offset the FY 2010 general funds Executive restriction of \$2.5 million, the College received temporary *American Recovery and Reinvestment Act* (ARRA) funding of \$ 1.3 million (FY 2010) and \$ 1.1 million (FY2011). The ARRA funds were used to augment lectureship costs and support the implementation of the College's Strategic Initiatives, such as enrollment growth, equipment replacement, expanding Financial Aid, Improving Developmental Education, and Achieving the Dream. The total amount allocated in FY 2011 was \$397,016(FY 2011 General Fund and Tuition and Fees Special Funds Allocation-Final). The ARRA funds lapsed at the end of FY 2011, however, the University and the Community Colleges were successful in obtaining general funds in the FB 2011-13 Budget Requests from the 2011 Legislature to replace the ARRA funds. These replacement funds were allocated to the Vice President for Community Colleges. It was agreed by the Community College Chancellors that these funds would be allocated to the campuses based on meeting performance based goals and funding implementation plans which would address the College's Strategic Initiatives.

For FY 2012, the College was allocated \$418,530 (\$516,704 maximum) based on meeting performance-based goals in FY 2011. The College received \$397,016 in FY 2011 to meet its Strategic Initiatives and expects to equal or exceed this amount in FY 2012. Moreover, the College is receiving Carl Perkins funding on an annual basis to improve its Career and Technical Education Programs. During the periods FY 2010 to FY 2011, the College was able to maintain its existing programs and also reallocate funds to start up a new program *Music and Entertainment Learning Experience* (MELE) with funds it generated and/or was appropriated. Furthermore, the College was able to fund (approximately \$250,000) the redesign of its remedial English and Math Programs. The College also has the financial resources to address emergency situations such as budget shortfalls, equipment replacement and facilities repairs. These resources are due to the prudent management of the College assets as demonstrated by its excess reserve funds. Excess reserve funds are funds in excess of the Community College's Reserve Policy. The College had \$398,000 in FY 2009, \$1.2 million in FY 2010 and \$2.0 million (UHCC Reserve Status Report-Unrestricted Funds {General, Special Revolving} Excluding Dormitory/Student Activities) in FY 2011. Furthermore, the Community College's tuition rates were increased for periods FY 2013 to FY 2017 to address the issues of increased costs to delivery education. These tuition rates were approved by the UH BOR on October 26, 2011 [[UH Systemwide Administrative Procedures E6.201 Tuition Schedules, 2012–2013 through 2016–2017](#)].

The College's budgeting process focuses on Long Range Strategic Planning Goals, the development of implementation strategies to achieve the strategic goals, the development of resource requirements to fund the implementation strategies and the annual assessment of the implementation strategies to determine validity of the implementation strategy and make the necessary adjustments. The College's Annual Operating Budget consists of:

1. Achievement of Strategic Plan outcomes based on implementation strategies.
2. Program improvement activities based on annual program review/assessment.
3. Additional operating requirements, such as health and safety, enrollment growth, need for additional space, emergency repairs and maintenance, etc.
4. The Current Service budget to maintain the College's existing programs and services.

The College annually reviews its budgetary needs to support its current instructional and non-instructional programs and support services. This review process is based on reviews among the various Vice Chancellors, Deans and Directors, Division Chairs, Program Coordinators, and the Campus Leadership Team.

The College is continuously reviewing and adjusting its 5-year budgetary plan that ends FY 2015 to meet strategic goals and ensure financial stability. This review process insures that the College has sufficient funds to implement both short-term and long-range institutional plans. The College also relies on the State's BJ [Budget Journal] Tables, which provides both historical and long range planning by position numbers, other operating costs and equipment. Furthermore, the Community College's System Office provides managerial financial information (Budget Level Summary) which allows the College's administrators to make sound financial decisions based on overall amounts. Moreover, College utilizes its Long Range Development Plan (LRDP) to guide the

development and expansion of its facilities to meet programmatic requirements. This 30-year plan is approved by the BOR and is required for all Capital Improvement Projects (CIP) submitted to the Legislature. Furthermore this plan provides budgetary information to plan long range funding needs for CIP projects. [[Minutes, Board of Regents Meeting, March 17, 2011](#)]

III.D.1. The institution relies upon its mission and goals as the foundation for financial planning.

III.D.1.a. Financial planning is integrated with and supports all institutional planning.

Descriptive Summary

The three primary components of the yearlong fiscal planning process include a review of the Strategic Plan, including mission and goals, a review of program effectiveness (formerly using Program Performance Health Indicators, or PHI), and ultimately finalizing the budget request for submission. The annual review of program effectiveness is currently being modified to change the indicators and assessments recorded during the review process. The new review process is identified as an Annual Assessment of program effectiveness. Honolulu Community College uses the Annual Assessment process to set goals for program improvement and identify changes necessary to accomplish those goals. The goals for achievement identified through the annual review processes are incorporated into the budget planning process.

Approximately 77% of the College budget request is for personnel costs. The remainder of the budget covers operating costs of the College. The College establishes budget priorities for new initiatives based on the strategic plans for the College, the University of Hawai`i Community College System, and the University of Hawai`i System; initiatives and priorities identified within the local community; and through the Program Review and Annual Assessment process. Additionally, the governing bodies of the Planning Council (PC), the Faculty Senate Executive Committee (FSEC), the Staff Senate Executive Committee (SSEC), the Kupa Ka Wai Council (KKW) and the Associated Students of University of Hawaii – Honolulu Community College (ASUH-HCC) are tasked to make recommendations regarding campus priorities for new initiatives. Based on the recommendations submitted by these governing bodies, the Chancellor and his Administrative Staff determine the final campus prioritization. After the local campus priorities have been determined, the budget is submitted to the University of Hawai`i Community College System. The Chancellors of the Community Colleges then determine relative priorities for the entire budget initiatives submitted from the seven Community Colleges.

The financial planning process is based on the institutional planning documents, including the Strategic Plans for the University of Hawai`i System, the University of Hawai`i Community Colleges, and Honolulu Community College, the Long Range Development Plan (LRDP), Program Review and Annual Assessment. All CIP budget requests submitted to the University of Hawai`i Board of Regents must be supported by

the LRDP, otherwise the request will not be approved by the Board. The financial planning process for existing programs also incorporates results of Annual Assessments of program effectiveness to determine budget priorities.

At times external factors may dictate the College not following the prescribed planning process. These short notice requirements may affect annual budget priorities. The College leadership consistently receives up-to-date information about fiscal planning and is directly involved in both institutional planning and fiscal planning and is well aware of the links between fiscal planning and institutional planning. [[Integrated Planning, Resource Allocation, and Assessment - HCCP # 4.101](#)]

Self Evaluation

The College meets the standard.

Honolulu Community College uses the Annual Assessment and Program Review processes to set goals for program improvement and identify changes necessary to accomplish those goals. On March 3, 2009 the Planning Council approved a set of criteria for all budget requests. These criteria require all Divisions/Departments/Units to demonstrate the need for all budget requests through their respective Program Reviews or current accreditation standards. In addition, these requests must be clearly aligned with the college's Strategic Plan and Mission. [[Criteria for Budget Requests & Proposals](#)]

In March of 2010 the Chancellor informed the College that setting priorities for the budget items shall be the joint responsibility of the Planning Council, the Faculty Senate Executive Committee (FSEC), the Staff Senate Executive Committee (SSEC), the Kupu Ka Wai Council (KKW) and the Associated Students of University of Hawaii-Honolulu Community College (ASUH-HCC). These priorities are set into the college's Biennium Budget, which is then presented to the Vice President of Community Colleges, the President of the University, and the Board of Regents.

The process, however, was not strictly followed. Most, if not all 2012-13 budget items did not have the initial proposal forms linking them to the College's and the System's Strategic Goals. The Interim Vice-Chancellor of Administrative Services has stated that the list of budget items was created by the Administration and presented to the governance bodies for review and prioritization. However, for the 2013-14 budget, the process is being followed with all items being linked to the College's Strategic Goals.

Actionable Improvement Plans

The Chancellor and Vice-Chancellors of the College must strictly enforce the planning and budget guidelines that have been established.

III.D.1.b. Institutional planning reflects realistic assessment of financial resource availability, development of financial resources, partnerships, and expenditure requirements.

Descriptive Summary

The Vice-Chancellor of Administrative Services (VCAS) provides up-to-date information about funding and budgets to the Governing Bodies, who work together to determine the priorities and allocations for budget resources. Additionally, the University of Hawai'i Financial Management Information System (FMIS) provides electronic access to up-to-date information about available funds which is readily available to the respective bodies. Funding needs are identified by programs in their Program Review submittals and/or Implementation Plans to meet the College's Strategic Goals. Alternate funding avenues are also taken into consideration prior to identifying and prioritizing funding for program needs, which would allow the reallocation of budgeted funds to other areas of need. An example of this would be the MELE programs funding donation from Mike Curb. After funding requests are prioritized by the Governing Bodies, the Budget Planning Committee of the Planning Council collectively review the priorities and make funding allocations based on the budget amounts provided by the VCAS and the relative needs justified by the respective programs. All priorities for funding are based on impact of student learning and/or institutional needs for non-academic units. Funding priorities are described by the LRDP, Strategic Plans, and Implementation Plan to meet Strategic Goals, Annual Assessment and Program Review. The Planning Council (PC) annually reviews these budgetary and programmatic requests based on a five year budgetary plan that ends FY 2015 in order to assess financial resource availability to meet both short term and long term academic goals. This five year plan shows both resource and expenditure requirements. PC recommends the budget to the Chancellor. The Chancellor approves the budget.

Self- Evaluation

The College meets the standard.

The College continues the implementation of Annual Assessment Program Review processes to set goals for program improvement and to identify changes needed to achieve these goals. Furthermore, the College is continuously reviewing and assessing the Implementation Plan to meet Strategic Goals in order to meet academic goals of the University. The PC approved a set of criteria for all budget requests. These criteria require that all Divisions/Departments/Units demonstrate the need for all budget requests through their respective Program Review or current accreditation standards. Additionally, requests must be clearly aligned with the College's Strategic Plan and Mission. Priorities for budget items are the joint responsibility of the Planning Council (PC), the Faculty Senate Executive Committee (FSEC), the Staff Senate Executive Committee (SSEC), the Kupu Ka Wai Council (KKW), and the Associated Students of University of Hawaii-Honolulu Community College (ASUH-HCC). These priorities are set into the College's Biennium or Supplemental Budget, which is recommended by the Vice President of Community Colleges and the President of the University, and then approved by the Board of Regents.

Actionable Improvement Plans

No action is required.

III.D.1.c. When making short-range financial plans, the institution considers its long-range financial priorities to assure financial stability. The institution clearly identifies and plans for payment of liabilities and future obligations.

Descriptive Summary

Biennial budget requests and annual supplemental requests clearly reflect the priorities established by the system's Strategic Plans, Long Range Development Plan (LRDP) and Program Reviews and Annual Assessments. The continued prioritization of the Annual Budget and Capital Improvements reflect this. Furthermore, the College utilizes a five year resource and expenditure plan to determine whether or not funding should be allocated.

An example of planning was the execution of a long term facilities lease for the College's AERO program was not initiated until funds were allocated by the State of Hawaii Legislature in 2007. This long term lease is for the period July 1, 1998 to June 30, 2030 at an annual cost of approximately \$52,000. All costs are paid when incurred, or existing funds are reallocated to reconcile the debt. Employee benefits, such as long-term retirement benefits, are funded by the State of Hawaii.

The Community College System has a Cash Reserve Policy, which requires all its Colleges' to maintain a cash reserve that meets ACCJC requirements for financial stability. Honolulu Community College has cash reserves in excess of the 5% requirement of ACCJC.

Self-Evaluation

The College meets the standard.

The college pays all obligations when due or will request for general funds from the Hawaii State Legislature. Funding for authorized positions is approved by the State Legislature; unfilled positions cannot be filled without sufficient funding and programmatic needs. Additionally, funding for authorized salaries and wages are provided by the State's legislatively appropriated budgets including long-term retirement benefits for general funded employees which are paid for by the State of Hawaii. The UH system is self-insured and the UH Community College System maintains adequate cash reserves for emergency situations.

Actionable Improvement Plans

No action is required.

III.D.1.d. The institution clearly defines and follows its guidelines and processes for financial planning and budget.

Descriptive Summary

The College has established procedures for financial planning and budget development. The members of the College have the opportunity to participate in the process through their departments and division representatives on the leadership councils. There is continuous assessment throughout the process. The process for financial planning and budget are communicated to the college from the administration to the college leadership groups including the Planning Council (PC), the Faculty Senate Executive Council (FSEC), the Staff Senate Executive Council (SSEC), the Kupu Ka Wai Council (KKW) and the Associated Students of University of Hawaii – Honolulu Community College (ASUH-HCC) Meetings are held by these groups with their respective constituencies to share this information and obtain feedback. Information of this process is posted on the College's Intranet.

There is an established process and timeline for developing the college's annual and long range budget planning. In 2011 the college adopted an operational model that integrates strategic planning, implementation strategies, resource requirements and assessment.

Self Evaluation

The College meets the Standard.

The results of the HCC Accreditation Self-Study Spring 2012 found that over 50% of the respondents agreed with the statement "I understand how budget and resource allocations are made at this campus." Additionally, 46% of those surveyed agreed with the statement "I have the opportunity to provide input to budget and resource allocation processes at this campus." [[Accreditation Self-Study Spring 2012 Executive Summary](#)]

Actionable Improvement Plans

The College should continue to improve communication with the campus community regarding the budget and financial planning process.

III.D.2. to assure the financial integrity of the institution and responsible use of financial resources, the financial management system has appropriate control mechanisms and widely disseminates dependable and timely information for sound financial decision-making.

III.D.2.a. Financial documents, including the budget and independent audits, reflect appropriate allocation and use of financial resources to support student learning programs and services. Institutional responses to external audit findings are comprehensive, timely, and communicated appropriately.

Descriptive Summary

The budget shows that funds are allocated in a manner intended to realistically achieve the institution's stated goals for student learning. Audits of financial statements within the University of Hawai'i System have traditionally been done on a system-wide basis. Consequently, there have previously been no audits of the financial statements for the individual campuses. As of July 21, 2005, ACCJC/WASC has agreed to accept, for a period of two years, a modified audit method that will append the consolidated financial statements for the community college system to the University of Hawaii consolidated financial statements in the annual audits. The ACCJC/WASC has continued to accept this modified audit. The A133 Financial and Compliance audits of Federal funds, also performed on a system-wide basis, include findings for individual campuses. The College has received findings in these audits and has responded to all audit findings.

Self Evaluation

The College meets the Standard.

Actionable Improvement Plans

No action is required.

III.D.2.b. Appropriate financial information is provided throughout the institution.

Descriptive Summary

A cycle of planning has been established and consists of an integration of the strategic planning, implementation strategies, resource requirements, and assessment. [[The Operational Model](#)]

Various key committees which include the Planning Council (PC), Faculty Senate Executive Committee (FSEC), Staff Senate Executive Committee (SSEC), Kupu Ka Wai (KKW), and The Associated Students of University of Hawaii-HCC (ASUH-HCC) disseminate the plans to their constituencies for input. Through this review process, an implementation plan is developed which includes budget requests. A flowchart and timeline was created to outline the planning process.

[Annual Budget Development Flow Chart](#)

[Annual Budget Development Cycle and Timeline](#)

Fiscal conditions of the college are provided by monthly statements from the deans which are then disseminated to the department heads. In addition, clerks have access to the computerized fiscal status of budget and expenditures. The procedure for service budgets is initiated by a meeting with individual department heads and the VCAA and VCAS. In

the recent years, the requested budgets were approved without significant changes.

The UH system performs a yearly audit which satisfies the federal government requirements.

Self Evaluation

The College meets the standard.

The College has established a strategic planning cycle. However, the timelines are not being adhered to. Documents relevant to long-range planning are available on the College's Intranet. The UH System Financial Statements are available on the [UH Vice President for Budget & Finance / CFO website](#).

Up-to-date reports on status of accounts are available to the representatives for the Deans, academic divisions and administrative programs.

Actionable Improvement Plans

In the past two years, the College has reexamined and adopted new guidelines and timelines on the strategic planning process. These documents should be communicated regularly to the College constituency. In addition, the timeline for the process should be followed.

III.D.2.c. The institution has sufficient cash flow and reserves to maintain stability, strategies for appropriate risk management, and realistic plans to meet financial emergencies and unforeseen occurrences.

Descriptive Summary

The UH community colleges' Unrestricted Fund Policy document includes a Reserve Status Report of Unrestricted Funds, which shows the adjusted unrestricted funds balances for each campus for Fiscal Years 2009-2011. For this College, the unrestricted funds for each of the prior fiscal years are reported as follows: FY 2009 (\$398,637), FY 2010 (\$1,275,312), FY 2011 (\$2,008,486). The College has established consistent reserves of 5% that meets the policy.

Based on agreement among the community colleges, each community college will establish and maintain a reserve of 3-4%% of unrestricted funds. Our College's cash reserve is well above the recommended level. The community college system maintains an additional reserve to meet the ACCJC recommended requirement for a 5% reserve. The College can obtain additional funds from the community college system and from the UH system financial resources if the need arises.

The College receives funds from a variety of sources, including general funded allocations from the State; special funds from tuition and fees for credit and non-credit

class offerings, testing, hands-on services; revolving funds such as financial aid reimbursements; federal funds from grants; financial aid; and foundation funds.

The receipt of revenues does not create a cash flow problem for the College. Individual revolving fund accounts can have a negative balance as long as the total balance for all special and revolving funds remain positive. Since tuition and fees are received at the beginning of each semester, this provides a large positive balance in the special funds category and offsets occasional or periodic negative balances in individual revolving accounts.

The UH community college system is self-insured and maintains reserve funds to cover system-wide needs for the community colleges. The College follows the UH system's guidelines and procedures for risk management. An agreement has been established among the community colleges such that the individual campuses will maintain a 3% reserve balance from Non-restricted Funds carried over between fiscal years, and the community college system will maintain additional reserves in Repair and Maintenance funds to meet the ACCJC recommended 5% reserve standard. The UH system maintains sufficient reserves to handle financial emergencies. In the event that a catastrophic emergency occurs (eg. the flooding at Hamilton Library at the UH Manoa campus), external funding from the State or federal levels would be sought to supplement the emergency reserves within the UH system and to avoid completely depleting the emergency reserves of the UH system.

Self Evaluation

The College meets the Standard.

Actionable Improvement Plans

No action is required. The College maintains a reserve of at least 5%, which is above the 3% amount established for the individual campuses and the amount established by the ACCJC.

III.D.2.d. The institution practices effective oversight of finances, including management of financial aid, grants, externally funded programs, contractual relationships, auxiliary organizations or foundations, and institutional investments and assets.

Descriptive Summary

The University of Hawai'i System fiscal management procedures govern fiscal management and review procedures at Honolulu Community College. All fiscal transactions are reviewed as they occur to ensure that they conform to the University's requirements and procedures. All contracts are executed through the University of Hawai'i Procurement Office, which ensures they conform to the contracting requirements and procedures. Audits of financial statements have previously reviewed only the system-wide consolidated financial statement, instead of reviewing financial statements

for individual community colleges. Other audits, such as the Financial and Compliance A133 audit of Federal funds, have included findings relevant to specific campuses including Honolulu Community College. Financial program reviews within the University of Hawai'i System are performed on an ongoing, continuous basis as procurements are made.

Self Evaluation

The College meets the Standard.

Honolulu Community College continues to comply with the University of Hawai'i fiscal management procedures and is subject to University of Hawai'i System audit procedures.

Actionable Improvement Plans

No action is required.

III.D.2.e. All financial resources, including those from auxiliary activities, fund-raising efforts, and grants are used with integrity in a manner consistent with the mission and goals of the institution.

Descriptive Summary

All financial resources are reviewed on a regular basis to ensure that all resources and expenditures are consistent with the mission and goals of the institution. The Chancellor and Deans of the institution first ensures that all of the resources and expenditures meet the institution's mission and goals. The State of Hawaii Auditor and the UH Internal Audit Office audits special funds on a regular basis. The institution; along with the UH Office of Research Services and UH General Accounting Office, are part of the annual UH A-133 Audit for all grant funds; including financial aid. The UH Foundation Office assists the institution with fund-raising and monitoring fund usage and audited separately from the University. There have not been any material findings in the last five years. Immaterial findings have been responded to by the institution and implemented corrective actions to demonstrate the integrity of financial management practices.

Self Evaluation

The College meets the Standard.

All expenditures and revenues are reviewed to ensure that they are used with integrity in a manner consistent with the mission and goals of the institution through regular audits.

Actionable Improvement Plans

No action is required.

III.D.2.f. Contractual agreements with external entities are consistent with the mission and goals of the institution, governed by institutional policies, and contain appropriate provisions to maintain the integrity of the institution.

Descriptive Summary

Current information on contractual agreements and obligations are located at the Business Office. All contractual agreements are made in accordance with UH system policies. The purchase of goods and services are covered under UH policy A8.270 (Procurement-Types of Contracts.) Extramurally funded grants and contracts are under UH Policy A8.900 (Accounting for Research & Training Contracts & Grants.) [[UH Systemwide Administrative Procedures A8.270 Types of Contracts; UH Systemwide Administrative Procedures A8.910 Procedures for the Preparation and Submission of Proposals to External Sponsors and the Review/Approval Requirements for Sponsored Agreements](#)]

All policies are developed by the UH system. These guidelines provide a clear framework to ensure that external funding opportunities meet our institutional goals and are clearly aligned with the College's mission statement. Contractual agreements that exceed \$25,000 are reviewed and coordinated by the UH System Procurement Office. Policies governing contracting processes include section A8.200 of the University System Administrative Procedures available as part of the Administrative Procedures Information System, Chapter 8 of the Board of Regent Policies and Bylaws and Chancellor for Community Colleges Memorandums (CCMS) relevant to community college Special Funds, Revolving Funds, and Service Contracts.

Self Evaluation

The College meets the Standard.

All contractual agreements that are awarded and managed comply with UH policies, demonstrating that all contracts are accurately established, monitored, and managed.

Actionable Improvement Plans

No Action Required.

III.D.2.g. The institution regularly evaluates its financial management processes and the results of the evaluation are used to improve financial management systems.

Descriptive Summary

The UH system performs annual external audits on a system-wide basis. The University of Hawaii Community Colleges (UHCC) gained initial approval in July 2005 to provide consolidated UHCC financial statements that meet the needs and standards of the ACCJC. The College performs Annual Assessments of programs that are based on

achievement of strategic planning goals and program improvement activities based on annual program review.

Self Evaluation

The College meets the standard but needs improvement.

The UH system will be transitioning to a newly developed financial management system that will increase the College's overall ability to efficiently manages its fiscal processes. The current Financial Management Information Systems (FMIS) will be transitioning to the Kuali Financial Systems (KFS) starting July 1, 2012. The improved system will allow for increased electronic workflow, modular architecture, and reduced implementation costs.

The College has made improvements to the current operational budgeting model. The budgeting process is centered around long-range strategic planning goals and program improvement activities based on annual assessment of programs. Results from this process are evidenced by the five-year budget that started in 2009-2015. In addition, the college annually reviews its current service budget to maintain existing programs and services.

Actionable Improvement Plans

The College must continue to improve the newly adopted operational budgeting model and ensure timely implementation during the academic school year.

III.D.3. The institution systematically assesses the effective use of financial resources and uses the results of the evaluation as the basis for improvement.

Descriptive Summary

The Planning Council has the responsibility to periodically review of the College Mission and Goals, coordinate the Strategic Action Plan and Budgeting Process, and monitor the processes related to institutional research and effectiveness. As clearly indicated in its Charter, the duty of the Planning Council is to provide input into the processes of strategic planning and budget prioritization. The Council has undertaken several steps to ensure more transparent, inclusive and efficient processes in these areas.

The *Annual Budget Implementation Plan* is a yearly-updated list of specific action steps identified by different campus constituencies as those needed to achieve strategic goals and objectives. The College annually reviews, updates and prioritizes this list of specific tasks and needs. The Planning Council has the primary responsibility for carrying out this review and updating process.

Self-Evaluation

The College meets the standard.

Planning Council members have been consistently effective in communicating with the campus community at large regarding revisions in planning processes and document names, as well as the ongoing revision of the Strategic Plan and the creation of performance measures. Communication methods include frequent email announcements from the Planning Council Chair and administration, an extensive website with several relevant links, and campus wide Town Hall meetings dedicated to the topics of strategic plan and annual budget implementation plan activities.

One of the primary achievements of the Planning Council has been refining the process of updating the Annual Budget Implementation Plan (formerly called the Strategic Plan). Through policy documents, the Planning Council explicitly links the ongoing program and departmental assessment with the essential and required use of these results in planning and budgeting decisions. The Planning Council approved two key documents codifying this link: an explicit statement asserting the relationship between strategic planning and assessment activities, and an Assessment and Planning Guide. These documents were disseminated to the College through email announcements and posted on the intranet. The emphasis in both documents is to increase the transparency of the planning process and facilitate increasingly effective and systematic use of assessment data in planning and budgeting decisions. In all communications with the campus, via email, posted information or Town Hall meetings, the emphasis is on the need to use assessment and program review findings to justify and thereby strengthen the prioritization of annual budget implementation task proposals.

In Spring 2008, the Planning Council conducted a survey of the campus to solicit input regarding the strategic planning process. Survey questions evaluated the clarity, effectiveness and inclusivity of the 'strategic planning' (annual budget implementation plan) process. Results from these surveys were used to revise the process. The results from this survey were discussed at a Fall 2008 Town Hall Meeting. The results also were an important component in the Planning Council Chair's report to the Council on recommended changes.

A Town Hall Meeting in October 2008 was facilitated by the Vice Chancellor for Academic Affairs and the Planning Council Chair. It focused on sharing with campus members the requirements for submitting strongly supported items to the Annual Budget Implementation Plan (at that time called the Strategic Plan). The process of submission and the manner by which the Planning Council prioritized these proposals for potential funding was explained. Examples of effective use of data in support of budgeted action step requests were shared. The Planning Council Chair also outlined goals for improving the Strategic Plan (Annual Implementation Plan) process, including discussion of campus survey results. Attendees asked questions and offered input, as well as writing out further suggestions for improvement or needed clarification. The PowerPoint presentation for this session was posted on the intranet for those who could not attend. This information was incorporated in the revision of the Assessment and Planning Guide and many of the planning actions for improvement have been carried out.

A Town Hall Meeting in March 2009 provided an overview of fiscal and budgeting challenges faced by the state, and implications for the College. The Vice Chancellor for Administrative Services provided a review of federal stimulus money and rules for use of these funds. The Planning Council Chair provided an overview of the current cycle and process of updating the Annual Implementation Plan. This included presenting samples of submissions from past years which received high priority and which demonstrated effective use of supporting assessment and/or program review data.

At a Town Hall Meeting in April 2009, the Vice Chancellor for Administrative Services outlined the new detailed fiscal report that will be conducted annually and posted for the campus community. This report includes a breakdown of all program, department, and/or unit expenditures including: personnel, equipment, operations and resources from general funds, tuition and revenues and special funding.

Some of the significant improvements in annual implementation planning and budgeting processes enacted by the Planning Council as a result of these discussions, reports and surveys. For example, explicit and clear criteria to be used in evaluating budget priorities from the annual implementation plan were articulated and published. Comprehensive flow charts outlining the flow of decision making, and opportunities for input into the Strategic Plan Annual Budget Implementation Plan were created and shared with the campus via email announcement and posting on the intranet. These flow charts map the process within the College for submitting and prioritizing budget items, as well as the process for inclusion of proposed items in the UHCC and UH system budgets and submission to Hawaii State Legislature. Also drafted and shared with the campus was a flow chart outlining the process of creating and submitting the biennium budget to the legislature. These charts enhance understanding and awareness of the processes, timelines, and means by which College campus members can participate in or track decisions.

Actionable Improvement Plans

The Planning Council has undertaken many actions to improve the planning process, in response to campus concerns and input. The Planning Council will continue to actively seek input from the campus in its efforts to revise and refine the annual implementation planning process including surveying the campus community and targeted town meeting sessions. Town Hall meetings are also valuable in imparting information to the campus, helping inform those attending and sharing what was presented to the rest of the College community through posted information from these sessions.

To ensure implementation of actions necessary to achieve strategic plan objectives, an implementation framework has been created by administrators, which explicitly indicates parties, offices and/or committees responsible for achieving stated outcomes. This implementation framework directly links accountability to specific administrative positions. This will help to ensure follow-through on the strategic plan, as well as providing the basis for more transparent outcomes based assessment of administration.

III.D. EVIDENCE

[UH Systemwide Administrative Procedures E6.201 Tuition Schedules, 2012–2013 through 2016–2017](#)

[Minutes, Board of Regents Meeting, March 17, 2011](#)

[Integrated Planning, Resource Allocation, and Assessment - HCCP # 4.101](#)

[Criteria for Budget Requests & Proposals](#)

[Accreditation Self-Study Spring 2012 Executive Summary](#)

[The Operational Model](#)

[Annual Budget Development Flow Chart](#)

[Annual Budget Development Cycle and Timeline](#)

[UH Financial Reports](#)

[UH Systemwide Administrative Procedures A8.270 Types of Contracts](#)

[UH Systemwide Administrative Procedures A8.910 Procedures for the Preparation and Submission of Proposals to External Sponsors and the Review/Approval Requirements for Sponsored Agreements](#)

[Accreditation Self-Study Spring 2012 Executive Summary](#)

[Assessment and Planning Guide \(December 2008\)](#)

[Planning Council Chair Memo - February 20, 2009](#)

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