



UNIVERSITY  
of HAWAII<sup>®</sup>  
SYSTEM

David Lassner  
President

DEPT. COMM. NO. 148

December 20, 2017

The Honorable Ronald D. Kouchi,  
President and Members of the Senate  
Twenty-Ninth State Legislature  
Honolulu, Hawai'i 96813

The Honorable Scott Saiki, Speaker  
and Members of the House of Representatives  
Twenty-Ninth State Legislature  
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, the University of Hawai'i is transmitting a copy of the Report on Expenditure of Lump Sum Funds (Act 119, Session Laws of Hawai'i 2015, Section 28) as requested by the Legislature.

In accordance with Section 93-16, Hawai'i Revised Statutes, this report may be viewed electronically at: <http://www.hawaii.edu/offices/government-relations/2018-legislative-reports/>.

Should you have any questions about this report, please do not hesitate to contact Stephanie Kim at 956-4250, or via e-mail at [scskim@hawaii.edu](mailto:scskim@hawaii.edu).

Sincerely,

A handwritten signature in black ink, appearing to be "David Lassner", written over a horizontal line.

David Lassner  
President

Enclosure

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# UNIVERSITY OF HAWAI‘I SYSTEM REPORT



REPORT TO THE 2018 LEGISLATURE

Report on Expenditure of Lump Sum Funds

Act 119, Session Laws of Hawai'i 2015 (Section 28)

December 2017

Act 119, SLH 2015 (Section 28)  
University of Hawai'i  
Expenditure of Lump Sum Funds

Section 28 of Act 119, Session Laws of Hawai'i 2015, specifies that \$6,360,818 for fiscal year 2016-2017 may be transferred to other University of Hawai'i (UH) program IDs in accordance with performance-based outcomes relating to student achievement and degree attainment and articulation as established by the president of UH.

Distribution of Funds by Campus

The entire \$6,360,818 was transferred from Systemwide Administration (UOH900) to the various campuses where it was used to advance two of UH's four Strategic Directions – the Hawai'i Graduation Initiative (HGI) and High Performing Mission-Driven System (HPMS). HGI is dedicated to getting more students to attend college and graduate in a timely manner with a degree that meets their goals. HPMS focuses on cost-effective, transparent and accountable practices to ensure financial viability and sustainability. Attachment 1 provides a breakout of the funds transferred to and expended by each campus.

The majority of funds were expended to advance HGI strategies around access, enrollment, retention, and graduation efforts. \$1,315,948 was spent on enrollment related activities, including awarding merit scholarships for transfer students and targeting outreach and recruitment efforts toward specific populations such as K-12 students and adult learners. \$2,441,963 addressed student retention issues, a high priority area for all campuses. Funds were used to expand implementation of early alert systems to identify and assist at-risk students with timely intervention strategies, upgrade equipment in classrooms and labs to improve teaching and learning environments, and develop transfer pathways from 2- to 4-year campuses in STEM disciplines. Campuses devoted resources to increasing freshman activities, campus life improvements, and on-campus employment opportunities to encourage engagement and a sense of belonging, all of which positively impact student retention. Another \$2,479,510 was used to offer courses online and in critical shortage areas to ensure timely graduation.

The remaining \$123,000 was expended to promote administrative efficiencies under HPMS. Analyses of business processes within the admissions and financial aid offices were conducted to identify modifications and improve current operations. Funds helped to sustain document imaging system efforts which have had a tremendous impact on streamlining the processing of admissions documents.

### Discussion of Changes

As a result of this funding, campuses were able to target spending in specific areas that they previously might not have been able to. These initiatives were described in the previous section and included increased outreach and recruitment efforts, expansion of tools to identify at-risk students and provide timely intervention, the development of transfer pathways, and additional courses in shortage areas. These changes contributed toward increased credentials awarded and higher graduation rates, addressing the principal objective of the Hawai'i Graduation Initiative.

Because the very nature of the funding is performance-based and is not guaranteed, campuses are incentivized to maintain progress in performance metrics areas such as graduation and transfers, as well as the other sections of the student pipeline, i.e., recruitment and retention.

### Recommendation

The University recommends that the performance funding program continue and be made permanent. If sufficient resources are available, expansion of the program would also be beneficial to the University as the sole provider of public higher education in Hawai'i. Through this program, campuses have successfully piloted strategies and accelerated progress in priority areas to advance the goals of HGI and HPMS. These efforts, along with other collective efforts, have enabled UH to gain momentum around HGI's initiatives, and contributed toward record numbers of degrees and certificates awarded and improved graduation rates.

FY 2017 Expenditures by UH Unit  
Act 119, SLH 2015 Section 28

	UH Total	UHM	UHH	UHWO	UHCC
<b>Hawai'i Graduation Initiative (HGI)</b>					
Enrollment (e.g., recruitment, scholarships)	1,315,948	904,663	88,630		322,655
Retention (e.g., early alert, first-year experience, campus life, on-campus jobs; class equipment; transfer pathways)	2,441,963	369,806	148,311	455,658	1,468,188
Graduation (e.g., direct instruction to increase course offerings)	2,479,510	2,089,770	130,920		258,820
<i>HGI Subtotal</i>	<i>6,237,421</i>	<i>3,364,239</i>	<i>367,861</i>	<i>455,658</i>	<i>2,049,663</i>
<b>High Performing Mission-Driven System (HPMS)</b>					
Administrative efficiencies	123,397	30,637	92,760		
<i>HPMS Subtotal</i>	<i>123,397</i>	<i>30,637</i>	<i>92,760</i>	<i>-</i>	<i>-</i>
<b>Total</b>	<b>6,360,818</b>	<b>3,394,876</b>	<b>460,621</b>	<b>455,658</b>	<b>2,049,663</b>