



March 4, 2020

Ms. Jamiene S. Studley
President
WASC Senior College & University Commission
985 Atlantic Avenue, Suite 100
Alameda, CA 94501

Dear Ms. Studley,

Hawai'i Pacific University appreciates WSCUC's continuation of our accreditation in full. Further, we are grateful for the commission's many commendations of HPU related to our strategic planning, fiduciary oversight, collaborative leadership, and shared governance.

We recognize that during our review period, HPU incurred significant one-time financial expenses. These expenses, which were incurred with the full concurrence of our Board of Trustees and our bondholders, were necessary for the University to bring to fruition its campus master plan to consolidate operations to new facilities in Downtown Honolulu. This strategy has created the chance for HPU to realize a dynamic future as an urban campus, which is essential to a vibrant and sustainable future. The recent completion of our major relocations, completed on time and on budget, combined with better than forecasted enrollment revenues, careful monitoring of expenses, and increased fundraising, enable us to project that our year-end finances will be well in excess of what is required to ensure compliance with our bond covenants. In fact, we foresee a more-than \$6 million improvement in operating results over the prior year. Because we have \$5.2 million in depreciation, we will actually be cash flow-positive this fiscal year.

One of the factors that improved this year's financial position was the increase in our undergraduate persistence rate from fall to spring, which rose to 85 percent. This improvement is due to improved advising, new facilities, and increased student support, particularly by approximately 50 faculty and staff participating in our Hanai first-year mentoring program.

Another factor is the large year-over-year increase in spring enrollment with 200 newly enrolled students, including a 55 percent increase in transfer students.

We would also like to take this opportunity to update the Commission on our Fall 2020 enrollment picture, which continues to look promising. As of the end of February, our undergraduate applications are up over 70 percent year over year and we have now received more first-year undergraduate applications than any other year in the history of the university. Furthermore, while it's very early, our undergraduate deposits are up 60 percent over last year, and we have received more housing deposits on the first day of on-campus housing registration than in any other year. Our graduate applications are also up 24 percent year over year.

In short, we recognize that, by design, the Commission's evaluation is heavily weighted on where we *were*. But, as our many current indicators tell us, we see success in the many steps HPU has taken to significantly improve our finances, without cutting positions essential to student success, while launching nearly all of our Downtown Campus master plan with an attractive, efficient, and unique urban campus experience

that is already viewed as transformational. Moreover, we have instituted thoughtful tactics to become more competitive in the markets of both undergraduate and graduate enrollment. As a result, HPU has leveled off what had been the beginning of a short-term enrollment decline, and the university is on course for a successful enrollment recruitment year. Further, we are designing and implementing academic offerings that reach new demographics, including early-college, secondary students in Hawai'i, and we are creating meaningful professional workforce training and education based on input from federal, state, and private employers. We will also continue to reach more students across the entire learning spectrum with a growing footprint in online education.

A close look at where we *are*, and where we are headed as an institution makes clear why we fully expect to be in a significantly and satisfactorily improved financial position at the time of our next evaluation, which begins with a 2021 offsite review and the 2022 accreditation visit. We are confident that when WSCUC returns, the team will find HPU to be in a position of fiscal and programmatic strength.

Sincerely,



John Gotanda
President