


## CERTIFICACIÓN NÚMERO 2018-2019-009

YO, Amelia Maldonado Ruiz, Secretaria Ejecutiva de la Junta Administrativa de la Universidad de Puerto Rico en Humacao, CERTIFICO QUE:

La Junta Administrativa, en su reunión ordinaria del jueves 16 de agosto de 2018, aprobó por unanimidad el **Plan Financiero 2018-2021 de la UPR en Humacao**.

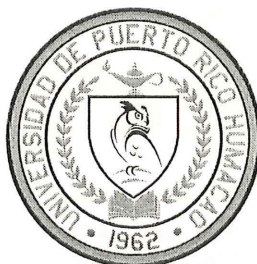
Y PARA QUE ASÍ CONSTE, y para remitir a las autoridades universitarias correspondientes, se expide la presente en Humacao, Puerto Rico, a veinte de agosto de dos mil dieciocho.

  
Dr. Héctor A. Ríos Maury  
Rector Interino y Presidente

  
Prof. Amelia Maldonado Ruiz  
Secretaria Ejecutiva

HARM:AMR:sbm

Anexo



**University of Puerto Rico at Humacao**

**Financial Plan 2018-2021**

**Submitted by Dr. Hector A. Ríos Maury, Interim Chancellor**



**March 2018**

*[Aprobado por la Junta Administrativa en reunión ordinaria el jueves 16 de agosto de 2018, según consta en la Certificación Número 2017-2018-009.]*

**Submitted by:**  
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**Interim Chancellor**

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Note: This Financial Plan is still under revision by the UPR deliberative bodies

## INTRODUCTION

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The University of Puerto Rico at Humacao (UPRH) founded in 1962 is a sub-graduate public institution classified as a Bachelor/Diverse. The UPRH was licensed by the General Council of Education of Puerto Rico in 1997 and has been accredited by the MSCHE since 1965. The UPRH 2017-2018 Fall enrollment was 3,736 students of which 97% were registered in the Institution's regular programs. Out of the total number of students enrolled, 40% belong to natural sciences programs, 34% to business administration, and 22% in arts programs, and 4% to articulated programs. Seventy-three percent of the new admission comes from the public school system, and more than 80% from the market area (Figure 10. For the 2016-2017 academic year, the retention rate was 90% (2015 Cohort). The institutional graduation rate was 48% for 2010 Cohort.

During the first semester of the 2017-2018 academic year, UPRH retained 303 faculty members of which 57% are females. Fifty-one percent of faculty members have doctoral degrees. Thirty-two percent of faculty are full professors, 18% are associate professors, 21% are assistant professors, and 29% are instructors. Out of the 335 faculty members, 197 are full-time regular employees and 138 are part-time non-permanent employees. There are another 322 nonteaching employees working in the Institution.

The organizational structure of UPRH is distributed into four areas: Chancellorship, Deanship of Academic Affairs, Deanship of Administrative Affairs, and the Deanship of Student Affairs. There are a total of 69 departments and offices. The largest portion of the budget is derived from the annual revenues of the Island (9.6%), which are assigned to the Treasury's general fund as well as to the special funds created by legislation as of July 1, 1993 (Law Number 1, January 20, 1996, as amended). The UPRH has a functional governance structure that enhances the fulfillment of our Mission, Vision and 2017-2022 Strategic and Action Plans with the participation of all of our stakeholders. Also, the drafted University of Puerto Rico- Fiscal Plan established the settings for the proper allocation of resources, the UPR system financial and operational goals and the metrics for each campus. Around these elements, the units have developed their operational plans and presented their financial needs to the administrators.

They manage the Institutional Financial Sources according to the established budget, which is assigned by the UPR Central Administration; and also the other funds sources. Since 2016-2017 integration between planning, budget and resource allocation is required and effectively used by the UPRH administrators in their managerial planning and operational decisions.

In accordance with this scenario, we implemented through this Financial Plan an analysis of how the institutional planning process and resources allocation are assigned. The primary goal is to assure the academic and administrative excellence and the efficient fulfillment of our Institutional Mission, throughout a continuous improvement process.

**Figure 1. Location of the Municipality of Humacao and the Market Area of the UPRH**



## Financial Resources

### *University of Puerto Rico System Financial Overview*

The fiscal situation of Puerto Rico is closely aligned to that of the United States. According to data from the United States Department of the Treasury, the cumulative economic contraction in the Gross National Product is 14.6%, with a prediction of an additional contraction of 3% for the next two years. This economic scenario directly affects the University of Puerto Rico. The Government of Puerto Rico's budget draft for fiscal year 2017-2018 recommended an allocation of \$669.7 million for the UPR from special assignments and \$40 million from other appropriations for a total of \$709.7 million, representing a reduction of \$162.6 million (-18.65%) from government allocations compared to fiscal year 2016-2017. These reductions were in


compliance with the requirements of the Puerto Rico Oversight Board established by the Puerto Rico Oversight and Management Stability Act (PROMESA) enacted by the United States Congress in 2016.

As presented in the Monitoring Report of September 1, 2017, some modifications in state appropriations for the University for FY2017-2018 were as follows:

**Table I: UPR State Appropriations from the Government of Puerto Rico  
Fiscal Years 2016-2017 and 2017-2018**

Amount in Thousands

<i>Sources of Funds</i>	<i>1</i>	<i>2</i>	<i>3</i>
	<i>Fiscal Year 2016 - 2017</i>	<i>Fiscal Year 2017 - 2018</i>	<i>Change (Col 2-1)</i>
<b>Revenues by Formula 9.6% UPR, Law 2 of 1966</b>	833,929	631,210	(202,719)
<b>Joint Resolutions</b>	38,503	37,111	(1,392)
<b>Other Revenues Government of PR</b>	\$ -	\$ 40,048	\$ 40,048
<b>Total appropriations from Government of PR to UPR</b>	<b>\$ 872,432</b>	<b>\$ 708,369</b>	<b>\$ (164,063)</b>



**-18.81%**

**Notes:**

1. *State Special Funds are not included since the UPR does not receive these funds from State Special Assignments directly. The estimated budget refers to projects where the UPR is subcontracted by another Agency or Municipality through the reimbursement mechanism.*
2. *Other Income It does not include funds from the Gambling Law that come to UPR through the Tourism Company*

In compliance with the Puerto Rico Oversight Board requirements, the University of Puerto Rico Board of Governors approved the *UPR Fiscal Plan* on July 31, 2017 to meet its fiduciary responsibility while maintaining institutional integrity, financial sustainability, fulfilling its mission, and supporting its academic offerings. After further evaluation of the first plan, the Institution put into effect a revision of the first document and is now in the process of approval of a revised version of the UPR Fiscal Plan. This new drafted version was discussed with representatives of the Financial Oversight and Management Board and we are currently in the process of discussing their recommendations by considering several scenarios and our strategic goals. We will submit the final version of the Fiscal Plan at the end of March 2018. This has been a participative process in where all deliberative bodies and stakeholders submit their opinions and recommendations.

The plan's guiding principles are:

1. Protect the human, financial, technical, and capital resources necessary to succeed in the attainment of the UPR vision and mission.
2. Implement the UPR *Strategic Plan 2017-2022* based and its four major areas of endeavor (educational environment, research and creative work, service to diverse communities, and sustainability) to achieve student success.
3. Prioritize administrative and academic transformations that are guided by efficiency and effectiveness criteria.
4. Reorganize the administrative and academic support services
5. Exercise financial responsibility regarding specific revenues and expenditure measures to support achievement of strategic and sustainable management goals.
6. Implement expense reduction measures at the UPR Central Administration, including operating and general expenses, and system service costs.
7. Diversify revenues through tuition increase, patents, government and UPR contractual agreements (Executive Order 2017-021), online academic offerings, collaborative agreements with the Department of Education and with local municipalities, and other initiatives such as the medical cannabis project.

The UPR is undertaking a substantial restructuring of its operations and identifying a number of revenue generating initiatives and expense containment measures to address the reduction in government appropriations and funding. Thus far, and by implementing all the above stated measures, the UPR will be in a position to accomplish its mission and continue to serve the people of Puerto Rico (UPR Fiscal Plan).

### ***University of Puerto Rico at Humacao Financial Overview***

The UPRH has a functional governance structure that enhances the fulfillment of our Mission, Vision and 2013-2014 to 2017-2018 Strategic Plan with the participation of all of our stakeholders. According to these elements, our campus has developed the operational plans and presented their financial needs to the UPR Central Administration. It ensures that resources are allocated to achieve the Institutional goals clearly focused on student success. We implemented better financial practices, which ensure the analysis of how the institutional planning process and resources allocation are assigned. The primary goal is to ensure the academic and administrative

excellence and the efficient fulfillment of our Institutional Mission throughout a continuous improvement process

The Institution obtains funds from diverse sources (government, gifts, grants, and contracts); however as stated in the introduction, the general funds given by the state government are the ones that mainly sustain our operations. Since 2010-2011, the General State Funds decreased consistently in an average of 5.22% annually (**Figure 1**).

**Figure 1: Four year UPRH Revised Budget Compilation**

<b>Fiscal Year</b>	<b>Adjusted Budget (\$)</b>
2014-2015	47,413,573.00
2015-2016	43,848,923.00
2016-2017	46,900,180.00
2017-2018	41,132,119.00*
	*Budget Assigned
Source: Original budget adjusted per UPRH program, the assigned budget was used for academic years 2016-2017 and 2017-2018	

This fiscal year of 2017-2018, UPRH received a budget of **\$ 41,132,119** from the General State Funds, which represent a reduction of 13% compared to the adjusted budget for 2014-2015 of **\$47,413,573**. The UPRH has been proactive in establishing the appropriate strategies to face this reality, which includes the elaboration and execution of a UPRH Financial Plan and the implementation of better financial practices. These efforts have begun to produce significant results in our financial planning efforts.

Although the institution's main source of income is still derived from the general fund, as shown in Figure 2, we projected a 5% increase in revenues from other sources, which demonstrates the commitment of our Institution to reduce its dependency on government funds. For 2019-2020, it is expected that we will begin to see a greater reliance on external funds. Nevertheless, it is clear that according to the new requirements of the Financial Oversight and Management Board for Puerto Rico, these processes need to be reinforced and new strategies have to be created. Financial Oversight and Management Board asked UPR, as a system, to strengthen their financial operations and to project additional financial cuts for the upcoming years. This has lead



us to carefully evaluate the next financial steps of our Institution in order to efficiently use the assigned funds and to promote the development of innovative solutions that will result in attaining new sources of funds.

Nevertheless, it is important to highlight the success of our Institution in properly handling this budget contraction and to comply with the Institutional goals established in the UPRH Strategic Plan (Alignment available at the visit).

In addition, it is important to recognize the Institution's effectiveness to maintain quality in service primarily focused on Student Success. Since 2016-2017, the integration between planning, budget and resource allocation was improved and certified by UPRH Administrative Board. By aligning the budget resources with the strategic planning, we have created a direct link between the available resources and the fulfillment of our Institutional goals. This is evident in the number of students successfully graduated in the past three academic years, **2014-15** (539 students), **2015-2016** (496 students) and **2016-2017** (543 students) and the sustained achievements of our research programs and its faculty. Moreover, the awards received in local demonstrate the Institution's effectiveness, national and international competitions where our students participated and applied the knowledge acquired in their classroom and laboratories.

These elements directly related to a proper financial management were also proved in the 12 academic programs and services offices that were reaccredited. This demonstrates the Institution's full capacity to serve its students with excellence. At the same time, programs were evaluated to respond to the market changes and as result a new program was successfully opened (*Certification UPR Governing Board 2015-2016-88*). On the other hand, a re-engineering of the administrative and academic processes has started, for example with the Finance Departments (*Certification UPR Governing Board 2014-2015-135*) and the evaluation of academic program effectiveness (*Certification UPR Governing Board 2006-2007-45*).

## **UPRH FINANCIAL SITUATIONAL ANALYSIS AND OPPORTUNITIES**

According to the fiscal initial evaluation of the available and projected resources (Figure 4), UPRH acknowledges that the scenario has changed to such a degree that it has been imperative to identify dynamic solutions to tackle the Fiscal scenario. It is clear that the UPRH is

the most important university center of the Eastern Region of Puerto Rico, reflected in the generation of: intellectual production, employment and income of the region.

Due to the projected decrease in state government funds, the constraints of our economy and the disparity of budget distribution the UPRH has begun to develop internal mechanisms to improve the administration of fiscal resources and to identify other sources of funds. This, in addition to the UPR Systems precautionary measures established by the Board of Trustees, as the identification of financial allotments where institutional expenses can be cut. There are many variables that will affect the results that are further illustrated. In order to minimize the effect of these variables, UPRH has to:

- Prioritize UPRH Goals and Objectives in all levels, according to the Institutional Mission and the Student Success Conceptual Model
- Guarantee the effective correlation of the operational, strategic and budget planning process, with the new economic panorama in with the UPRH Administrative Board
- Identify new funding strategies to support compliance with the institutional mission, in order to reduce the marked emphasis in the use of sources from the General Fund and expand the market scope.
- Implement a lean and reengineering process to assure UPRH institutional efficiency
- Establish a productive network within the Institution and the private sector to attract new sources of income and investments.
- Develop an ecosystem in which the resources of the units are strategically and efficiently distributed aligned to the needs of the Institution.
- Align the enrollment capacity to budget and planning systems
- Assure the efficient development and economically productive use of physical facilities and infrastructure.
- Expand the scope of service to attract non-traditional students, non-residents and foreign students to solidify the academic offerings and produce new sources of income.
- Enforce an institutional Ad Hoc Budget and Finance Committee to recommend strategies in order to assess the effectiveness of budget and financial management and identify the best practices of budgeting process.

**Figure 4: Resources Received and Projected**

Sources of Funds	Funds Received	Projected Funds			
		2017-2018	2018-2019	2019-2020	2020-2021
State Funds	\$ 300,593.00	\$311,113.76	\$8,092,650.21	\$ 7,930,797.21	\$ 7,851,489.24
Private Funds	\$ 228,400.00	\$239,820.00	\$ 426,483.75	\$ 447,807.94	\$ 461,242.18
Federal Funds	\$19,645,777.00	\$22,592,643.55	\$58,523,778.01	\$60,718,419.69	\$63,147,156.47
Other Funds	\$ 441,616.00	\$463,696.80	\$ 5,696,543.17	\$ 5,895,922.18	\$ 6,131,759.06
Total Funds	\$20,616,386.00	\$23,607,274.11	\$72,739,455.14	\$74,992,947.01	\$77,591,646.95

## PLAN FOR FINANCIAL DEVELOPMENT AND STABILITY

The Financial Plan was designed after a strong analysis by the governance structure of how the institutional planning process and resources allocation are assigned and by a proper evaluation of the fiscal situation, the government requirements and the financial opportunities. As a first step in the process, the budget projections and allocations for the period 2018-2021 were adjusted using as base the 2017-2018 fiscal year, as presented in Figure 5. Also, some goals and objectives were discussed and defined by the steering committees in order to be presented to the UPRH Administrative Board for further approval for the same period.

**Figure 5: Actual Budget and Projections for 2017-2021**

Program	Actual Budget	Budget Projections		
	2017-2018	2018-2019	2019-2020	2020-2021
Instruction	\$19,214,254	\$17,216,932	\$16,183,916	\$15,212,881
Research	\$157,270	\$140,914	\$132,459	\$124,512
Community Services*	---	---	---	---
Student Services	\$3,347,193	\$2,999,252	\$2,819,297	\$2,650,139
Infrastructure Maintenance and Operation	\$6,899,193	\$6,182,022	\$5,811,101	\$5,462,435
Academic Support	\$4,953,184	\$4,438,301	\$4,172,002	\$3,921,682
Institutional Support	\$6,561,025	\$5,878,678	\$5,525,958	\$5,194,400
Totals	\$41,132,119	\$36,856,099	\$34,644,733	\$32,566,049
Attrition	-9.54%	-10.40%	-6.00%	-6.00%

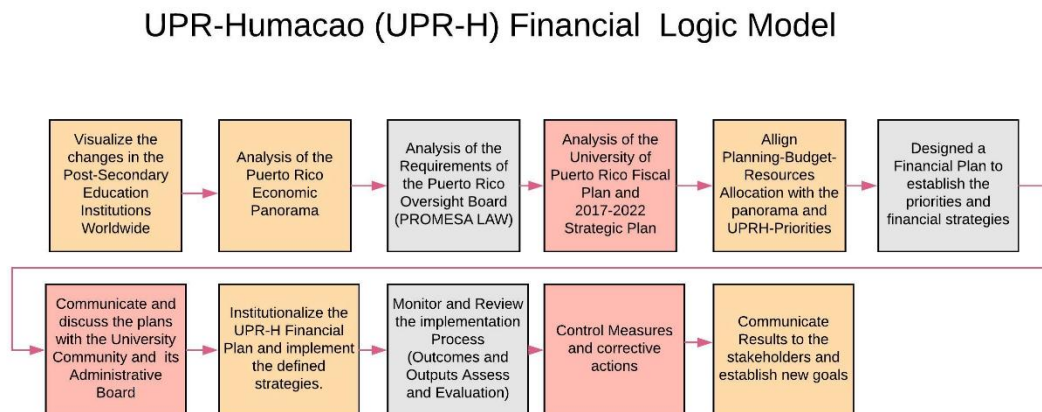
Source: Budget Office \*Community Services: According to the NACUBO guidelines, this area does not receive a budget allocation, since it is not the main service of each unit. However, the projects and direct investment and in-kind services offered by the UPRH can be evidenced during the visit.

## FINANCIAL PLAN MODEL

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In order to assure a logical model that leads the financial development and stability of the Institution, a comprehensive process was designed (Figure 7) including all relevant factors to be considered, from visualizing the changes in the Post-Secondary education to communicating the results to the stakeholders and establishing new financial goals. The primary goal of this process is to create an organizational culture eager to produce sustainable changes in the way of how we produce and use our financial resources.

**Figure 7: UPR-Humacao Financial Logic Model**



## FINANCIAL PLAN GOALS

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The goals of the Financial Plan were made based on the UPRH Strategic Plan. Specifically with Goal D, objective D3: which provides for the necessary financial resources for the development of teaching, administrative-administrative work, innovation and research, and artistic and literary creation between other activities of life college. At the same time, the Financial Plan it is aligned with the 2017-2022 UPR System Strategic Plan: *“A new era of innovation and transformation for student success”*, in order to address the Goals 1, 2 and 3 of the Strategic Issue: Sustainable Management.

After an analysis, these are the financial plan goals for 2018-2021, according to budget projections for the period (Figure 5):

- A. Assure the academic and administrative excellence and the efficient fulfillment of our Institutional Mission, throughout a continuous improvement process.
- B. Guarantee the effective correlation of the operational, strategic and budget planning process.
- C. Identify other sources of funds to guarantee the compliance of the institutional mission and institutional priorities of the UPRH strategic plan.
- D. Efficiently and effectively use the recovery funds assigned by the insurance agency and the Federal Emergency Management Agency (FEMA) for infrastructure improvements.

- A. Assure the academic and administrative excellence and the efficient fulfillment of our Institutional Mission, throughout a continuous improvement process.**
- **Promote an organizational culture focused in the effective use of financial resources, by continuous meaningful dialog with stakeholders. As a result a community engaged will be achieved.** Responsible people (areas): Chancellor, Deans, Unit Heads, Finance Director, and Human Resources Office.

2017-2018 (Base Year)	2018-2019	2019-2020	2020-2021	Outcome and Outputs
<b>*Process Design</b> <b>*Administrator Commitment</b> <b>*Process understanding by academic and administrative directors.</b> <b>*Deliberative Bodies Discussion.</b>	<ul style="list-style-type: none"> <li>• Financial goals discussed, understood, operationalized and implemented in all areas of the Institution, yearly.</li> <li>• At least two workshops and seminars with internal resources will be implemented to guide the objectives each year.</li> <li>• Two dialog activities with the administrators promoted annually.</li> </ul>			<ul style="list-style-type: none"> <li>• Questionnaire</li> <li>• Conceptual Maps with Administrators</li> <li>• Surveys in each seminar.</li> <li>• Dialogs transcripts</li> </ul>

- **Systematically monitor and review our financial plans to assure that the goals are achieved and the corrective actions are taken.** Responsible people (areas): Chancellor, Deans, Unit Heads, OPAI Office and Budget Office.

2017-2018 (Base Year)	2018-2019	2019-2020	2020-2021	Outcome and Outputs
<b>*Process Design</b> <b>*Administrators Commitment</b> <b>*Process understanding by academic and administrative directors.</b> <b>*Deliberates Bodies Discussion</b>	<ul style="list-style-type: none"> <li>• Budget assigned and discussed with each unit head at the beginning of each fiscal year.</li> </ul>			Budget plan with each department
	<ul style="list-style-type: none"> <li>• A quarterly report will be requested and submitted by units to measure level of compliance with plans and budget.</li> </ul>			Better Levels of compliance
	<ul style="list-style-type: none"> <li>• Corrective action plan will be discussed and designed with the units to assure the best use of resources and engage them in the process</li> </ul>			Corrective actions taken. An increase participation of stakeholders

- **Capacity Building of management of financial information and budget, financial planning, fundraising and business development to faculty, the non-teaching personnel and managers.** Responsible people (areas): Administrative Affairs Dean, Unit Heads, Human Resources Office, Budget and Finance Office.

2017-2018 (Base Year)	2018-2019	2019-2020	2020-2021	Outcome and Outputs
<b>* Human Resources Training Plan in process to be developed including financial competences.</b>	<ul style="list-style-type: none"> <li>• At least one workshop or seminar annually in subjects of financial management, resources allotment, savings, ethics, fundraising, among others.</li> </ul>			<ul style="list-style-type: none"> <li>• Budget plan with each department</li> </ul>
	<ul style="list-style-type: none"> <li>• Address the other human resources development needs with institutional trainers, to assure workload efficiency.</li> </ul>			<ul style="list-style-type: none"> <li>• Levels of compliance statics</li> </ul>
	<ul style="list-style-type: none"> <li>• Budget Projections and justifications will be requested by UPRH administrators to improve the resources allotment in each unit.</li> </ul>			<ul style="list-style-type: none"> <li>• Corrective actions and compliances reports submitted by the Budget Office</li> </ul>

- **Recognition of an administrative and fiscal criteria's for the approval of expenses.**  
Responsible people (areas): Chancellor, Deans, Finance Department and Budget Office.

2017-2018 (Base Year)	2018-2019	2019-2020	2020-2021	Outcome and Outputs
<b>-UPR- Fiscal Plan Understanding</b>  <b>- Financial Goals disseminated</b>	-New policy will be developed to improve the expenditures procedure	- Cost control measures by each unit will reduce their expenses by 5%.	-Units are going to reduce their expenses by 5%.	<ul style="list-style-type: none"> <li>• Total Expenses reduced.</li> <li>• Control measures documented.</li> </ul>
<b>- Establishment of next year's expenses criteria's</b>	-Short term expenditures approvals will be centralized in the deanships	- Campus Operational Expenses reduced by 10% of the previous year	- Campus Operational Expenses reduced by 10% of the previous year	<ul style="list-style-type: none"> <li>• Campus Operational Expenses reduced by 20% of the previous year</li> </ul>
<b>- Cost control measures implemented</b>	- Expenditures analysis of each unit			<ul style="list-style-type: none"> <li>• Expenditures analysis data.</li> </ul>

- **Timely financial reports developed by the Finance and Budget unit.** Responsible people (areas): Administrative Affairs Dean, Finance Department and Budget Office.

2017-2018 (Base Year)	2018-2019	2019-2020	2020-2021	Outcome and Outputs
<b>-Stakeholders Recognition of financial reports importance in the decision making process.</b>	<ul style="list-style-type: none"> <li>- Quarterly reports submitted to the Chancellor Office for decision processes.</li> <li>- Budget Alignment with the Strategic Plan for each fiscal year.</li> <li>- Timely Compliance of annually reports</li> </ul>			<ul style="list-style-type: none"> <li>• Quarterly Reports</li> <li>• Budget-Planning alignment</li> </ul>
<b>-Finance unit restructure and resources improvement</b>	<ul style="list-style-type: none"> <li>- Reports presented and discussed with the Administrative Board and Unit heads.</li> <li>- Budget for each fiscal year designed, using reports for the planning process.</li> <li>- Present to the stakeholders the previous year Audited Financial Statement provided by the UPR Central Administration,</li> </ul>			<ul style="list-style-type: none"> <li>• Administrative Board Meeting Certifications</li> <li>• Financial Statements</li> </ul>

- **Maintain a participative process for the design and implementation of our strategic and operational plans in alignment with the UPR budget plan and the changes in the economic panorama.** Responsible people (areas): Chancellor, Deans, Unit Heads, OPAI Office and Budget Office.

2017-2018 (Base Year)	2018-2019	2019-2020	2020-2021	Outcome and Outputs
<b>A participative process designed for stakeholder's financial engagement.</b>	- Promote constant dialogs with all constituents to create engagement over each year goals.			<ul style="list-style-type: none"> <li>• Awareness of all stakeholders' assessments.</li> </ul>
	- Promote dialogs in deliberative bodies and students organizations and council and collect the inputs.			<ul style="list-style-type: none"> <li>• Engagement of 70% of the campus community.</li> </ul>

- **Enforce a lean and** reengineering process to assure **UPRH** institutional efficiency, to reduce our operational costs based on Student Success. Responsible people (areas): Chancellor, Deans, Unit Heads, OPAI Office and Budget Office.

2017-2018 (Base Year)	2018-2019	2019-2020	2020-2021	Outcome and Outputs
<b>- Situational Analysis of the 24 academic programs and Student Service Offices.</b>  <b>-Timeline designed to reengineering process</b>	-A proposal for lean and reengineering process will be presented to appropriate forums. - 2 programs successfully restructured (Model)	- 10 programs successfully restructured.	- 18 programs successfully restructured.	<ul style="list-style-type: none"> <li>• Operational merge of 8 academic programs.</li> </ul>
<b>-Evaluation of academic department's directors, academic counselors and program coordination tasks.</b>	-Contracts and Compensation Expenses reduced by \$275,000	-Contracts and Compensation Expenses reduced by \$125,000	-Contracts and Compensation Expenses reduced by \$100,000	<ul style="list-style-type: none"> <li>• \$500,000 reduction in contracts and compensation expenses.</li> </ul>
	-An operational	-60% of	-80% of	<ul style="list-style-type: none"> <li>• Savings of</li> </ul>



2017-2018 (Base Year)	2018-2019	2019-2020	2020-2021	Outcome and Outputs
	analysis will be made by the academic deanships to assure better use of resources	Academic (Discharges) eliminated.	Academic (Discharges) eliminated.	\$250,000 in academic (discharges) • Administrative Efficiency assessed
<b>Evaluation of Increase in tuition revenues</b>	Increase of \$18 proposed in tuition rates \$1,080,000.	Increase of \$25 proposed in tuition rates \$1,500,000	Increase of \$25 proposed in tuition rates \$1,500,000	• Increase of \$4,080,000 in tuition revenues
<b>Evaluation of reduction tuition exempts.</b>	Reduction of 25% in tuition exempts. \$117,401.50	Reduction of 25% in tuition exempts. \$88,051.13	Reduction of 25% in tuition exempts. \$66,038.34	• Reduction of \$271,490.97 in tuition exempts.

**B. Guarantee the effective correlation of the operational, strategic and budget planning process.**

- **Correlate the strategic and fiscal plan of the UPRH with the UPR systems plans to assure administrative and academic efficiency.** Responsible people (areas): Chancellor, Deans, Units Heads, OPAI Office and Budget Office.

2017-2018 (Base Year)	2018-2019	2019-2020	2020-2021	Outcome and Outputs
<b>- UPR Strategic Plan Cycle Plan begins.</b>  <b>-UPRH Strategic Plan Cycle Ends (2013-2018)</b>  <b>- Analysis of the annual reports for the UPRH strategic plan cycle.</b>  <b>-Financial Plan Approved for 2018-2021 periods.</b> <b>-UPR Fiscal Plan approved.</b>	-Design, discuss and approve the UPRH Strategic Plan for 2018-2023 according to the UPR and UPRH systems priorities.  - Academic and Administrative Operational Units are going to visualize their strategic goals within the Fiscal and Financial plans.	-Units will discuss and correlate their plans to the UPRH and UPR systems plans  - Fiscal Year Units Operational Plans designed according to fiscal and financial plans	- Fiscal Year Units Operational Plans designed according to fiscal and financial plans	• Annual Reports • Units Reports over how they prioritize their goals. • Efficient use of the budget • Budget Assessment Reports.
<b>- Budget and</b>	<b>-Budget and</b>	<b>-Budget and</b>	<b>-Budget and</b>	

2017-2018 (Base Year)	2018-2019	2019-2020	2020-2021	Outcome and Outputs
<b>Planning alignment for the fiscal year developed and approved.</b>	Planning alignment for the fiscal year developed, and discussed with constituents.	Planning alignment for the fiscal year developed, discussed with constituents and approved.	Planning alignment for the fiscal year developed, discussed with constituents and approved	
	-Budget Assessment Plan Designed	-Budget Assessment Plan Implemented	-Budget Assessment Plan First Report.	
	-70% of efficiency over budget.	-85% of efficiency over budget.	-90% of efficiency over budget.	<ul style="list-style-type: none"> <li>90% of efficiency over budget.</li> </ul>

- Assure that the strategic plan gives a budget estimate that is based on projected revenue. Responsible people (areas): OPAI and Budget Offices.

2017-2018 (Base Year)	2018-2019	2019-2020	2020-2021	Outcome and Outputs
<b>Financial projections established according to the UPR Fiscal Plan and the UPRH Financial Plan Goals.</b>	<ul style="list-style-type: none"> <li>Budget Alignment with the Strategic Plan for each fiscal year.</li> <li>Budget aligned to income and allocations.</li> <li>Budget for each fiscal year designed, using reports for the planning process.</li> </ul>			<ul style="list-style-type: none"> <li>Strategic Plan fully based on actual financial scenario</li> </ul>

- Operational plans base their needs on performance management numbers, using budget to measures this performance. Responsible people (areas): Chancellor, Deans, Units Heads, OPAI Office

2017-2018 (Base Year)	2018-2019	2019-2020	2020-2021	Outcome and Outputs
<b>Establish a HR performance plan for each unit, including personal and managerial performance.</b>	25% of personnel and 100% of Unit heads receive and discuss their performance evaluation.	25% of personnel and 100% of Unit heads receive and discuss their performance evaluation.	50% of personnel and 100% of Unit heads receive and discuss their performance evaluation.	100% of personnel and Units heads receive and discuss their performance evaluation.

<b>2017-2018 (Base Year)</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>Outcome and Outputs</b>
<b>Establish metrics for financial and managerial performance for each unit.</b>	70% of Unit Heads comply with their performance metrics.	75% of Unit Heads comply with their performance metrics.	80% of Unit Heads comply with their performance metrics.	80% of Unit Heads comply with their performance metrics.
<b>100% of Units heads trained to develop their operational plans according to strategic and budget planning</b>	100% of Unit Head retrained.  -70% of efficiency over budget.	100% of Unit Head retrained.  -85% of efficiency over budget.	100% of Unit Head retrained.  -90% of efficiency over budget.	Continuous Training Process  90% of efficiency over budget

- **Assure that the operational plan provides the details necessary to execute the strategic fiscal and financial plans.** Responsible people (areas): Chancellor, Deans, Units Heads, OPAI Office

<b>2017-2018 (Base Year)</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>Outcome and Outputs</b>
<b>UPRH Strategic Plan Cycle Ends (2013-2018)</b>	- Design, discuss and approve the UPRH Strategic Plan for 2018-2023.	- UPRH Strategic Plan Implemented.		- UPRH Strategic Plan Implemented.
<b>Analysis of the annual reports for the UPRH strategic plan cycle.</b>	- Academic and Administrative Operational Units are going to visualize their strategic goals.	- 75% of Units Operational Plans will have a good allocation of resources.	-90% of Units Operational Plans will have a good allocation of resources.	-90% of Units Operational Plans will have a good allocation of resources.
<b>- Analysis of the operational plans for each Unit.</b>	-Strategic and Operational plan are put side-by-side to determine the most effective allocation of resources for each unit - Planning, Accreditations and Institutional Research Office are going to evaluate each	- Planning. Accreditations and Institutional Research Office are going to evaluate each plan to ensure their correlation with the objectives.	- Planning. Accreditations and Institutional Research Office are going to evaluate each plan to ensure their correlation with the objectives.	-90% of efficiency over budget.

2017-2018 (Base Year)	2018-2019	2019-2020	2020-2021	Outcome and Outputs
	plan to ensure their correlation with the objective.			

- **Assess the sources allocations systematically to assure the efficient use of resources**  
Responsible people (areas): Chancellor, Academic and Administrative Affairs Deanships, Units Heads, Budget and Finance Offices.

2017-2018 (Base Year)	2018-2019	2019-2020	2020-2021	Outcome and Outputs
A situational analysis will be made by the academic and administrative deanships to improve efficiency in Institutional operations	-Redistribution of administrative and academic functions	-\$ 54,600 of cost reduction in each unit. (Base \$4,200)	- With the reengineering process a cost reduction of \$37,800 from the previous year.	Reengineering process
\$81,900 average head unit cost, \$1,349,732 in administrative cost.	-The unit's academic offerings planning have to be schedule according to Curriculum.	- \$327,600 of cost reduction in managerial positions of base year	- \$453,600 of cost reduction in managerial positions of base year	\$781,200 of cost reduction in managerial positions for the period.
A containment cost plan was already implemented by the Chancellor.	-Enforce the Vacations Plan to reduce payroll expenses and global payments.	-\$75,000 of reduction in global payments.	-\$120,000 of reduction in global payments	-\$195,000 of reduction in global payments
	-Increase the number of <i>Ad-Honorem</i> services	15 courses <i>Ad-Honorem</i> for savings of \$28,755.	20 courses <i>Ad-Honorem</i> for savings of \$38,340.	35 courses <i>Ad-Honorem</i> for savings of \$67.095 for the period.
	- Change the academic year to quarterly	- \$458,611 of new income	- \$229,305 of new income	- \$687,916 of new income for the period.
	-Increase the Academic Charge to 15 credits	- At least \$637,000 in savings.	- At least \$803.856 in savings.	- At least \$1.4 M in savings for the period.

**C. Identify other sources of funds to guarantee the compliance with the institutional mission and institutional priorities of the UPRH strategic plan.**

- **Supporting the approval of a tax increase to alcoholic beverages that will allow our campus to generate more than 3 million dollars in the period.** Responsible people (areas): Chancellor, and Deans.

2017-2018 (Base Year)	2018-2019	2019-2020	2020-2021	Outcome and Outputs
<ul style="list-style-type: none"> <li>- <b>Proposal Designed in alliance with the 11 UPR campuses</b></li> <li>- <b>Proposal presented and approved by the UPR Deliberates bodies</b></li> </ul>	\$3,523,000 for our campus annually in new income according to the actual industry capacity and production.			Research and to cover operational expenses.

- **Advance the growth of entrepreneurial initiatives to reduce the marked emphasis in the dependency of government funds and produce over \$475,000 in new income by 2021.** Responsible people (areas): Chancellor, Dens, Units Heads, Business Administration Department, Lawyer Office, Budget and Finance Offices.

2017-2018 (Base Year)	2018-2019	2019-2020	2020-2021	Outcome and Outputs
<ul style="list-style-type: none"> <li>- <b>Feasibility studies developed</b></li> <li>- <b>5 Business Plan Developed</b></li> <li>- <b>Potential Investors Forums</b></li> <li>- <b>Initial cost covered for the first venture.</b></li> </ul>	One Venture in place with revenues of over \$60,000 Búhos Recuerdo	Three Ventures in place with revenues of over \$185,000 Búhos Recuerdo, Sinergia and Búhos Café	Four ventures in place with revenues of over \$475,000 Búhos Recuerdo, Sinergia, Búhos Café and Buhos H2O	Steady income of \$475,000  \$720,000 in revenues for the period.

- **Endorse strategic alliances with the private and government sector in order to produce new income, increase of 20% in grants approved and potential capital investment of \$125,000 for the period, turning the campus into a service center.** Responsible people (areas): Chancellor, Academic and Administrative Affairs Deanships, Units Heads, Continuing Education Division, Humana Resource, Budget and Finance Offices.

<b>2017-2018 (Base Year)</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>Outcome and Outputs</b>
<b>Evaluation of the Service Catalogue Participation in Forums and Conventions</b>	\$170,000 of new income in trainings and projects.	\$190,000 of new income in trainings and projects.	\$220,000 of new income in trainings and projects.	\$580,000 of new income in trainings and projects.
<b>Assess infrastructure, equipment and human capital. Potential partners identified.</b>	\$55,000 of private capital investment.	\$55,000 of private capital investment.	\$65,000 of private capital investment.	\$175,000 of private capital investment.
<b>Strengthened operations of OPIS. Grants approved \$ 3,324,475 and \$265,958.02 in indirect costs.</b>	Increase 20% in grants approved. \$3,989,370.24	Increase 20% in grants approved. \$4,787,244.29	Increase 20% in grants approved. \$5,744,693.15	Increase of \$2,420,164.15 in grants approved over the period.
	\$53,191.60 more in indirect costs.	\$63,829.92 more in indirect costs.	\$76,595.91 more in indirect costs.	\$193,617.43 more in indirect costs.
<b>Strengthened operations of DECEP and the Printing Services. (PS) and Business Incubator Promote the development of intramural practices</b>	Business incubator generates \$10,000 in revenues.	Business incubator generates \$30,000 in revenues	Business incubator generates \$60,000 in revenues.	A revision over the indirect costs funds distribution on campus will be implemented. Business incubator generates \$100,000 in revenues.
	\$135,000 more in revenues for DECEP and PS.	\$182,250 more in revenues for DECEP and PS.	\$246,038 more in revenues for DECEP and	\$563,288 more in revenues for DECEP and PS
	Intramural practice will be in place.	\$100,000 will be generating for intramural practice.	\$125,000 will be generating for intramural practice.	\$225,000 for the period.

- **Strengthen the relations with Alumni and prospectus donors to generate steady donations and gifts annually.** Responsible people (areas): Chancellor, Student Dean, Alumni Office, Units Heads,

<b>2017-2018 (Base Year)</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>Outcome and Outputs</b>
<b>Evaluate the effectiveness of the Alumni program and the donations and gifts already received</b>	An Alumni event in the campus to raise \$25,000	An Alumni event in the campus to raise \$40,000	An Alumni event in the campus to raise \$62,500	Raise \$127,500 in Alumni Events
<b>Developed a Funding Plan to increase the numbers of alumni support, donations and gifts.</b>	Regional Business forum in the zone to promote donations \$7,500.	Regional Business forum in the zone to promote donations \$8,750	Regional Business forum in the zone to promote donations \$8,750	Regional Business forum in the zone generates donations of \$25,000
<b>Identified donations programs in the private sector focused in Student Success</b>	Promote the donations of Alumni to raise \$68,0000	Promote the donations of Alumni to raise \$98,437.50	Promote the donations of Alumni to raise \$105,468.75	Alumni donations to raise \$271,906 for the period
	Achieve gifts and donations of \$15,000	Achieve gifts and donations of \$15,000	Achieve gifts and donations of \$15,000	Achieve gifts and donations of \$45,000
<b>Alumni database and increase the number of people in the data</b>	Increase in 25% de Alumni database	Increase in 25% de Alumni database form previous year	Increase in 25% de Alumni database from previous year	Alumni database
<b>Employee donation program promoted.</b>	Promote a employee donation program to generate \$22,500	Promote a employee donation program to generate \$30,000	Promote a employee donation program to generate \$37,500	Employee donations program raise \$90,000.

- **Evaluate the professional and consultants service contracts.** Responsible people (areas): Chancellor, Deans, Units Heads, Lawyers, Budget and Finance Offices.

2017-2018 (Base Year)	2018-2019	2019-2020	2020-2021	Outcome and Outputs
<b>Evaluation of all professional and consultant services contracts.</b> <ul style="list-style-type: none"> <li>- Lawyers</li> <li>- A/C Maintenance and Repairs</li> <li>- Security</li> <li>- Pest Control</li> </ul>	Reduction of 15% totaling \$45,000 in services and contracts.	Reduction of 10% more totaling \$75,000 in services and contracts.	Reduction of 10% more totaling \$105,000 in services and contracts.	Total reduction of \$225,000 for the period.

- **Expand the scope of service and academic offerings to attract non-traditional students, non-residents and foreign students annually, to expand the reach of the academic offerings** Responsible people (areas): Chancellor, Academic and Administrative Affairs Deanships, Units Heads, Budget and Finance Offices.

2017-2018 (Base Year)	2018-2019	2019-2020	2020-2021	Outcome and Outputs
<b>UNEX program re-established</b>  <b>Online programs submitted to accreditation considerations</b>	Expand the academic offerings of DECEP-UNEX by \$375,000	Expand the academic offerings of DECEP-UNEX by \$468,750	Expand the academic offerings of DECEP-UNEX by \$506,250	Expand the academic offerings of DECEP-UNEX by \$1,350,000
<b>Design of Online pilot program</b>	Increase DECEP short-term and technical courses. \$35,000	Increase DECEP short-term and technical courses. \$47,250	Increase DECEP short-term and technical courses. \$52,500	DECEP short-term and technical courses. \$134,750
	50 Online courses first phase \$168,750	60 Online courses first phase \$270,000	75 Online courses first phase \$421,875	185 Online courses \$860,625
<b>A plan to attract international and non-traditional students.</b>	International Students increase \$35,000	International Students increase \$43,750	International Students increase \$47,250	International Students increase \$126,000



- **Assure the efficiently use of physical spaces in order to produce savings in utilities expenses annually.** Responsible people (areas): Chancellor, Administrative Affairs Dean, Units Heads, and Maintenance Office, Engineer.

<b>2017-2018 (Base Year)</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>Outcome and Outputs</b>
<b>Better use and revitalization of physical facilities and Infrastructure</b>	Completion of a short term saving program, resulting in a Reduction of 15% monthly energy expenses totaling \$21,600 annually	Short-Term Initiatives- 2 <sup>nd</sup> year, resulting in a Reduction of 20% monthly totaling \$28,800 annually	Short-Term Initiatives- 3 <sup>rd</sup> year resulting in a Reduction of 22% monthly totaling \$31,680 annually	Short-Term Initiatives-, Reduction of \$82,080 for the period
<b>Reduction of utilities expenses</b>	Develop a Long-Term plan to reduce the use of Energy and water	Develop a Long-Term plan to reduce the use of Energy and water	By 15%	15% reduction in utilities expenses
<b>Revenues over Rent Spaces</b>	Increase in Rent Spaces Revenues of \$87,000	Increase in Rent Spaces Revenues of \$117,450 from the previous year	Increase in Rent Spaces Revenues of \$158,550 from the previous year	Increase in Rent Spaces Revenues of \$363,000 for the period.

- D. Efficiently and effectively use the recovery funds assigned by the insurances and the Federal Emergency Management Agency (FEMA) for infrastructures improvements. Responsible people (areas): Chancellor, Administrative Affairs Dean, Units Heads, and Maintenance Office, Engineer.

<b>2017-2018 (Base Year)</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>Outcome and Outputs</b>
<b>Infrastructure Rebuilding plans designed.</b>	Initiate the rebuilding plans as designed.	Initiate the rebuilding plans as designed.	Initiate the rebuilding plans as designed.	A revitalize infrastructure achieved.
<b>Insurances and FEMA Claims Completed.</b>	FEMA first allocation of funds of \$2M	FEMA second allocation of funds of \$2M	FEMA third allocation of funds of \$1M	\$5M of allocation of funds from FEMA in the period.

<b>2017-2018 (Base Year)</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>Outcome and Outputs</b>
<b>\$425,000 already assigned by Insurances.</b>	\$425,000 more form insurances companies	\$100,000 more form insurances companies		\$525,000 in insurances companies in the period.
<b>Proposal submitted to the private sector and federal agencies for rebuilding process</b>	\$75,000 will be received from private companies or grants for infrastructure rebuild.	\$95,000 will be received from private companies or grants for infrastructure rebuild.	\$100,000 will be received from private companies or grants for infrastructure rebuild.	\$270,000 will be received from private companies or grants for infrastructure rebuild during the period
<b>Ad-Hoc Committee established to assure 100% compliance</b>	2 areas will be rebuilt.	3 areas will be rebuilt.	2 areas will be rebuilt.	7 areas in process to be rebuilt.

## **MONITOR AND REVIEW**

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The UPRH Organizational Structure was designed to assure compliance with the entire regulatory environment. Also, governmental agencies monitors budget expenditures, use of technology, ethical behavior, contracts, environmental and health regulations, among others. Furthermore, the Dean of Administration under the Budget Office and the Financial Team will manage the implementation and control of this financial plan.

The units have to design their own plans in coordination with the budgetary allocations and submit a quarterly report of compliance according to UPR Central System practices. As a result of these reports the UPRH governance will develop their corrective action of the planning systems, if necessary. Annual reports will be submitted to UPRH administrators.

An institutional Ad Hoc Budget and Finance Committee is already in place to recommend strategies to improve the effectiveness of budget and financial management and better budgeting practices. This process will occur in coordination with all constituents who are in charge of implementing the budget decisions at all levels.

*[Aprobado por la Junta Administrativa en reunión ordinaria el jueves 16 de agosto de 2018, según consta en la Certificación Número 2017-2018-009.]*