



UNIVERSITY of HAWAII®  
**KAPI'OLANI**  
 COMMUNITY COLLEGE

## MEMORANDUM

July 10, 2012

TO: Louise Pagotto, Vice Chancellor for Academic Affairs  
 Milton Higa, Vice Chancellor for Administrative Affairs  
 Mona Lee, Vice Chancellor of Student Services  
 Frank Haas, Dean of Business, Legal and Hospitality Education  
 Salvatore Lanzilotti/Carol Hoshiko, Continuing Ed & Community Relations  
 Patricia O'Hagan, Dean of Health Education  
 Charles Sasaki, Dean of Arts and Sciences

FROM: Leon Richards  
 Chancellor

SUBJECT: FY2013 Operating Budget Requests

During the development of the accreditation self-study report, it has become evident that there is a current opportunity to connect tactical plans with campus budget allocations. There have been two identifiable shifts in the external environment that have affected budgeting at the campus level. First, in the past, we relied on signals from the Executive Branch and the University System to initiate and document program needs through Program Change Requests (PCRs). The focus had been to request additional general fund support through these PCRs. The attached 2013-15 Biennium Budget Policy Paper to the Council of Chancellors indicates that the traditional PCRs will not be entertained in the biennium budget cycle. Instead, the University will continue on the same path initiated in the last biennium, to emphasize performance-based budgeting for additional general fund appropriations. Second, the paper also recognizes the increase in tuition revenues that have resulted from increases in the tuition schedule and increases in enrollment which "have been critical to maintain the long-term health of the University System and have balanced out our stagnant general fund appropriations." In the near future, tuition revenues will be proportionately greater than general funds in terms of financing of campus.

From a system-wide perspective, performance-based budgeting for the University helps to keep the focus on strategic initiatives, reward progress toward them and avoids protracted discussions before the Legislature on detailed program change requests. If appropriations are made for performance-based budgeting as envisioned, the funds would be available for distribution in FY 2014 based upon the results of the current FY 2013. The question becomes, from a campus perspective, can we apply current

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tuition revenues to certain identified needs that will sustain measurable progress towards campus/system-wide strategic goals? The measurable progress may enhance the campus' position to receive a higher share of the general fund performance-based biennium appropriation if funded by the Legislature. These needs or opportunities are imbedded in our unit tactical plans.

The attached worksheet is designed to distill, from unit tactical plans, specific items that are needed to sustain or enhance our progress toward our strategic initiatives. Two years ago, we used our tuition revenues to strategically fund instructional equipment replacement. Although at the present time there are some uncertainties to estimating our total tuition revenues, if we have a prioritized list of items, we may find opportunities to apply campus tuition revenues to raise our performance measures this year.

Please work with your department chairs to complete the attached worksheet (if applicable) and submit a prioritized list to Vice Chancellor Higa by **Friday, July 27, 2012**. For purposes of this assignment, these requests should include expenditures that are required to meet goals and objectives of the tactical plans and are not currently funded in your annual allocation for other current expenditures. Funding for these requests will depend on the overall requests across the campus and our ability to fund them within our Tuition and Fees Special Fund allocation base. Please carefully prioritize the requests within your units.

There will be a meeting on Friday, July 13, 2012, for Vice Chancellors and Deans at 9:00 a.m. to further discuss this effort. If you have any questions please call Milton Higa at extension 9572. Thank you for your assistance in this matter.

Attachments

c: Carol Masutani, Fiscal Officer  
Shirl Fujihara, Administrative Officer