



Sunyeen Pai <sunyeen@hawaii.edu>

FY2015 Budget and New Allocation Request Results

Office of the Chancellor <announce@hawaii.edu>

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To: announce@hawaii.edu

Dear KapCC Ohana,

The following is a summary of the Budget Cycle and the ARFs (Allocation Request and New Proposal Forms).

- In March 2014, based on ARPDs (Annual Report of Program Data), CPRs (Comprehensive Program Review) and the Strategic Plan, ARFs were submitted. ARFs are requests made for funding that were not covered in the department or unit's base budgets that are allocated every fiscal year.
- The department chairs, unit heads, deans and vice chancellors prioritized the list of requests. CELTT reviewed the requests to ensure technology requirements were included in the ARF and the list was forwarded to the Vice Chancellor for Administrative Services (VCAS).
- The list of 53 requests was given to the four AGOS (Authorized Governance Organizations: Faculty Senate, Kalaualani, Staff Council and Student Congress) to rank in order of priority and they submitted their recommendations to the VCAS in May 2014.
- The Budget and Planning Work Group of the CAC (Chancellor's Advisory Council) met twice to recommend which, if any, of the allocation requests would be funded. It was noted that the College's spending had exceeded revenue for FY2012, FY2013 and FY2014 and it was projected to exceed revenue in FY2015 as well.
- On June 5, 2014, the Budget and Planning Work Group recommended that no allocations be made for funding of new projects. There was one ARF that was ranked highest by all four AGOs and therefore, the Budget and Planning Work Group voted to recommend that the Chancellor consider allocating \$100,000 from Title III funds or other external funding sources to purchase an inventory management software system.
- The departments, units and deans are encouraged to go back and review the ARFs and possibly fund some of them by reallocating their base budget funds.
- On June 24, 2014, the CAC voted to adopt the recommendation made by the Budget and Planning Work Group and the recommendation was submitted to the Chancellor.
- On July 22, 2014, the Chancellor allocated \$100,000 of Title III funds to purchase the inventory management software.

In addition to the budget cycle, the VCAS asked the department chairs and unit heads to complete a base budget plan for FY 2015 and FY 2016 and project out to FY 2019 to anticipate and plan for large expenses such as accreditation fees or equipment purchases.

In July and August, the VCAS will meet with all areas and make recommendations on how to cut the budget especially in areas such as non-general funded personnel. The CAC and the CAC Budget and Planning Work Group will be briefed and consulted as an integral part of the budgeting process. As previously stated, the College's expenses exceeded revenue and we were allocating resources from reserve funds to balance the budget. This method of balancing the budget is not sustainable and there is a need to cut \$2 million from the FY 2015 budget.

The main message is the next year or two will not be easy. Resources will be allocated very carefully and sabbaticals, teaching equivalencies and overload/overtime will be less prevalent. There will be some tough decisions that may be difficult to make but I am relying on the KapCC Ohana to possibly pool resources and work together beyond our silos.

KapCC is a great institution. A number of initiatives are being planned and implemented to increase the revenue stream at KapCC. We will do all we can to cut the budget without affecting our programs. Please show patience and kindness to each other as we go through this time. With your help, we will get through this with grace and

become a stronger College.

Mahalo,
Leon Richards
Chancellor

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