November 21, 2014

MEMORANDUM VIA E-MAIL

TO: Randolph G. Moore, Chair
    Board of Regents
    Robert Bley-Vroman, Interim Chancellor
    University of Hawai‘i at Mānoa
    Reed Dasenbrock, Vice Chancellor for Academic Affairs
    University of Hawai‘i at Mānoa
    Kathy Cutshaw, Vice Chancellor for Administration, Finance & Operations
    University of Hawai‘i at Mānoa

FROM: Ron Bontekoe, Chair
    Mānoa Faculty Senate

RE: Resolution Encouraging Adoption of a Responsibility Center Management (RCM)
    Approach as a Basis for Tuition and Fees Special Funds and General Fund Allocation at
    UHM

The Mānoa Faculty Senate approved the ResolutionEncouraging Adoption of a Responsibility Center
Management (RCM) Approach as a Basis for Tuition and Fees Special Funds and General Fund
Allocation at UHM at the November 19, 2014 Senate meeting with 38 votes in favor, 12 in
opposition and 3 abstained. The resolution is attached.

The Committee on Administration and Budget reviewed this issue and provided a report to the Senate at the
November 19, 2014 Senate meeting.

Please feel free to contact me if you have any questions or need additional information.

Ron Bontekoe, Ph.D., Mānoa Faculty Senate Chair

Ashley Maynard, Ph.D., Mānoa Faculty Senate Secretary
RESOLUTION ENCOURAGING ADOPTION OF A RESPONSIBILITY CENTER MANAGEMENT (RCM) APPROACH AS A BASIS FOR TUITION AND FEES SPECIAL FUNDS AND GENERAL FUND ALLOCATION AT UHM

WHEREAS, the current financial crisis at UHM places the future of critical academic programs at UHM at risk; AND

WHEREAS, the existing fund allocation process that is based on historical distributions discourages entrepreneurship and fiscal creativity within units, contributes to the lack of confidence in UHM leadership, adds to the inability to garner much needed support from the State Legislature, and erodes public confidence in UHM; AND

WHEREAS, RCM increases accountability in a transparent manner, adds understanding of the direct and indirect costs of operating the University, promotes enterprise, better aligns resources within the units that generate and control them, encourages the development of multi-year budget plans, and allows for better data to support academic priorities; AND

WHEREAS, RCM would provide academic leadership, the Board of Regents, and the general public insights into the fund allocation process; AND

WHEREAS, RCM would directly align institutional goals, academic priorities and innovation; AND

WHEREAS, the RCM model is compatible with the Kuali Financial System and has been proven successful at several peer institutions;

THEREFORE BE IT RESOLVED, that the Mānoa Faculty Senate strongly recommends an RCM-based proposal from the UHM Chancellor’s Budget Task Force; AND

BE IT FURTHER RESOLVED, the Mānoa Faculty Senate strongly recommends a phased-in adoption of Responsibility Center Management as the budgetary model for allocation of “S” and “C”, Outreach, and RTRF funds at UHM over the next three (3) years.