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 “G”, Outreach, and RTRF funds at UHM over the next three (3) years.