MEMORANDUM

TO: Mānoa Deans and Directors

FROM: Kathy Cutshaw  
Vice Chancellor for Administration, Finance and Operations

SUBJECT: FY 2016 Budget Updates

In preparation for the upcoming Fall 2015 budget hearings, Deans and Directors are requested to review their projected expenditure budgets for FY 2016 as compared to the recent budget allocation adjustments issued on October 5, 2015. Your current budget allocations include adjustments for SSH/Degrees/Majors, CB for faculty and other units as applicable, and performance-based funds as applicable. Please note that the governor's restriction is not anticipated to be restored to campus units. With the exception of unbudgeted commitments and differential tuition not yet allocated, no significant adjustments to the current allocations are anticipated to occur.

As you know, Mānoa's student enrollment for Fall 2015 decreased from Fall 2014; and despite the increase in the tuition rates, tuition revenues are lower than projected. Given this budget situation, and as stated in the Budget Execution Policies for FY 2015, Deans and Directors are once again expected to limit their expenditures to the amount of their FY 2016 allocations. Carry-over balances of Tuition funds (Regular, Summer and Outreach Credit) from FY 2015 should be either maintained or increased during FY 2016.

Budget Hearings

Budget hearings will be held during the first two weeks of December. The purpose of the budget hearings is to discuss your projected expenditures and resulting projected ending balances as of June 30, 2016. Mānoa units are asked to update their expenditure budget projections in KFS no later than November 25, 2015 in order to ensure that current expenditure projection information is available for the hearings. OVCAFO will pull the projections from KFS; you will not need to provide projection worksheets for the hearings.

In addition to updating projections in KFS, please complete the attached Expenditure Management worksheet detailing steps taken to manage budget expenditures. Bring this worksheet to your budget hearing.
Performance-Based Funding

Performance-based funding was allocated this year to selected units for activities that could contribute to the following strategic priorities:

- Student Success
- Student Recruitment
- 21st Century Facilities

Units that received allocations of performance-based funding will be required to report at year-end regarding how the funds were spent as well as the outcomes realized from these expenditures. Please be aware that future performance-based funding will be allocated based on a different set of metrics, as outlined by President Lassner to the BOR recently in a presentation entitled “Performance Funding Model for the University of Hawaii System.”

Supplemental Budget Execution Instructions specific to performance-based funding are attached. Please note that expenditure budgets for these funds must also be entered in KFS no later than November 25, 2015. Details regarding establishing unique accounts for these purposes are included in the attached instructions. To ensure that these funds are not lapsed, monthly expenditure plans for these funds must be provided to Mānoa Budget Office by November 25, 2015.

If you have any questions, please contact the Mānoa Budget Office.

Attachments

c: Mānoa Chancellor
   Mānoa Vice Chancellors
   Mānoa Business Officers
   Mānoa Budget Office
## EXPENDITURE MANAGEMENT WORKSHEET
**MEASURES TAKEN TO STAY WITHIN CURRENT YEAR ALLOCATIONS**

### LEVEL V Program:

<table>
<thead>
<tr>
<th>QUANTITATIVE MEASURES (LIST)</th>
<th>PERMANENT REDUCTION (P) OR TEMPORARY REDUCTION (T)</th>
<th>PROJECTED SAVINGS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>0</strong></td>
</tr>
</tbody>
</table>

### EXAMPLE

<table>
<thead>
<tr>
<th>QUANTITATIVE MEASURES (LIST)</th>
<th>PERMANENT REDUCTION (P) OR TEMPORARY REDUCTION (T)</th>
<th>PROJECTED SAVINGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEFER FILLING OF 3 FACULTY POSITIONS</td>
<td>T</td>
<td>125,000</td>
</tr>
<tr>
<td>ABOLISH 2 TEMP POSITIONS</td>
<td>P</td>
<td>65,000</td>
</tr>
<tr>
<td>CLOSE 2 LANGUAGE SECTIONS</td>
<td>P</td>
<td>50,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>240,000</strong></td>
</tr>
</tbody>
</table>