

INTRODUCTION

This is a special visit follow up report conducted in March, 2007. It was a follow up visit to the actions of the WASC Commission outlined in the Commission letter of February 25, 2005. The Special Visit Team members were Dr. Lindsay A. Desrochers and, as staff liaison from WASC, Ralph Wolff. During the course of the day and one half of the visit, the Team interviewed all of the principal officers from the President's Office of the University of Hawai'i System as well as members of the Board of Regents, members of the All Campus Council of Faculty Senate Chairs, the Pūko'a Council, student leaders, a representative of the University Foundation, legislators and a representative of the Governor's Office.

This visit was a follow up to previous visits to the Office of the President, which began following a request from President Dobelle in 2002 to review a new strategic plan and organization for the Office of the President. These visits proved valuable, and the current visit was intended to assess the status of the Office of the President and System administration following the appointment of a permanent President. In the Commission action letter of February 6, 2006, following the last review, the Commission found significant progress in many areas at the Office of the President including relations between the Board of Regents and the President; in the budgeting process and strategic planning; in clarifying the System administration and its relation to the campuses, in continuing consultation with university groups and constituents. Some recommendations were also included in this letter including: actions to assure stability of leadership during transitions in the president and vice president for academic planning positions, as well as the Mānoa chancellor; monitoring of the revised System administration reorganization plan with special attention to the support of campuses and vice presidential roles; improving the financial accounting and budgeting reporting systems; continuing attention to legislative and gubernatorial relations, including attention to inappropriate legislative interference in University affairs such as personnel decisions; and monitoring of impacts of tuition increases on students.

In the following report, we will touch on a number of these and other issues all of which relate to the Commission's fundamental standards concerning governance and institutional integrity. The report will also comment on the overall importance of this university system review approach to both the university system and to WASC.

BOARD OF REGENTS/PRESIDENT RELATIONS

A very important issue which the series of Special Visits and reports concerning the UHS over the past four years have addressed is the relations between the Board of Regents and the President of the UHS. In the February 6, 2006 letter, the Commission stated that "....

the relations with the Board of Regents appear to be well established and effective..." It is a finding of the March, 2007 Special Visit that relations between the President and the Board of Regents continue to be very good, even excellent. Board members had responded well to Association of Governing Boards assistance over the past few years which helped in delineating appropriate roles for the President and Board. Further, the Board members interviewed praised the President and his management skills. It appears that the President has established a very good working relationship with the Board and as a result, the Board has delegated back to the President authority over most personnel decisions. The President meets regularly with the Board leadership to review issues. Development of the Board agendas is managed between the President and Secretary of the Board in a collaborative manner. Others interviewed including President's Office staff, faculty and student leaders, legislators agreed that the Board/President relations are strong. This represents tremendous change from just a few years ago and the Board and President are to be commended for this success.

BOARD OF REGENTS/LEGISLATURE/GOVERNOR RELATIONS

There is one development that will significantly affect the Board of Regents on which the Team wishes to comment. At the time of the Special Visit, the Hawai'i Legislature had under consideration a bill to expand the Board of Regents from eleven to fifteen members. Further, the legislation would create a nominating committee (called a candidate advisory council) appointed by specific constituent groups, with seven members who would, in turn, nominate persons for membership on the Board of Regents. The Governor would be limited to choose from those nominated for each vacant position, with confirmation by the State Senate. After the Special Visit, this bill was passed. Although vetoed by the Governor, the State Legislature overrode the veto. The bill has now become law. Hence, there will be an expansion of the Board of Regents by three members, from 12 to 15, and a new nominating process will be implemented. In addition to this major governance change, the terms of eight members of the current Board of Regents will be up by June 30, 2008 (those Regents with terms expiring June 30, 2007 have had their terms extended one year by the new law). Since one vacancy already exists on the current Board, by July 2008, as many as 12 of 15 Board positions may be occupied by new Regents.

It will be imperative that the Board of Regents not be viewed as a partisan Board. The primary function of the Board of Regents is to provide governance and advocacy for the entire University of Hawai'i system. To be successful in this mission, the Board of Regents must be able to work with all parties and elected officials. The team strongly recommends that the State Legislature, the Governor and now the new Board of Regents candidate advisory council implement the new Board of Regents selection process with this foremost in mind. The team further recommends that the Board continue to engage the Association of Governing Boards in establishing good policy and training practices for Board members.

The team had the opportunity to meet with two legislative leaders and to assess general relations between the Board of Regents, the President and the State Legislature. While

there was support for the UHS and acknowledgement of a stronger Board/President team, there is still some concern about legislative influence on faculty and staff assignments. Such efforts are a source of continuing concern and to the extent they arise, the UHS is not able to maintain the autonomy/integrity required by WASC standards. The Team recommends that State officers and elected officials recognize the importance of maintaining personnel decisions within the proper authority of the UHS. Failure to do so would be the basis for findings on noncompliance with WASC Standards.

Finally, the Team had the opportunity to meet with the Governor's chief finance officer and it was apparent from this interaction that the UHS President and his principal officers had established a good working relationship with the Governor's Office.

OFFICE OF THE PRESIDENT/SYSTEM ORGANIZATION AND RELATIONS WITH CAMPUSES

Another area of review in the previous special visits at the University of Hawai'i System (UHS) concerned the organization of the President's Office and functional relationships between that Office and the campuses. The February 6, 2007 letter from the WASC Commission to UHS, recommended that the Board of Regents make efforts to assure stability during the transition years of the interim presidency and various other offices in transition including the Vice President for Budget and Finance and the Mānoa Chancellor. At the time of the March, 2007 Special Visit, several critical executive personnel decisions had been completed. The Interim President was selected for the permanent position, and given a three year contract. The interim Vice President for Academic Policy and Planning was offered the permanent position. A new Vice President for Budget and Finance (CFO) had been selected and was active in the position; and, most recently, the President had selected and the Board had approved a new Chancellor at Mānoa. Additionally, a new Chancellor at West Oahu was in place. The Team had the opportunity to meet with all of these individuals. Both the Vice President for Budget and Finance, the Chancellor-Elect at Mānoa and Chancellor at West O'ahu had excellent experience for their roles and demonstrated good understanding of the challenges before them. In addition to these positions, the role of General Counsel was recently filled following the retirement of the previous legal counsel, providing the Board and President with essential legal services. Further, a long time community college chancellor in the System became the Vice President for Community Colleges (establishing required leadership in this area). As a consequence of these choices, the Team concluded that the UHS was well on its way to a stable executive team.

One decision remained outstanding at the time of the March 2007 for the executive group. It is yet to be determined if the role of Vice President for Student Affairs will remain a vice president level office or some other level office within the UHS. Currently, there is an interim Associate Vice President for Student Affairs. Student leaders singled out this situation as their sole major concern with the reorganization. The students wish to see the Vice President for Student Affairs position refilled. The President has this matter under consideration. Whatever the decision, clear, reasoned and continuing

communication with the student leadership will be needed to assure good relations with the students.

The vice presidents and other senior leadership in the President's Office now have a mechanism in place for deliberation on policy issues, coordination of operations and general communication. This senior leadership cadre meets on a regular basis with the President. The group operates as a "think tank" and a forum to consider new ideas according to the Vice President for Academic Planning and Policy. The new Vice President for Community Colleges and the four year universities' chancellors also participate in this group. The vice presidents group as such is developing cohesion and appears to work well with the President.

In addition to this cross cutting group, there remains the Council of Chancellors which is the formal link for the President and chancellors. Finally, the All-Campus Council of Faculty Senate Chairs (ACCFSC), the UH Student Caucus and the Pūko'a Council are functioning bodies which advise the President and vice presidents on issues of importance to those groups. The Team met with representatives from each of these bodies. On the whole these groups seemed pleased with the relations with the System Office with the exception of one representative from the Mānoa campus on the ACCFSC who pointedly expressed the view that the presidential reorganization had not been effective and was not serving the Mānoa campus well. This representative would like to see full re-delegation back to the campuses (at least the Mānoa campus) rather than the dual level model the reorganization represents. On the whole, however, there was general support for the reorganization. In a System which has only five years' history, the forums set up for deliberation and communications appear to be working and the Team commends the President for continuing leadership in shaping and refining the work of these forums.

The February 6, 2006 letter from the WASC Commission noted that vice presidential roles and position descriptions need to be clarified. The Team noted that there is an ongoing effort to delineate the appropriate roles for the vice presidents; what their portfolios are; and what their operational relationships are to be within the President's Office and in relation to the campuses. And there is continuing effort on the division of labor between the System and the campuses, particularly with the Mānoa Campus. The President continues to explore the right number and functions for the System and ways to avoid duplication. Building on the experience of the staff sharing for the community colleges from the System Office, the President is exploring a similar arrangement of staff sharing with other campuses. Currently under consideration is a dotted line between information technology and capital outlay functions at the System and the Mānoa campus. These functions report directly to certain vice presidents and hence to the President; but the dotted line arrangement to Mānoa is considered a way to provide needed service at Mānoa and to avoid duplication. The President expressed the desire to wait until the new Mānoa Chancellor was fully in office before making permanent these decisions. In recognition of increased human resources decisions delegated to the President and from the President to the baccalaureate campus chancellors and to the Vice President for Community Colleges, and to balance human resources staffing levels on the

Mānoa campus with the new increase in responsibility and authority in the human resources area, the President transferred three positions from the UH System Office of Human Resources to the UH Mānoa Office of Human Resources.

Given the recent five year history of the governance change of the UHS, in particular the separation of the Mānoa Chancellor from the System executive function and the creation of a separate President's Office, it is now important to clarify fully for the new Mānoa leadership the reporting and working relationships between Mānoa and the System. Clarity about System level responsibilities to the campuses in important areas like capital outlay and information technology is also needed for the other four year institutions (West O'ahu and Hilo), especially in capital outlay where campus expansion plans are dynamic. The Team's recommendation is that clarification of the reporting and working relationships occur in all relevant areas at the earliest possible opportunity.

A final comment in this reorganization section concerns the Mānoa leadership. The President has established a strong leadership approach, elevating the System to a more cohesive and identifiable entity. Now the new Mānoa Chancellor needs the opportunity to assert leadership for that campus. Clarification of functionality between System and campuses should help with this goal. Clear messages about the role and scope of authority of the Chancellor should assist also.

STRATEGIC PLANNING

The Team noted that the UHS continued in its multi year process of strategic planning and review/stocktaking of goal achievement. Called the Second Decade Project, this effort builds upon the stock taking exercise of several years ago and has led to a successful University-wide effort to establish priorities in its funding requests to the State Legislature and Governor. The Vice President for Academic Policy and Planning noted that the System views its role as identifying what the State's needs are for higher education and developing an agenda and continual refinement of that agenda for meeting those needs. One major agenda point is to grow the number of resident Hawaiian students completing higher education programs. Another is to improve retention and transfer rates for all students. Much attention is focused on increasing college readiness and as part of the P-20 initiative, the UHS has joined the NASH Access with Success initiative with other university systems, intended to increase admissions, retention and graduation rates, especially for minority students.

Campuses and the executive team of the System are also focused on certain capacity expansion efforts including the further build out of the West O'ahu campus and possible development of a campus center affiliated with Hawai'i Community College in the Kona area. And the Hilo campus continues to advocate growth at Hilo. Aligning the enrollment goals of the system with the physical development goals is a continuing need. The Team recommends continued attention to maintaining and refining such processes and to assuring that physical development goals (and expenditures) are aligned properly with enrollment distribution plans.

FINANCIAL/BUDGETING ACCOUNTABILITY

The February 6, 2005 letter from the WASC Commission urged continuing improvement in light of Board and auditor concerns about financial support for the University and the expansion of several campuses (described above). With the hiring of a new Vice President for Budget and Finance, the President indicated the intention to make significant changes in these financial management areas. The new Vice President comes from an audit background and is well experienced for his role. The Vice President has created new formats for financial reporting to the Board and State including the now commonly used "dashboard" of financial indicators approach. This approach appears to have the Board's approval. Special workshops have also been held for Board members on revenues and expenditures. The Hawai'i System has a propriety financial information system but is now a member of the Kualii consortium which is converting software at a number of institutions nationwide. The new software should provide a new level of functionality.

The Vice President is also working on a Senate Concurrent Resolution concerning comprehensive financial planning for the UHS and hopes to have that resolution form the basis for future resources appropriations for the UHS. The Vice President for Budget and Finance is also convening campus finance and budget officers on a regular basis to share information and ideas about how to improve financial and budgeting processes, taking particular note of the State Budget Director's desire to see prioritization of the budget items based on specific goals such as graduation rates, retention and transfer rates, and increased admissions levels.

All of these are good steps in bringing a greater level of transparency and rationality to the financial management of the UHS. The Team notes these improvements and has confidence that continuing improvements will be forthcoming.

As noted above, the UHS has had success in budget requests in the past few years and while the University did not receive all the funding increases it proposed to the Legislature and Governor, it was able to implement overall increases. Building on these important steps, the Team recommends that new budget prioritization processes be continued and further refined.

PŪKO'A COUNCIL/NATIVE HAWAIIAN AFFAIRS

The Team met with representatives of the Pūko'a Council, chaired by a professor who directs the Center for Hawaiian Studies. The Pūko'a Council has lobbied for expansion of the Hawaiian Studies area and is focused on expanding teachers to infuse native Hawaiian culture and language in contemporary Hawai'i. During the previous Mānoa administration there were pledges for faculty and other resource expansion to accommodate these goals. The Pūko'a Council continues to advocate for such resources and notes that advocacy is expected to occur through campus chancellors. The Council is not entirely satisfied with the budget process and expresses desire for greater transparency so they can advocate for the program's needs. There is also discussion in the

Council on the idea of merging Hawaiian programs into one School. These are matters for council, campus and presidential leadership discussion, but the team notes that attention to and discussion of these ideas would be desirable. (It is our understanding that after the special visit in March at the May 2007 meeting, the Board of Regents, approved the establishment of the Hawai'i inuiakea School of Hawaiian Knowledge at UH Mānoa, combining the programs of the Kamakakūokalani Center for Hawaiian Studies, and the Kawaihuelani Hawaiian Language Program.)

CONCLUSION

Overall, much progress has been made at the UHS and the Board of Regents and President deserve commendation for their efforts of the past few years in achieving such progress. The UHS has been most cooperative and deliberate in its work with the WASC special teams and as a result great benefits have resulted. Challenges before the State with respect to the further progress of the UHS remain, but the overall progress has been great. Most especially the Board of Regents has developed as a functioning governing body with a good sense of its appropriate role. State officials need to assure that these gains are not lost with the implementation of a larger Board and one selected through a new process.

SYSTEM LEVEL EVALUATION AND REVIEW

Over the course of the last five years the WASC Commission has interacted with the new University of Hawai'i System (and its campuses) in a special effort to evaluate and guide the development of a major System reorganization. This process has clearly helped both the State of Hawai'i and WASC to better assure that the governance structure of the Hawai'i System has both appropriate governance structures and the institutional integrity to fulfill its roles as the provider of public higher education in the State. Among the many issues which have been considered have been the role of the Board of Regents and its operating principles; the role of the new President of the System and his roles in relation to the board and the campuses. The large questions, concerning governance and institutional integrity, which needed to be answered received focused attention from the reviewing special teams. With the system context under evaluation, campus accreditation is clarified. Without understanding of the system context, frequently campus issues are misunderstood. Thus the recommendation of this Special Visit Chair is that the WASC Commission may wish to consider using this mechanism of System review at the University of Hawai'i periodically, and with other systems to help shed light on system-level and campus issues arising in campus accreditation.
