

REPORT OF THE WASC SPECIAL VISIT TEAM

UNIVERSITY OF HAWAI'I SYSTEM OFFICE OF THE PRESIDENT

September 17-19, 2012

Team Roster

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The team evaluated the institution under the WASC Standards of Accreditation and prepared this report containing its collective evaluation for consideration and action by the institution and by the Accrediting Commission for Senior Colleges and Universities. The formal action concerning the institution's status is taken by the Commission and is described in a letter from the Commission to the institution. This report and the Commission letter are made available to the public by publication on the WASC website.

Section One: Team Report

In 2009, the Senior Commission for the Western Association of Schools and Colleges (WASC) requested a special visit to the University of Hawai'i Office of the President be conducted in 2012 to address several specific issues. At the time of the request, the Commission wished to assess the effects of leadership changes at the University and changes in the manner of appointment of members of the University's governing body, the Board of Regents (BOR).

The specific items the Commission requested be addressed in a special report and at the special visit included progress concerning the composition and operational effectiveness of the Board of Regents, relations between the University and the state legislature, enrollment management and retention across the University of Hawai'i (UH) system, and the foundation for accreditation of the three university campuses then accredited by the Senior College Commission.

A special report prepared by President Greenwood provided the original basis for the assessment of the progress being made on each of these matters. In addition, the special report raised other matters for consideration, including the organization of the System Office, improvements made in the System's financial budgeting and accounting, relations with Hawai'i's governor (as well as its legislature), and the impact of increased tuition. Further, President Greenwood outlined the strategic initiatives undertaken by the University since she became its president. These include efforts to double the amount of funded research, improve the number of degrees awarded by 25%, and renovate university facilities.

Shortly before the team visit, the State Senate called a special inquiry on matters relating to both a failed potential Stevie Wonder concert, which caused the University at Manoa's department of intercollegiate athletics to lose \$200,000, and the reassignment of the University of Hawai'i-Manoa Athletic Director to a communications job created for him in the Chancellor's Office. Although not the initial focus of the review, the inquiry raised issues that pertain to its topics. The President's Office provided a supplement to its Special Report giving background on these matters, which were added to the scope of the special visit.

Composition and Effectiveness of Board of Regents and Stability of University Leadership

At the time of the previous visit to the Office of the President, a new process for the appointment of members of the Board of Regents was about to be implemented. Given concerns about the role and effectiveness of the Board of Regents held by the Commission in earlier years, the Commission wished to follow up after the new process had been implemented to assure that the Board of Regents continued its progress toward reinforcing itself as an effective governing body.

Although there is disagreement about the efficacy of the selection process, its result has been the selection of Board members who, after an effective on-boarding process, appear to be exercising appropriate oversight of the University without micromanaging its operations. Board leaders appear to be a cohesive and effective team and seem very supportive of both the University and the President. In addition, the interviews with Board members and others portrayed a Board that is not unduly swayed by outside political influences but is attentive to legitimate public concerns.

Relations with State Legislature

There is a fine distinction between being independent of improper influence in order to protect academic freedom and institutional autonomy and being attuned to the political and cultural milieu of a state so that the leadership of the state appropriately values and supports the university. The University has been successful in working with state officials (governor and legislature) in gaining acceptance of a staged multi-year plan for the use of tuition increases. Revenue from these tuition increases has helped to ameliorate the effects of reductions in state appropriations. Further, team discussions with state legislators and staff from the governor's office suggest that state leaders appear to recognize the important role of the University and its system of ten campuses in advancing the future of Hawai'i. However, recent events stemming from the cancellation of the Stevie Wonder concert and personnel actions associated with that matter have led to the conduct and scheduling of public hearings by a special Senate Committee on accountability. The publicity around the concert matter and these hearings has raised issues of the structure of the University and other matters regarding accountability and authority.

Regardless of the outcome of these hearings, it will be important for the University's leaders and the state's elected officials to forge a shared understanding of the critical balance between essential University autonomy and the University's accountability to the state. This will require that the University build stronger ties with a broad segment of the state's elected leaders.

Enrollment Management and Retention

The special report makes mention of the enrollment increases seen over the past few years at all ten campuses, noting that most of that growth has occurred at the community colleges. The increase in the enrollment of Native Hawaiians, long a university priority, has been noteworthy in the years since the last visit. Data about retention and graduation show some improvement but are far from what the University is seeking. The University notes progress toward one of its three strategic goals, that of increasing the number of degrees awarded by 25% by 2015. Data from 2011 underscore that progress and show special growth in the number of degrees awarded to Native Hawaiians. The success of transfer students moving from the community colleges to the four-year institutions has been a special focus of attention and has contributed to the improvement in degrees. However, students noted that impediments to transfer and the lack of needed classes in any given term still hamper student progress toward degrees. The team met with the chancellors of the senior campuses and was struck by the degree of cooperation and collaboration they emphasized. This came through also in discussions the team had with the All Campus Council of Faculty Senate Chairs. However, the faculty participants in that session represented only the two smallest campuses. Good cooperation and collaboration should help enable continued improvement in student success measures.

The team commends the University of Hawai'i for the improvements it has made in the retention and graduation rates of its undergraduate students. In particular, its progress with regard to the enrollment and graduation of Native Hawaiian baccalaureate students is exemplary.

The team is impressed by the spirit of collaboration evinced by the chancellors of the campuses, a sense of teamwork that also was mentioned by some faculty. This is indicative of a sense of "system" that should build a stronger University.

Building on the success the University has had with Native Hawaiian undergraduate students and to further its efforts to be a model indigenous serving university, the team recommends that the President work with leaders from throughout the University to espouse and implement a plan articulates clear goals and paths for improved success for Native Hawaiians in graduate programs and as faculty, staff, and administrators for the University.

Foundation for the Accreditation of the Senior Campuses

Since all three campuses have been the subject of separate accreditation actions in recent years, it would appear that the University has provided a foundation for its institutions that permits them to achieve and maintain accreditation. In fact, one of the community colleges, Maui College, has become the fourth of the University's institutions to receive accreditation from the Senior Commission, reflecting its provision of a limited number of baccalaureate programs. However, the notice of concern issued by the Senior Commission with respect to the West Oahu campus, a campus that is undergoing rapid expansion, emphasizes the need for the University to continue to provide the leadership and framework necessary for its institutions to achieve the stability necessary to assure students and state of their quality and integrity.

Organization of the System Office

President Greenwood and the Board of Regents have made significant changes in the structure of the System Office. One vice president position (administration) was eliminated while two other vice presidential positions (student affairs and university relations) were combined into a single unit. The functions of the administration division were transferred, variously, to the new combined vice presidency for student affairs and university relations, to the provost's office, to the vice president for information technology, and to the vice president for budget. Further, the provost was elevated organizationally to be the executive vice president. It is not the role of the team to comment on the structure of the office or on the quality of its performance. However, it is necessary to reflect on the clarity of the responsibilities of each of the senior leadership positions and on the perceived effectiveness of the overall organization and its components. Hence, the team asked students, faculty, legislators and others to reflect on these matters. Generally, the reaction from those questioned was that the organization is operating effectively despite the multiple roles assigned to some senior administrators. The only issue raised (and it was noted by more than one group) is that the elimination of the vice president for administration and the distribution of the functions of this position among various executive positions has led to uncertainty by regents and campus leaders about who to turn to with questions and concerns concerning administrative and operational matters. The president should make clearer to the university community where within the system organization these responsibilities are lodged.

The team commends President Greenwood and her team for their focus on key priorities and their ability to keep in mind the long view rather than just short term matters as they make progress on the three key initiatives of the University. The plan and its priorities are well and broadly understood and make clear the goals of the University.

The team notes the outstanding progress the University has made in securing federal grants to support leading edge research, with increases coming even in the face of a more general stagnation or reduction in federal support for university research nationwide.

Improved Financial Budgeting, Accounting and Reporting

The president made special mention of these matters, some of which are tied to the organizational changes noted earlier and some of which relate to the installation of the new Kualii Financial System, whose implementation was still fresh at the time of the team visit. It is too soon to assess the success of the implementation of that new system but preliminary indications are that the software is operating correctly although the team was told that some users (both in the central office and in campus departments) have not yet adjusted to the changes in both the system and their own responsibilities. In addition, it is not yet clear if additional staff will be needed in the central office to process transactions formerly handled at the campuses and what staff at campuses whose workload has changed or decreased might be assigned.

The necessary tie of both state appropriations and tuition rates and income (and financial aid) to the budget are clear and have been placed on a multi-year footing through the five-year tuition plans adopted by the BOR.

The success of the University in weathering the loss of more than 25% of its appropriation support over the past few years is noteworthy. Despite the state funding reductions, the University managed to sustain operations, increase enrollment and student success, increase research funding, and persevere with its planned tuition increases. Some of the steps taken to weather the financial storm (such as unpaid leaves and salary reductions) now must be reversed. Care must be taken to ensure the University can sustain its quality and its student success in the face of these cost increases. This will be particularly problematic if there are no additional state funds forthcoming in the near future—an outcome the university seems to anticipate.

Another issue is the continued growth in the University's backlog of deferred maintenance, notwithstanding that one of the President's principal initiatives is tied to the renovation of space to permit the acceleration of research.

The planned increases in the percentage and amount of tuition income used to support need based financial aid have helped sustain the upward trajectories of enrollment and student success. The expansion of this method along the lines proposed by the University (to 20% of tuition revenue for the senior institutions) does not seem unusual but the effectiveness of this policy and program in enabling the success of lower income students (particularly Native Hawaiians) should be assessed regularly.

The specter of federal sequestration, coupled with the end of the ARRA programs (federal stimulus) could attenuate progress in doubling the amount of externally funded research conducted by the University. The president is attentive to these matters. The extent of the University's reliance on federally funded research is significant. Decisions made regarding institutional support of research infrastructure could affect the amount of money available for other university operations and the support of students. This is related, in part, to the \$100 million of revenue bonds the University intends to issue for facilities renovation since at least a portion of the revenue intended to be used for debt service on these bonds would come from indirect cost recoveries associated with federal research grants. Because research was the key component of two of the president's strategic initiatives, any significant reduction in federal funding could have deleterious effects on the achievement of the University's strategic goals.

Notwithstanding these concerns, the financial health of the University appears to be good.

The team is impressed with the financial planning and careful attention to finances that has characterized the University during the economic downturn. Its management of finances has allowed it to educate more students more effectively despite a major reduction in support from state appropriations and merits commendation.

Relations with Governor

The special report emphasized the strong support provided by Governor Abercrombie for the University. The Governor's staff noted his general support for the University and acknowledged the progress the University had made in retention and degree production. However, the relationship between the Governor and the University may have been strained by the concert issue.

Impact of Increased Tuition

The special report spoke of the value that the first five-year plan to increase tuition toward national averages had on the financial situation of the University, suggesting that the increased revenue made it possible for the University to withstand state budget reductions without serious damage to itself or the quality and quantity of its academic programs.

The University's Board of Regents again adopted a multi-year tuition plan and strategy in the fall of 2011. Again, the plan calls for increasing tuition more toward the national average (an amount that moved up considerably due to the nationwide financial crisis and its impact on states). In addition, the plan calls for increasing need based financial aid to an even higher percentage of tuition income than prevailed in the past few years.

Obviously, tuition increases can affect affordability for students (hence, the need for more financial aid). But some students and families may become resistant to such increases if they are not tied to higher levels of student service or perceived value. Students shared concerns about affordability (especially for the many students with working and family obligations) and about the availability of classes to permit timely progress to degree. The period of shared sacrifice that characterized the early years of this financial cycle may not be sustained, making students and families more critical of increases that are used to offset state budget reductions or to buyback expenses such as salary reductions. The University should pay close attention to student and public sentiment regarding tuition increases and monitor closely its total enrollment and the enrollment of students from each income segment. The University's efforts to increase graduation numbers and rates and reduce time to degree reinforce the need to ensure the availability of required courses for both general education and the majors on a predictable, frequent, and well-understood basis.

It was noted that some of the campuses might explore increasing their nonresident U.S. and international student enrollment as long as this did not displace qualified Hawaii residents. The University has relatively few nonresident students compared to other major public universities and has a lower nonresident tuition rate than do many. Such a nonresident enrollment strategy could lead to more financial resources for the University since tuition for nonresidents is likely to be higher than the cost of instruction. This is a common strategy in other states and could provide a positive financial gain and additional student diversity. However, care must always be taken to ensure that Hawai'i residents have sufficient opportunities for higher education and are not displaced by residents of other states and countries.

The team commends the University for its tuition plan, a multi-year effort that allows predictability for both families and the university and which takes into account impending costs such as salaries, employee benefits, and the need to address deferred maintenance.

The team recommends that the University consider carefully student concerns about tuition and affordability as well as the availability of needed classes as it pursues its efforts to increase the number of Hawaiians to whom it awards degrees.

Additional Concern for Team:

Consistent with the charge given to the team is an investigation of the roles of the System Office and of the campuses, particularly those of the flagship at Manoa. The clarity of responsibilities between these entities was considered by the last visiting team but not specifically called out. Team members wondered if system and campus leaders and staff were clear about when system responsibilities ended and those of the campus began.

The recent issues raised around the aborted concert underscore concerns that the roles are not clear, particularly as they relate to intercollegiate athletics. Typically, and according to the organization structure of the Manoa campus, the management of intercollegiate athletics is a campus responsibility which, according to NCAA guidelines, should be exercised directly by the chief executive officer of the campus (the chancellor at Manoa).

However, in this case, some suggest that decisions about payments for what became the cancelled concert may have been made by system employees. Those decisions seemed to be made in order to expedite payment so that the hoped for event and its revenue would be realized. Regardless of the merit of the decisions, the governance question raised is whether the system office should make decisions and take actions directly when the area involved is the responsibility of the campus. (Others stated that only campus officials authorized payment and that the system office performed a merely ministerial function of making the payment upon receipt of authorization to do so.) The response from senior leadership is that the BOR expects the president to take responsibility for these matters in order to ensure that proper action is taken. However, in this case, that appeared to muddy accountability and responsibility.

Some have conflated the decision by the BOR chair to ask the President to lead efforts to join the Mountain West athletic conference (said to be in contravention of the wishes of the then Manoa chancellor) with the concert payment issue. In addition, the appointment of a system vice president to serve as the interim athletic director at Manoa has further confused the system/campus responsibilities for intercollegiate athletics.

The payment/concert incident may be isolated but suggests that the Board of Regents should be clear about the respective roles and responsibilities of the president and of campus chancellors. The team was told that the president wishes to divest herself of responsibility for athletics and that the Regents agree now that a new chancellor has been installed at Manoa. If the Board wishes the chancellor to be responsible for athletics, it should clarify and, as appropriate, modify whatever rules and procedures previously have allowed system staff to act directly in that area. If the Board, on the other hand, wishes the president to have some responsibility for athletics, that must be clearly defined and commonly understood and harmonized with NCAA rules and expectations.

The Board of Regents also has created a work group of both regents and outside experts to investigate whether other areas of confused authority in addition to athletics exist within the University. The team lauds the pro-active efforts of the Regents to ensure that responsibilities and authority are clarified.

The team commends the Board of Regents for establishing a working group, including outside experts, to undertake a thorough review of the delegations of authority that have been made.

The team recommends that the University provide to the Commission staff the report and other results of the efforts of the working group the Board of Regents has established to investigate delegations of authority and the appropriate balance of authority between the system and the campuses.

The team recommends that the University provide to the Commission staff any report or draft legislation arising out of the work of the special state senate investigative committee and other findings, reports, and recommendations by the state that may pertain to the matters raised by the Stevie Wonder concert.

Section 2: Criteria for Review

Six of the Senior Commission's Criteria for Review appear most appropriate for this visit. Each of them is depicted below. Other CFR's were considered but found not to be as pertinent to the issues raised in the Commission's charge for this visit.

CFR 1.3: Leadership: "The institution's leadership creates and sustains a leadership system at all levels that is marked by high performance, appropriate responsibility, and accountability."

The record of the past few years is positive for the University and its performance and reflects well on the leadership of the individuals on the Board and within the System. The recent concert incident suggests that more clarity is needed between the roles of the system and the campuses in at least one area—athletics—and perhaps in other areas, as well. The University's Board of Regents is undertaking a careful review of the relative roles and responsibilities of its system office and of its campus leaders in order to ensure greater clarity and accountability. It is important that the recommendations of this group be considered carefully and lead to appropriate action.

CFR 1.5: Diversity: "Consistent with its purposes and character, the institution demonstrates an appropriate response to the increasing diversity in society through its policies, its educational and co-curricular programs, and its administrative and organizational practices."

The University's specific and explicit policies and programs, particularly as they regard Native Hawaiians, are direct and exemplary. This is an area in which the University community can take pride—even as it strives to improve. Progress in 2011 was especially notable as the University exceeded its goal for awarding degrees to Native Hawaiians by a very large margin. The Pukoa Council noted that progress for Native Hawaiians in graduate education and in University employment (both as faculty and as professional staff) continued to lag. This suggests the desirability of a plan to address how to ensure that progress is made in these all-important areas. The culture of the University and its efforts to be identified as a model indigenous serving institution suggest that such a plan might have merit. It should

be clear in providing pathways and professional development for Native Hawaiians to be successful faculty and staff.

CFR 1.6: “Even when supported by or affiliated with political, corporate, or religious organizations, the institution has education as its primary purpose and operates as an academic institution with appropriate autonomy.”

In this instance, the criterion is related to the freedom of the University and its Board of Regents from inappropriate external interference. Reports of requests by elected officials that University leaders take certain actions and subsequent legislative hearings which questioned University personnel decisions and seem to have increased pressure to reverse them have led to a serious situation for the University. The University must be able to function effectively as an academic institution with appropriate autonomy over its operations, policies, and programs. It is essential that needed autonomy be understood, respected, and maintained.

CFR 3.5: Financial Stability: “The institution has a history of financial stability, unqualified independent financial audits and resources sufficient to ensure long-term viability. Resources are aligned with educational purposes and objectives. If an institution has an accumulated deficit, it has realistic plans to eliminate that deficit. Resource planning and development include realistic budgeting, enrollment management, and diversification of revenue sources.”

Despite the loss of more than 25% of its state appropriations support, the University of Hawai'i has continued to be financially sound. Increased tuition income and careful expense management have helped contribute to that condition. Care must be exercised as tuition is increased in the future due to the low income nature of many of the University's students. In addition, the plan to pay for the restoration of employee compensation and possible salary increases was included in the University's tuition proposal. However, it was not clear whether all the costs of such increases were covered in the plan. The University has noted a lack of progress toward reducing its backlog of deferred maintenance, a particular issue given that one of the President's strategic initiatives focuses on renovation of facilities in order to increase research. Again, some of the costs to address this matter were said to be built into the out year tuition increases.

CFR 3.8: Organization Structure and Decision-making Processes: “The institution's organizational structures and decision-making processes are clear and consistent with its purposes, support effective decision making, and place priority on sustaining effective academic programs.”

The administration of the University of Hawai'i has undergone significant change and restructuring in the past few years. The elimination and consolidation of senior leadership positions has been implemented with seeming success, although some constituents wish for greater attention and even some Regents had questions about who oversaw certain administrative and support functions. Perhaps the biggest question mark deals not with the internal organization of the System office but rather with the apparent lack of clarity in the delineation of responsibilities between the System office and the administration of the Manoa campus. The recent concert issue highlights this issue, which may or may not be more widespread than just dealing with intercollegiate athletics. The Board of Regents has established a working group to determine if delegation of authority is clear and appropriate. The University should examine the roles of the administrative organizations of the System and the Manoa campus to ensure clarity of responsibility and accountability.

CFR 3.9: Independent Governing Board: “The institution has an independent governing board or similar authority that, consistent with its legal and fiduciary authority, exercises appropriate oversight over institutional integrity, policies, and ongoing operations, including hiring and evaluating the chief executive officer.”

Although the independence of the Board of Regents from political influence was a concern for the Commission in 2009, it appears the Board has been able to operate independently. The Regents Candidate Advisory Committee, established in legislation a few years ago to recommend potential Regents to the governor for appointment or reappointment, includes representatives from both political parties and from university constituencies. Although some state leaders wish to change the process used by the RCAC (to provide more choice to the governor and to ensure more openness), the net result to date seems to have been effective new members of the BOR. The deliberate on-boarding process of the Regents is noteworthy and seems to have resulted in new Regents understanding their roles and responsibilities.

Section Three: Commendations and Recommendations

Commendations

1. The team commends the University of Hawai'i for the improvements it has made in the retention and graduation rates of its undergraduate students. In particular, its progress with regard to the enrollment and graduation of Native Hawaiian baccalaureate students is exemplary.
2. The team is impressed with the financial planning and careful attention to finances that has characterized the University during the economic downturn. Its management of finances has allowed it to educate more students more effectively despite a major reduction in support from state appropriations and merits commendation.
3. The team commends the University for its tuition plan, a multi-year effort that allows predictability for both families and the university and which takes into account impending costs such as salaries, employee benefits, and the need to address deferred maintenance.
4. The team notes the outstanding progress the University has made in securing federal grants to support leading edge research, with increases coming even in the face of a more general stagnation or reduction in federal support for university research nationwide.
5. The team commends President Greenwood and her team for their focus on key priorities and their ability to keep in mind the long view rather than just short term matters as they make progress on the three key initiatives of the University. The plan and its priorities are well and broadly understood and make clear the goals of the University.
6. The team is impressed by the spirit of collaboration evinced by the chancellors of the campuses, a sense of team work that also was mentioned by some faculty. This is indicative of a sense of “system” that should build a stronger University.
7. The team commends the Board of Regents for establishing a working group, including outside experts, to undertake a thorough review of the delegations of authority that have been made.

Recommendations

1. The team recommends that the University provide to the Commission staff the report and other results of the efforts of the working group the Board of Regents has established to investigate delegations of authority and the appropriate balance of authority between the system and campuses.

2. The team recommends that the University provide to the Commission staff any report or draft legislation arising out of the work of the special state senate investigative committee and other findings, reports, and recommendations by the state that may pertain to the matters raised by the Stevie Wonder concert.
3. Building on the success the University has had with Native Hawaiian undergraduate students and to further its efforts to be a model indigenous serving university, the team recommends that the President work with leaders from throughout the University to espouse and implement a plan that articulates clear goals and paths for improved success for Native Hawaiians in graduate programs and as faculty, staff, and administrators for the University.
4. The team recommends that the University consider carefully student concerns about tuition and affordability as well as the availability of needed classes as it pursues its efforts to increase the number of Hawaiians to whom it awards degrees.

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