MINUTES OF THE REGENTS’ COMMITTEE ON
BUDGET & LONG-RANGE PLANNING

Date: Thursday, April 15, 2004

Place & Time: Campus Center Conference Room 220
University of Hawai‘i at Mānoa
5:45 p.m.

Committee Members Present: Regents Tanaka (presiding)
Bender
Haynes
Hong
Kakuda
Kawakami
Lagareta
Nunokawa
Tatibouet
Yamasato
Lee (ex-officio)

Others Present: Evan S. Dobelle, President, University of Hawai‘i
Peter Englert, Chancellor, University of Hawai‘i at Mānoa
Rodney Sakaguchi, Vice Chancellor for Administration, UH-Mānoa
Andrew Hashimoto, Dean, College of Tropical Agriculture and Human Resources, UH-Mānoa
David Iha, Executive Administrator and Secretary of the Board
Carl Makino, Executive Assistant to the Board

Approval of Committee Meeting Minutes

Regent Kakuda moved to approve the minutes of the meeting of the Regents’ Joint Committees on Budget and Long-Range Planning and Finance and Facilities held on January 15, 2004 and Committee on Budget and Long-Range Planning held on February 19, 2004. The motion was seconded by Regent Nunokawa and unanimously carried.
Subjects:

1. Proposed Reorganization of the Chancellor’s Office, University of Hawai’i at Mānoa
2. Proposed Reorganization of the Office of Human Resources
3. Proposed Reorganization and Redistribution of Funds to Reflect the Land-Grant Status of the University of Hawai’i

Proposed Reorganization of the Chancellor's Office, University of Hawai’i at Mānoa

Regent Tanaka explained that this matter was on the agenda because it had been deferred at a previous meeting at the request of Chancellor Englert. At the time he had not concluded the consultation process. The Committee wanted an update to see how much progress the Chancellor had made since February.

Chancellor Englert stated that he had submitted a table displaying each position in his proposed organizational structure, the functional working title, whether the position was currently filled, and annual salaries. In addition, he noted that the cost of the proposed organization will be far below that of executive/managerial costs at comparable research universities. As noted in the action memo to the Board and noted by Vice Chancellor Sakaguchi in his February presentation, the Chancellor’s Office was aware that the reorganization was to occur at no additional cost. They felt, therefore, that simply looking at the proposed cost of the Mānoa administration would result in an incomplete analysis. He asked that if the Board’s intention is to evaluate whether the separation of the Mānoa administration from the System was at no additional cost, that a process to evaluate this goal be established.

Chancellor Englert reported that consultation sessions were held on all major issues as a matter of campus policy. It was also a goal of the administration to expand and improve upon past policies as necessary to assure that all concerned constituency groups were effectively and efficiently engaged in important decisions. He considered consultation on the reorganization of operating units to be especially important given its impact on the delivery of services as well as the affected employees. A preliminary structure was shared with the Board on October 30, 2003. From that time, according to Chancellor Englert, there had been on-going consultations via meetings, e-mail correspondence, and memoranda either directly or, in the case of larger campus constituencies, the Faculty Senate, ASUH, GSO, and the effected bargaining units. Discussions were also held with the University Budget Office and the Office of Human Resources. He stated that he was in receipt of the Board’s correspondence to President Dobelle indicating that the reorganization of student services on campus must be complete and submitted simultaneously with the Mānoa Chancellor’s Office Reorganization. He asked for
clarification on this issue, stating that he would rather consider the processes separate. He informed that the connection of these two reorganizations had caused great concerns as the student services reorganization is not expected to be complete before Fall, which would mean that the hiring freeze in the M~noa Chancellor’s Office would continue. In his discussions with HGEA he assured that no HGEA employee would be affected by the reorganization. He would also look within to address costs and that the consultation process was nearly concluded or at least sufficient.

In testimony, Lei Desha, representing HGEA, stated that Chancellor Englert had initiated a consultation process with the union. However, HGEA did not consider the consultation process as concluded. HGEA remained concerned about the confusion over whether the student affairs portion was to move forward along with the main reorganization of the Chancellor’s office. Regent Yamasato asked why both parts could not move forward together. Chancellor Englert responded that the consultation with student services would take time and hold up the entire reorganization process.

Regent Hong asked if the M~noa reorganization would take positions from OHR. Chancellor Englert said that he anticipated four positions to be transferred from OHR but that those positions were vacant. Regent Hong responded that he had concerns with such a transfer and the resulting practice of releasing responsibilities to the campuses to run their own personnel operations. This has always led to inconsistencies throughout the system because each campus interprets policies and regulations differently to suit their respective needs. He added that the Board had already seen too many inconsistencies and inequities due to varying interpretations of policies. Regent Lagareta, however, felt that Chancellor Englert was merely trying to champion the M~noa cause. President Dobelle concurred, stating that the Board had hired Chancellor Englert to run the M~noa Campus and should allow him to do so. Regent Hong disagreed, stating that the Board still had a responsibility to insure that matters such as a major reorganization made sense, was done properly, and complied with policies since ultimately, the Board will be held accountable by the public. Therefore, if legitimate questions are asked, it is merely the Board exercising its constitutional responsibility.

Regent Tanaka said that it was time to move this matter forward if possible. He stated that all principal groups must sign off, attesting that the consultation process had been completed and that this matter could be placed on the Regents’ agenda. They do not have to agree with everything, but must at least sign off that the consultation process had been concluded.

Regent Hong moved to take from the table the reorganization of the M~noa Chancellor’s office along with costs and internal realignments. Regent Bender seconded the motion followed by discussion.
Regent Yamasato suggested that a date be set by which time the OSA portion must be completed.

The following testimonies were received:

1. Norman Kukona, ASUH Senator, expressed that he had concerns over a statement made by Mamo Kim, Special Assistant to the Chancellor. She had, in written communication, stated that ASUH was being manipulated by the OSA staff. Mr. Kukona stated that this was false and if ASUH Senators were polled, would find Special Assistant Kim’s statements to be unfounded. He asked that the Board be cognizant that when approving the reorganization that much of the impact on students would occur as a result of changes the Chancellor will make below the executive/managerial levels. He reiterated that the Honolulu Advertiser reporter had failed to mention that it was Chancellor Englert who had requested that this matter be deferred and that it was not the Regents who were hindering the reorganization’s progress. Chancellor Englert had not consulted. Mr. Kukona requested that the Board insure that a dash-line relationship exists between ASUH and the Chancellor as a means to insure for proper communication. The Chancellor’s office had not made any progress since February, but had allowed Special Assistant Kim to solicit letters from the GSO and ASUH presidents attesting that the consultation process had been concluded. He informed that ASUH decisions are enunciated through resolutions and one had not been adopted on this matter. To solicit a letter from only the presidents knowing the decision-making process for both GSO and ASUH, was a blatant attempt by Special Assistant Kim to circumvent the procedure.

Regent Lagareta provided strong advice to Chancellor Englert, stating that while she did not know Special Assistant Mamo Kim, she had received a packet at her private residence containing nasty and unprofessional material which reflected very poorly on the Chancellor’s office. She stated that since this had come out of Chancellor Englert’s office that he should address this problem immediately. Regent Lagareta added that she understood Mr. Kukona’s frustration and that the packet was full of misinformation and thoroughly unprofessional. Chancellor Englert stated that he was not aware of this action and would speak to Special Assistant Kim.

Regent Kakuda expressed that for such reasons, he could not discern who was telling the truth. However, he felt his obligation was to support students and therefore, directed Chancellor Englert to consult properly and genuinely. He added that because of this, he would be voting in opposition to the motion.

2. Roger Lucas, Mānoa Faculty Senate, expressed that the Chancellor’s office had consulted with the Faculty Senate and the Senate felt that while they had differences
with the Chancellor, the reorganization should not be held hostage due to personality disagreements.

In March, six members of the Senate Executive Committee sent a letter to Board Chairperson Lee expressing concerns regarding recruitment and timely appointment of M~noa administrators. The M~noa faculty recognized that the future success of the University of Hawai‘i at M~noa depends critically on excellent leadership and administration.

Chairperson Lee responded that she had spoken to the Faculty Senate Chair, Mary Tiles. To reiterate, she explained that the Board has never questioned the selection of candidates but insists that policy and proper process be followed. When proper procedures are not followed thereby rendering the search flawed to the point of requiring an investigation by the administration it delays appointments. However, it is not the Board that has held up appointments but rather questionable processes, ignorance of policies, and exceptions to policies. Regent Lagareta added that Chancellor Englert must become aware that much of the misinformation is emanating from his office. She expressed that it was troubling that a person in the Chancellor’s office was attempting to present herself to the Governor as a graduate student while representing herself to University employees as a member of Chancellor Englert’s staff. She is spreading misinformation and behaving unprofessionally which makes for a very complicated situation and one that does not help the Chancellor’s cause. Chairperson Lee agreed, adding that the search committee he appoints must be sure to follow proper procedures so that the administration does not have to conduct another investigation, taking up the Board’s time unproductively.

3. Myrtle Ching-Rappa, Director of Student Employment and Cooperative Education, University of Hawai‘i at M~noa, representing the Office of Student Affairs working group on reorganization of Student Services, stated that OSA is committed to innovation in providing services and educational opportunities to the students of UH M~noa. Student affairs would like the reorganization of the Chancellor’s office and student services to proceed as one since they are integrally related. She stated that OSA supports: (1) the Board retaining the authority to approve, on a case-by-case basis, any urgent recruitment of executives needed for the operation of the campus; (2) the Office of Student Affairs (OSA) returned to its operational structure under the most recently approved organizational chart of 2003; and (3) that no interim positions be assigned within OSA until a final reorganization is authorized.

She stated that there had been little to no discussion on the delineation of functions between the UH System and the M~noa campus. Many of us at UHM take on System responsibilities and clearly integrate them into our jobs. Since the proposed
structural changes to the M~noa Chancellor’s Office do not address how System responsibilities will or will not continue to be performed by M~noa units, it is difficult to agree that the proposal is complete. The Chancellor proposes that several units currently within OSA be transferred to the “Dean of Undergraduate Studies.” The establishment of this position and the functions inherent therein should be considered within the context of the reorganization of student services. Because the Chancellor’s consultation process around the reorganization of student services is ongoing, it appears to be premature that a M~noa Chancellor’s Office reorganization includes the establishment of a position which will no doubt impact, and influence the reorganization of student services. There is no consensus among faculty, staff or students on the need for or the description of this position. Approval of the M~noa Chancellor’s Office reorganization as submitted would give the Chancellor the power to hire an interim Vice Chancellor of Students. We find it much more practical to participate in recruitment of a permanent chief executive officer for student affairs without the complexities of reporting first to an interim officer. Those represented by HGEA have been informed by our HGEA representatives that the consultation process around the M~noa Chancellor’s Office reorganization with the union is not yet complete.

She asked that the Board help put an end to the confusion and dysfunction the Chancellor’s proposals for reorganization have created on our campus. The Understanding Student Services Committee report, ASUH resolutions, OSA and you, the Board of Regents, have all requested more collaborative effort between OSA and the Chancellor’s Office. Two members of the Chancellor’s Committee and two members of OSA Working Group are scheduled to meet next week to discuss the two proposals for the reorganization of student services to see if they can work in partnership to develop a second draft of the proposal. They strongly believe that Board postponement of the request to approve the M~noa Chancellor’s Office reorganization will afford OSA and the Chancellor’s Committee the opportunity to mutually create and shape the design and delivery of services responsive to students.

She added that she was looking forward to some positive change brought on by a new Chancellor and the new President, but she was testifying to inform the Committee that morale throughout OSA is at the lowest point in decades.

Regent Tanaka stated that after hearing the testimonies, he preferred to see the Chancellor’s office as well as the Student Services reorganizations moving forward together.

Regent Hong clarified that his motion was to merely take the matter off the table and place it before the Committee. He added that this does not mean that the proposal will
pass. Regent Lagareta acknowledged this and the fact that this matter should at least be allowed to move adding that this would also address some of the concerns raised by WASC.

Chairperson Lee stated that the February minutes clearly stated that the Chancellor is to conduct genuine consultation and so she hoped that this was taking place.

Responding to Chancellor Englert, Regent Lagareta said that she would be willing to consider a request for priority staffing.

Regent Tanaka reiterated that in moving this matter forward that all of the reorganization should be done and that the matter should be taken up in July rather than coming back to the Committee when the reorganization was not complete. Chairperson Lee concurred, adding that consultation and being provided the complete package is nothing different than what is expected of any Chancellor recommending a reorganization of units.

Chancellor Englert agreed to move the reorganization forward to include Student Services.

Testimony was also received from Kiyoshi Ikeda, Committee on Diversity, University of Hawai‘i at Mānoa, supporting the reorganization. He expressed regret that some of the problems had been created by internal personnel.

Upon call, the motion was carried by majority vote. Regent Kakuda voted against the motion.

Dean of Students Alan Yang commented that he was disturbed that President Dobelle had characterized the process as nothing more than “politics.” He stated that it is demeaning to the dedicated workers not only in Student Affairs, but throughout the Mānoa campus who care about the importance of the proposed reorganization.

Written testimonies were also received from:

Susan Sanger, Vice President GSO and Kristopher Kaupalolo, Treasurer, GSO expressing concerns regarding the Mānoa Chancellor’s reorganization. GSO had not taken an official stance in support of the proposal.

Andrew Ogata, Chair, ASUH Committee on Undergraduate Student Affairs, expressing concerns regarding the Mānoa Chancellor’s reorganization and asking that the reorganization move forward along with the Student Affairs portion.
Mea Aloha Shimizu, UH-M~noa Student requesting that the Committee reject the proposal stating that the administration refused to discuss a dash-line relationship between ASUH and the Chancellor's Office.

Vaimana Conner, President, ASUH, asking that a dash-line be connected to the Chancellor to serve as a direct communication line to students. If the two reorganization processes are going to be kept separate, the Dean of Students' position should be approved within the Student Services reorganization.

Proposed Reorganization of the Office of Human Resources

Chief of Staff Callejo requested that the Committee approve a proposed reorganization of the Office of Human Resources. He explained that the Director of Collective Bargaining and Affiliated Faculty Affairs (CBAFA) is currently a one-position functional unit located in the Office of the Vice President for Administration and Chief Financial Officer and is charged principally with collective bargaining and faculty contract administration. The Office of Human Resources is charged, among other systemwide functions, with contract implementation of all collective bargaining agreements, inclusive of the faculty agreement, staffing the collective bargaining process and contract administration activities, as well as serving as significant resource to the Director of CBAFA. It is more effective and efficient to combine the two functional entities to provide a comprehensive human resources management service to the University.

In accordance with Board policies, the President, in consultation with the Board, has the authority to reorganize, reassign or relocate established organizational units where such actions do not impact on Board policy and/or laws, incur additional expenses, and/or significantly affect students and other clientele of the University and to establish administrative support units under the Vice Presidents and Chancellors provided additional resources are not required. The proposed reorganization does not change or delete functions for which the affected units and the Vice President are responsible. While it does not directly impact Board policy and/or laws, the organizational structure and respective directorships do affect the Board's relationships with these two entities relative to policy implementation.

There is some impact to clientele of the University. The impact would be positive within the University, as there would be one authoritative source of counsel whereas administrators currently must work with two offices to ascertain the totality of certain complex issues. There is no adverse impact to affected external clients, who are primarily the State Office of Collective Bargaining and the respective unions who will continue to deal with the Director of CBAFA and the staff of OHR on a business as usual and improved one-stop basis. The HGEA and UHPA, which negotiate with the Director of CAFCA and work with OHR on implementation of negotiated agreements, have been consulted and have
expressed no objections to the proposed reorganization. The United Public Workers, which does not normally interact with the Director of CBAFA, will continue to work with the staff of OHR and will not be affected by this reorganization.

A committee was convened in 2003 to assess the level of Human Resources Service delivery on a systemwide basis. The Human Resources Service Analysis Committee recommended that the two offices be integrated in order to provide a comprehensive one-stop shop. This proposal implements the recommended action.

It was noted that in accordance with the established procedure for all reorganizations, a letter from Lei Desha, Field Services Officer for Hawai‘i Government Employees’ Association (HGEA), was received indicating that HGEA concurred with the proposed reorganization. Their concern was that the reorganization indicated that four positions would be transferred from the System’s Office of Human Resources. In discussion, OHR currently has four vacant positions, and if directed, these positions would be transferred to the Mānoa Chancellor’s office. Assurance was given that OHR’s services would not be diminished by the transfer of positions.

Regent Nunokawa moved to approve the proposed reorganization of the Office of Human Resources. The motion was seconded by Regent Bender and unanimously carried.

President Dobelle recognized Interim Director Sharon Tokura who would be leaving the University to take another position.

Proposed Reorganization and Redistribution of Funds to Reflect the Land-Grant Status of the University of Hawai‘i

Chancellor Englert informed that he had discussed this issue with Chancellor Tseng and Dean Hashimoto. He suggested that the matter be taken up by the Council of Chancellors. Vice Chancellor Lu stated that there were legal issues as well since the Attorney General had ruled in a 1987 opinion that not only UH-Mānoa, but UH-Hilo was part of the land grant mission and yet no funds have been shared. Since that has not happened, it should be a policy decision where the Board must decide on the sharing of the Federal Land Grant Mission Funds.

Dean Hashimoto stated that he would welcome a discussion on this matter and he suggested that the Regents set a deadline when a proposal should be made.

Dr. Halina M. Zaleski, testifying on behalf of the College of Tropical Agriculture and Human Resources Faculty Senate, expressed concerns that there had not been any consultation at the faculty level. She recognized that Dean Hashimoto had been good about communicating with the Senate.
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Bruce Matthews, College of Agriculture, Forestry, Natural Resource Management, University of Hawai‘i at Hilo Faculty Senate expressed concerns over the fact that M~noa had received all of the Land Grant funding.

Written testimony was also received from Roger Lucas representing the M~noa Faculty Senate Executive Committee requesting that the matter be deferred until faculty consultation had taken place. Written testimony was also received from the Board of Advisors of the College of Tropical Agriculture and Human Resources requesting that this matter be deferred because representatives of the unit that will be affected by the proposed redistribution have not had an opportunity to provide any input during the development of the proposal.

Regent Hong moved to defer this matter until the Board again meets in Hilo in 2004, with the understanding that in the interim, a committee appointed by the administration, is to study the formula funding issue, consulting with land grant mission constituencies in the process. Regent Tatibouet seconded the motion which was unanimously carried.

The meeting was adjourned at 7:42 p.m.

Respectfully submitted,

David Iha, Secretary

Dated: June 1, 2004

c: Chairperson Patricia Y. Lee  
   Members, Committee on Budget and Long-Range Planning  
   President Evan S. Dobelle  
   Vice President James R. W. Sloane  
   Vice President David McClain