

GENERAL

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A3.101 University of Hawai'i Organizational and Functional
Changes

1. Introduction

The task of organizing is a fundamental administrative responsibility. This requires the application of sound management principles to effectively allocate resources to achieve program objectives. Once established, organizational structures should be reviewed on a regular basis and modified as circumstances warrant. The organizational structure should be accurately documented through organizational charts that are available and up-to-date.

2. Purpose

To specify the procedures for the establishment, update, and amendment of the official organization charts and functional statements of the University of Hawai'i in accordance with Bylaws and Policies of the Board of Regents (BOR).

3. Approving Authority

Organizational changes may be approved by the Board of Regents or under delegated authority (a delegated reorganization).

a. Board of Regents Approval. BOR policy requires that approval of the BOR is required whenever the proposed change will have any of the following effects.

1) Impact on BOR Policy and/or laws.

A delegated reorganization may not revoke or preempt actions previously or normally taken by the Board, such as creation or abolishment of an Organized Research Unit (ORU) or University Center.

Or

- 2) Create, eliminate or significantly change the responsibilities of programs that report directly to the Board or President.

Reorganizations must be approved two supervisory levels above the level at which the changes are proposed. Accordingly, the Board must approve any reorganization that changes the reporting line of any executive reporting to the Board or President or changes the functional statement of any office reporting to the Board or President.

Or

- 3) Incur significant additional expenses.

Board approval is required for reorganizations for which all required funds and positions are not currently available and clearly identified within the operating budget of the delegated approving authority.

Board approval is also required for reorganizations that reallocate funding from existing budgets to increase the costs of executive leadership by more than \$500,000. In this context, the costs of executive leadership are considered to include all executive positions and direct support staff (e.g., secretaries, assistants), but not non-executive line management.

In this context, cost-neutral transfers of positions and dollars are not considered to constitute significant additional expenses. Reorganizations that will incur cost increases associated with the reclassification of existing positions do not require Board approval if the

approving authority has certified that funds are available within their current operating budget and the threshold for increasing the cost of executive leadership is not exceeded. Reorganizations that will incur cost increases associated with facilities or other operating requirements do not require Board approval if the delegated approving authority has certified that funds are available within their current operating budget and will not result in a new budget request.

Or

- 4) Have significant programmatic impact on the University.

Significant programmatic impact occurs when a proposed reorganization will impact the availability of board-approved credentials or the accreditation of UH programs.

Creation of a new academic unit that would offer a new credential would require Board approval, as would closure of a unit that would end the availability of any Board-approved credential.

Reorganizations that do not have any of these affects may be approved under delegated authority.

- b. Approval Under Delegated Authority. Authority to approve organizational changes that are not subject to BOR approval, as described in section 3.a. above, is delegated by the BOR to the President and by the President to each Vice President and Chancellor, provided that all organizational changes must be approved two supervisory levels above where the changes are proposed and may not be further delegated. E.g., a Chancellor may approve the consolidation of Colleges that report to Vice-Chancellors, but the reorganization of functions that report to a Chancellor must be approved by the President (or by the Vice President for Community Colleges). In addition, Presidential approval is required for reorganizations that increase expenses for executive leadership by more than \$250,000. In this context,

the costs of executive leadership are considered to include all executive positions and direct support staff (e.g., secretaries, assistants), but not non-executive line management.

4. Applicability

This policy and procedure applies to the following:

a. Reorganizations

A reorganization is defined as:

- 1) Creation of a new organizational segment or the abolishment of an existing organizational segment.
- 2) Rearrangement or regrouping of existing organizational segments involving the reassignment or redistribution of functions and positions affected by these changes in functions.
- 3) Creation of a new supervisory level or the deletion of an existing supervisory level.

A reorganization requires preparation of a reorganization proposal, review and approval of the proposal, and documentation of the approved reorganization. These processes are described in greater detail below.

b. Changes in titles of organizational segments.

c. Annual update of organization charts and functional statements.

5. Reorganization Proposals

A proposal must be prepared for any proposed reorganization. This includes reorganizations to be approved by the BOR as well as those eligible to be approved under delegated authority.

The proposal shall consist of a narrative sections and attachments.

- a. The body of the proposal shall contain the following elements:
 - 1) Thorough description of the rationale for the proposed reorganization. Normally this shall include: (a) description of the conditions or factors prompting the proposed reorganization, e.g., new program requirements, changes in the environment, new legal or policy considerations; (b) explanation of how the proposed reorganization will address these conditions or factors; (c) description of how the organization's operational, organizational, functional and programmatic relationships will be affected, including impact on services to students, other target groups and relationships with other segments of the university; (d) discussion of the efficiencies, service improvements or other benefits that will be achieved as a result of the reorganization.
 - 2) Complete description of the resource requirements or savings associated with the reorganization, including funding, positions, space, equipment and other resources.
 - 3) Explanation of the source of the resources needed to implement the reorganization, e.g., reallocation from within the program or major unit, or new revenue.
 - 4) Discussion of the programmatic impacts of the proposed reorganization on the University.
- b. The proposal shall also contain the following attachments:
 - 1) Current organization charts (with position detail)
 - 2) Proposed organization charts
 - 3) Current Functional statements
 - 4) Proposed Functional statements if any changes

- 5) List of all permanent and temporary positions that will be affected by the reorganization including each position number, whether it is vacant or occupied, and the impact of the reorganization on the position.

Reorganization proposals and all organization charts shall show all budgeted permanent and temporary positions on appropriated funds.

The University Budget Office and System Office of Human Resources are available to assist with issues relating to proposed reorganizations.

6. Procedure for Approval of Reorganization Proposals

Following is the general procedure to be followed for the development and approval of a reorganization proposal.

- a. The program proposing the reorganization prepares the proposal in accord with this administrative procedure. The administrator for the program performs an internal review.
- b. The proposal is submitted, through appropriate channels, to the approving authority for discussion of the approving authority's support of the proposal and its implications. Proposals for reorganizations that will be submitted for BOR approval are reviewed by the President, Vice-President or Chancellor with primary responsibility for the proposed reorganization.
- c. As appropriate, the President, Vice-President or Chancellor shall ensure consultation with their own and/or systemwide human resources and budget offices to ensure that matters relating to persons and positions are properly addressed in the proposal.
- d. With any revisions that may result from that consultation, the approving authority approves the proposal for consultation with the collective bargaining representatives of all positions within the scope of the reorganization. For reorganizations that will be submitted for BOR approval, this approval to consult is made by the President, Vice-President or

Chancellor with primary responsibility for the proposed reorganization.

- e. The proposer or approving authority sends a copy of the full proposal and attachments with a request for consultation to the collective bargaining representatives of all positions within the scope of the reorganization. The system or campus human resources office shall provide guidance on which collective bargaining representatives must be consulted.
- f. Upon completion of consultation with collective bargaining representatives, the approving authority with full copies of the consultation record and any recommended modifications to the proposal that may result. The approving authority may then approve the reorganization, at which time it takes effect.

7. Review and Approval of Reorganization Proposals by Approving Authority

The approving authority for a reorganization proposal is responsible to review the proposal for the following considerations, at a minimum. In approving a proposal, the approver is certifying that:

- a. If being approved under delegated authority, that the proposed reorganization does not require Board approval.
- b. The proposed organizational structure is appropriate for the functions to be performed.
- c. All supervisory relationships are accurately reflected and appropriate for the functions to be performed.
- d. The impacts of the reorganization on all personnel are fully described and supported.
- e. Appropriate consultation has taken place and information on the proposed reorganization has been disseminated and discussed within the affected units and with affected personnel.

- f. Consultation has occurred with collective bargaining representatives as well as campus or system human resources and budget offices, and the results of that consultation have been appropriately addressed in the final proposed reorganization.
- g. Resources are available within the scope of the approver to execute the reorganization.

8. Approved Reorganizations

The approving authority designates that the proposed organizational charts and functional statements have been approved with the following signature block on each document:

APPROVED:

Name and Title

DATE: _____

A copy of the full reorganization proposal as approved shall be sent with a cover letter of transmittal informing the following recipients of the approved reorganization:

- a. Lieutenant Governor
- b. Collective Bargaining Representatives of all positions within the scope of the reorganization
- c. University Budget Office
- d. UH System Office of Human Resources

9. Changes in Titles of Organizational Segments

Unless an organizational title has been specified by the Board in Board Policy, authority to approve changes to titles of organizational segments is delegated by the Board to the President and by the President to each Vice President and Chancellor, provided that title changes must be approved two supervisory levels above where the changes are proposed. E.g., A Chancellor may approved the re-titling of a unit that reports to a Vice-Chancellor, but the re-titling of a unit that reports to a Chancellor must be approved by the President (or by the Vice President for Community Colleges).

However, prior to making any changes in organizational titles, the approving authority shall consult with other University programs and with the University Budget Director via a memorandum describing the proposed change. The purpose of this consultation is to avoid the creation of new organizational titles that may duplicate or be confused with the titles of existing organizations in other parts of the University.

After appropriate consultation and approval, the executive responsible for the re-titled unit shall inform the President, Vice Presidents and Chancellors of the title change by memorandum.

10. Procedure for Annual Update of Organization and Position Organization Charts and Functional Statements

- a. The President and each Vice President and Chancellor are each required to provide an annual update of their organization charts, position organization charts and functional statements to the University Budget Office in accord with instructions provided by the University Budget Director, typically at the beginning of each fiscal year. Submitting executives are responsible for the accuracy of these annual updates.
- b. Charts and functional statements should be updated to reflect any of the following actions that may have been approved since the last annual update:
 - 1) Approved organizational and functional changes.
 - 2) Establishment of new positions.
 - 3) Reclassification of positions.
 - 4) Abolishment of positions.
 - 5) Approved changes in organizational titles.
 - 6) Minor corrections or adjustments to functional statements that do not constitute an organizational change as defined in this policy.
 - 7) Positions appropriated but not established at the time of submittal of the annual update. These positions should be listed by pseudo number and authorized position title, and footnoted as Pending Establishment.
- c. The organization charts should include all budgeted permanent and temporary positions on appropriated funds. The total number of full-time equivalent

permanent positions reflected on position organization charts should not exceed the program's authorized position count for permanent positions.

- d. Position organization charts should only reflect positions that belong to the program shown on the charts. Positions belonging to other units that may work with the program should be shown only on the position organization chart of the organization where they formally reside.
- e. The annual update may not be used as a substitute for making organizational changes that are subject to the reorganization procedures described herein.