

**REPORT OF THE UNIVERSITY OF HAWAII SYSTEM OFFICE
SPECIAL VISIT WASC TEAM
MARCH 2003**

BACKGROUND AND SCOPE OF SPECIAL VISIT REVIEW

In February of 2002 the Senior College Commission of WASC entered an agreement with the new President of the University of Hawaii system (UH) concerning a Special Review of the UH system and its President's Office. The intent of this review was to provide a context for the upcoming visits by WASC to the three senior campuses of UH: reaffirmation visits to the Hilo and West Oahu campuses and a special visit to the Manoa campus. This review was to be conducted by a small team of peer University members.

As the new President of the UH, under the direction of the Board of Regents, was planning a series of very major changes in the UH governance including restructuring of the President's office and establishment of mechanisms pertaining to campus interactions with the President's Office, the President felt that the campus visits should be conducted with the benefit of an understanding of these system changes. The President, therefore, requested this Special Visit, and the WASC leadership agreed that the context of the system change should be known prior to the campus visits, and the agreement was forged. As an outgrowth, the Special Visit to review the UH and President's Office was conducted just prior to the campus visits, each of which had a particular purpose. In the cases of UH Hilo and UH West Oahu, reaffirmation visits were anticipated; in the case of UH Manoa, a special visit was anticipated.

The "Memorandum of Understanding for UH System Office Review" (February 26, 2002) created a Scope of Review with five purposes:

- Provide background data and trends in support of separate campus accreditation reviews;
- Identify the emerging vision for UH, current and future plans and priorities as context for campus reviews;
- Review system-level governance and administration as context for campus reviews;
- Provide evaluative feedback from the reviewers on plans, resources and directions of the System Office; and
- Respond to special issues identified by the System Office in its self-review.

It is important to note that not within the scope of this visit were specific presidential proposals concerning the structure and leadership of the community colleges within the UH system as those proposals are within the jurisdiction of the Accrediting Commission for Community and Junior Colleges of WASC.

SPECIAL VISIT--PREPARATION AND METHOD

The leadership of the Senior College Commission of WASC identified a group of four senior leaders in higher education, three of whom were either the chair or a member of the campus teams, to conduct the Special Visit to the UH system, with their visits conducted immediately after the system Office Review . The Special Visit occurred on March 16-18. Preparation for the visit included work by the UH President's office to develop materials for the WASC Team which were similar to materials normally used in a Preparatory Review. These included the specially prepared "Reflective Essay," which was supported by "The WASC Accreditation Policy and Data Portfolio" (January 2003). Other materials requested by the Team and which were provided were: "Historical Funding for the University of Hawaii, FY92-FY03;" a previous report by Ernest Boyer entitled "Creativity and Coherence: A Report on the Governance of the University of Hawaii" (1988); and the vitae of new system-level officers; the new "University of Hawaii System Strategic Plan" (June 2002); "The University of Hawaii System Institutional Effectiveness Report" (August 2002); and the "Reorganizational Proposal for the System Administration." During the course of the visit, the President's Office was very cooperative and accommodating in providing whatever materials and information the WASC Team felt it needed to undertake the review properly and set the stage for the campus reviews.

The WASC Team prepared for the visit by reviewing the written materials and communicating through a pre-visit email dialogue and conference call. Also, the Team Chair conducted preliminary phone interviews with the President and the Interim Vice President for Academic Affairs, the latter of whom acted as the liaison for the Special Visit. (The schedule of interviewees can be found in Attachment A.) Both the President and the Interim Vice President for Academic Affairs are to be commended for the assistance they provided the WASC Team in preparing appropriately for the UH Special Visit.

The Special Visit was conducted over the course of two days. The bulk of the time on site was devoted to extensive interviews with System officers and staff, members of the Board of Regents, representatives from faculty and student groups, from the Governor's Office and the Legislature. At the conclusion, there was an Exit Interview with the President and selected persons.

While WASC does not accredit university systems, a WASC policy entitled "Institutional Units in a System" provides an outline of the typical matters concerning a university and college system. These include the relationships between the system and the campuses, the governance of the system, and the typical functions of a system (or presidential) office, among other things. With the benefit of the materials provided and early phone interviews, the WASC Team identified four issue areas which seemed important to examine given the broad scope of change which was underway within the UH. The topics which the UH Special Visit Team chose to explore were as follows:

- 1) External Governance of the UH System: including the Board of Regents, its role(s), responsibilities, and current state of development; the concept of “autonomy” as applied by State leaders to the University of Hawaii; and issues of importance to the Governor or legislators relating to the system change initiatives;
- 2) Internal Governance and System Building: including reorganization and further organizational development of the UH system and President’s Office; proposed establishment of a UH Council of Chancellors; and initiatives relating to the faculty and students as major constituent groups of the University;
- 3) Strategic Planning for the UH System: including status, underlying concept, and format of the UH system’s strategic planning effort; substantive issues such as the need for individual campus strategic plans, expansion of system capacity by development of a new campus; and certain other strategic academic and research program developments; and
- 4) Financial Resources: status of state funding for the UH system; processes for budgetary requests from and allocations to campuses; development of other revenue sources in support of the system and strategic planning and organizational changes; and general condition of financial reporting and management.

BASIC FACTS ON THE UNIVERSITY OF HAWAII

The UH system is composed of three senior institutions: the University of Hawaii at Manoa, (a research institution); the University of Hawaii at Hilo, (a four-year comprehensive institution); and the University of Hawaii-West Oahu (presently, an upper-division institution only). Additionally, the UH encompasses a system of seven community colleges that have functioned as a single administrative unit under a single chancellor within the larger UH system. At the present time, the President has proposed converting these institutions to stand-alone institutions, each with a chancellor, thereby eliminating the office of the singular Community College Chancellor. Two vice chancellors—one academic and one administrative—for the community colleges would become Associate Vice President in the President’s office. (This proposal has now been reviewed and approved by ACCJC of WASC with certain follow up questions and concerns noted.) There are a number of other centers and programs operated by the UH.

The Board of Regents of the UH system has made a number of changes over the decades in the internal governance structure of the University. In 2001, the Board again determined that a change was appropriate and it chose to separate the University of Hawaii at Manoa’s chancellor from the presidency of the system. The system is now led by a single President who is hired and evaluated by the Board of Regents. In turn, the

University of Hawaii at Manoa, in parallel with each of the other two senior institutions, has a new chancellor with sole management responsibility. The chancellors are selected by the President with the concurrence of the BOR. The overall budget of the UH system in FY 2000-01 was approximately \$788m with about 36% coming from state revenues. The University of Hawaii serves approximately 46,000 students.

In each of the subsequent sections of this report, the WASC Team will note areas of progress and commendation; the remaining challenges and questions as well as next stages of development; any further reflections; and finally, any recommendations with respect to each of the four topics identified above.

EXTERNAL GOVERNANCE

This section concerns an array of topics relating to the governance relationships of the University of Hawaii System, particularly those external aspects of governance involving the Board of Regents, which is appointed by the State Governor and confirmed by the State Senate. The Team considered the role(s), responsibilities, and current status of the development of the Board. The Team also sought input from the State Governor's Higher Education Adviser and the State Senate Committee Chair on Higher Education on the major change issues in the UH, and the emerging concept of UH "autonomy" as currently applied and as proposed by state leaders.

The WASC Team devoted considerable time to meeting with and evaluating the views of the Board of Regents of the UH. Both the Board Chair and Vice Chair were interviewed, along with a number of other Board members. The meetings enabled the Team to determine the expectations and values of a large percentage of the Board membership. It was evident from these discussions that the Board has a good understanding of the importance of the University of Hawaii to the State and evidently shares the new President's clearly articulated values of improving the diversity of the University of Hawaii student population and positioning the UH to be an even greater source for economic development and diversification for the State. Both the Board and the President see the institution as being a source of economic development as well as economic justice. The Board takes its role as steward of state resources seriously and has the firm belief that part of its role is assuring financial accountability from the President and institutional leadership. The Board took on a significant challenge when recruiting a new president two years ago, and, in doing so, the Board was determined to bring a new and excellent level of leadership to UH. The Board purposefully recruited an activist president who would bring "vision, energy, and new ideas." The Board looked forward to the new President's agenda to raise the bar for the UH.

On the whole, the Board has been pleased with the movements undertaken by the new President (as described below under Internal Governance). However, the Board seeks a closer "partnership" with the President in the progress of his decisions. The Board is seeking to find appropriate mechanisms by which it can be of service to the President in his pursuit of a higher level of development for UH. As one Board member put it, the

Board can be a “diplomatic corps” which the President can deploy as needed. The Board also expects accountability from the President and especially emphasizes financial accountability. These are healthy instincts on the part of the Board of Regents and should be commended.

To form the desired “partnership,” the Board needs to be educated regularly and thoroughly by the administrative leadership. Consequently, it appears to the WASC Team that regular and systematic reporting to the Board is a next challenge before the President and his administration. The President’s staff has already made progress in this direction with a new financial reporting model that Board members have found useful. Future topics should go beyond the financial status of the system to include topics of long term concern for the development of the UH, such as the progress of the UH’s new Strategic Plan (see page 9), enrollment planning (including individual campus enrollment targets, relationships, and diversity goals); relationship of enrollment planning to budgetary processes; financial aid goals; technology challenges; continuing development of the organizational structure of the President’s Office, particularly vis-à-vis roles relative to the campuses, especially the community college campuses; and the particular issues of great concern to Native Hawaiians. The Board has expressed a strong desire to ensure accountability from the administration and as such has a responsibility to evaluate the President along agreed-upon goals for performance. Reporting and education efforts by the President, such as those suggested here, will assist the Board in evaluating the UH and its President’s progress.

An additional fact which is of great significance is that within just a few months six out of the twelve members of the BOR will either be replaced or be reappointed by the new Governor of the State. The character and directions of the new Board will be of great importance to the UH and to the President’s successful continuation of his efforts.

The WASC Team was struck by the opportunity these circumstances present. The Board, both new members and those who will remain (to finish their terms or as reappointees), will need concerted and structured Board development. Ordinary Board orientation is probably not sufficient under the circumstances. The WASC Team strongly recommends that the President and Board leadership take advantage of national resources to assist with Board orientation and development. The Association of Governing Boards (AGB) is one such source, and can provide consultants to work with the Board and the President.

The WASC Team met with the new Governor’s higher education adviser and the Chair of the Senate Education Committee. Given the strategic initiatives of new University leadership and the election of a new Governor, the WASC Team believes that understanding the views of the new Governor as well as those of key legislative leadership is also important. The success of the University’s goals (as articulated in a Strategic Plan section discussed below) will be substantially dependent on receptive attitudes by the new Governor and legislative leadership, especially, but not only, in the budgetary process. Further, the University leadership would be well advised to be cognizant of the particular elements of the Governor’s and legislative leaders’ agendas for higher education. To the extent that these agendas are consistent with the vision for the

UH shared by the Board of Regents, the President and the academic leadership of the UH, there may be common ground for partnership. There is already evidence that such a partnership can be developed: the WASC Team obtained a list of goals urged by the Governor from her Higher Education Adviser, and these indicate the desire to tap the University as a great resource for the State. In fact, the term “world class” was used to describe the gubernatorial vision for UH. Similar viewpoints were indicated by the Senator who expressed strong support for UH and for the mission and role it plays in State development.

A primary concern expressed by the State Senator, who serves as Chairman of the Education Committee, was the desire to have metrics for measuring the success of UH. In subsequent sections we discuss the Strategic Planning Process and Plan. Here it is worthwhile to note that the Board of Regents has a clear interest and obligation in oversight of the new UH Strategic Plan. The WASC Team suggests that education about the System’s goals as articulated in the UH Strategic Plan and measurements of success are areas which UH leadership should pursue.

Within a few short months, the Governor will either reappoint or replace the majority of BOR current members. Given a history of overreaching political involvement in the affairs of the University in Hawaii, it is of paramount importance that the next regental appointments be independent actors who see their roles as helping to guide the UH and its President without regard to partisanship or personal agendas. The Governor’s representative stated that the Governor intends to appoint strong but independent members, and the Team acknowledges the wisdom of that approach. It will be essential, however, to the institution’s overall integrity that politics, especially partisan politics, does not taint University business. The long-term strength of the UH depends on a bipartisan coalition of University supporters, and it is especially incumbent on the Board of Regents and the President to foster such bipartisanship. We urge the Board of Regents to do all in their power as they move forward to de-politicize the affairs of the University.

While some actions relating to political endorsements were permitted by the Board of Regents policy in the past, the WASC Team felt that the Board should be encouraged to create a stronger and clearer policy on political endorsements and other partisan involvements on the part of University employees. Wherever there is the appearance of partisanship by University representatives or, for that matter, Regents, when it involves University affairs, the University may suffer. Clearer guidance is needed to avoid political partisanship in the affairs of the University and even the appearance of such. Strengthening this policy would signal the Regents’ goal of the depoliticization of the University environment and its continuing progress towards greater autonomy (see discussion on “autonomy” below).

Finally, a concept for increased independence from State authority, generally labeled “autonomy” has found its way into the parlance and actions of legislative leaders in Hawaii in recent years and has now become a major component of the new Governor’s ideas for the higher education system. Generally, “autonomy” refers to the increasing independence in operations of UH from other state agencies. Legislation which began

the “autonomy” movement was passed a few years ago. As “autonomy” seemed a particularly important, multifaceted and multi-year initiative, sponsored by various parties, it merited a special focus. The Team reviewed some legislative materials which outlined current autonomy elements; for example, legislation permitted the UH system to do its own purchasing and have its own legal counsel, among other things. The UH recently issued bonds for a new biomedical research center under autonomy authority relating to construction financing. The new Governor has further “autonomy” suggestions that would provide the UH with complete control in the setting of tuition, collective bargaining authority, and other actions. With independence comes authority and responsibilities, but, without resources, responsibilities may not successfully be met. Expansion of autonomy has the potential to be very beneficial for the UH system. As it is pursued, however, careful analysis of the proposals in light of available resources to take on new functions is merited in order to fashion appropriate funding and accountability mechanisms. Thus the WASC Team recommends this analytical approach to any future autonomy initiatives.

INTERNAL GOVERNANCE

This section reports on a variety of matters all related to the internal governance of UH. As expected, the Board and President had instituted extensive changes in the UH system-level administration over the 18 months prior to the visit. The WASC Team reviewed the UH’s new organization plan resulting from the Board of Regents’ decision to establish a President’s Office as a separate entity from the Manoa campus. It also reviewed the new organization of the President’s Office, including the key executive positions recently established and the relationships between the President’s Office and the proposed Council of Chancellors, the All-Campus Council of Faculty Senate Chairs, and the University of Hawaii Student Caucus. While all four members of the WASC team participated in this evaluation, two members of the Team in particular, a president and a vice president for academic affairs, evaluated the relationships implied in the new organization between and amongst the administration, faculty and students.

The WASC Team commends UH and the President for creating a true system infrastructure that will potentially provide more balanced and effective leadership and direction to the entire UH. Much progress has been made as a result of the new President’s vision and resulting set of decisions for how the system should be structured and how it should function. Also, the President, with the concurrence of the Board of Regents, has brought together a high-caliber team of administrators who, on the whole, appear to be well qualified to provide excellent leadership to the UH.

Further, the proposal to create a Council of Chancellors to enable the campuses to provide direct input to the President and his senior staff, to improve communications and coordination among the campuses and the System Office, and to ensure greater accountability and collaboration throughout UH is also of merit. Additional progress has been made with the All-Campus Council of Faculty Senate Chairs that has the potential to enable more effective faculty participation in system-wide governance and to improve

communications and collaboration among faculty on the different campuses. Finally, there appears to have been some progress in empowering the University of Hawaii Student Caucus through a formal agreement specifying its role in system-wide governance.

Based upon its review of the areas mentioned above, the WASC Team wishes to provide its perspective on some of the challenges still facing UH, remaining issues that have not yet been addressed, and what it sees as the next stages of development.

The new organizational plan for the UH, and the Council of Chancellors in particular, cannot be fully implemented until it has been reviewed and approved by the ACCJC of WASC, which views the reorganization of the University of Hawaii community colleges as a substantive change. Under the new organization plan, the provosts of the community colleges would become chancellors reporting directly to the President and participating in the Council of Chancellors. The System Administration believes this change will have a number of benefits, such as enhancing the role of the community colleges and improving transfer rates, but it has been somewhat controversial. The Special Visit Team has reviewed the recent report of the ACCJC entitled “Substantive Change Visit Team Report Hawai’I Community Colleges April 3-4, 2003”. This report approved the substantive change concerning eliminating the Office of the Chancellor for Community Colleges, but it also raises serious concerns about a number of other related matters some of which are also raised in the present report. These will be noted below when particularly significant to the present report

While an experienced team of administrators has been brought together at the system level, the WASC Team is concerned that a number of these administrators is either “acting” or planning to leave soon and will have to be replaced. They include the Interim Vice President for Academic Affairs who has been at UH since 1970 and spearheaded much of the change within the last few years; the Vice President for Planning and Policy who has been with the University for twenty-six years, seventeen as the Vice President, and maintains much of the important institutional history and data; the Vice President for International Education who previously served for twenty years as the Senior Vice President and Chancellor of the UH Community Colleges; and the Interim Vice President for Research, who also serves as the Dean of the College of Business Administration at UH Manoa and has been at the Manoa campus since 1991. Each of these individuals is an “insider” with many years of service and dedication to UH. When they leave, the UH will lose an enormous amount of valuable institutional memory, and, because of the unique nature of both the institutional and community cultures in Hawaii, this institutional memory has been and will continue to be very important in developing effective, strategic actions to accomplish the goals of the leadership. The changes for the community colleges are of particular significance according to the recent ACCJC report. Thus, over the next six months to a year, the System administration will need to, in a sense, “start over,” which can lead to loss of momentum and further instability. Careful planning will be needed to effectuate these transitions.

The WASC Team recommends that the President and the Board carefully pursue a plan for the replacement of these critical leaders, taking care to assure that essential knowledge of the cultures of Hawaii and of the Hawaiian higher education community and institutions is not lost. Discussion with the President indicates that these issues are much on the mind of the leadership, and appropriate planning is beginning.

The WASC Team also believes that a long-term plan needs to be developed for the establishment of the system infrastructure. Indeed, some of the top administrators have little or no staff support, which will be essential to carry out their functions. Yet, at least one member of the Board of Regents is under the impression that the new organizational plan can be implemented at “no additional cost.” While it is not clear how many additional administrators will be needed, it appears to the Team that the full implementation of the plan will require a major additional investment, especially if the UH wishes to continue to attract high caliber administrators at competitive salaries.

There also needs to be greater clarity and definition in a number of areas regarding the role of the System vis-a-vis the role of the campuses. While the new Interim Vice President for Research was able to clearly and logically differentiate between the role of his office at the system level and that of the research offices on the campuses, the Team does not believe this is true for at least some of the other senior administrators. In visits to the campuses, it is evident that the roles and priorities of System officers are not well understood nor are System offices connected effectively to the campuses at this stage. With respect to the community colleges, again the ACCJC report calls for clarification of roles at the President’s office and assurance that the unique mission of the community colleges, particularly relevant to workforce training, is not neglected. The WASC Team recommends that the President and Board develop a long-term plan for the full implementation of the new System Office structure. It should include a comprehensive listing of the new administrators and staff and clearly distinguish between the functions at the system level and their counterparts at the campus level. Estimated time and costs should accompany this plan. Given the major investment being made, it should also include outcome indicators to determine the return on this investment, i.e., what are the concrete benefits expected to accrue to the UH as a result of this plan. A related issue is the problem of disparity of salaries among administrators that may be created as the implementation of the plan occurs, and a strategy to address this potential problem should be incorporated.

Based on initial discussion with a student leader during the Special Visit, the system-level governance structure established by the student governments on the various campuses appeared to be functioning effectively. The team noted the formal agreement reached by the University of Hawaii Student Caucus and the UH. It appears to provide students with a significant role in system-level policy and decision-making process. Subsequent discussion during campus visits, however, raised some doubts about the relationships between student leaders and the UH administration. This is an issue area for additional attention by the President and future WASC review.

Based on discussions with faculty, faculty governance at the system level lacks adequate organization and structure. The faculty governance structure on the campuses, especially the four-year campuses, does not seem rational, nor does it seem to represent faculty fairly and equitably. While members of the All-Campus Council of Faculty Senate Chairs seem to be pleased with the opportunity to meet with system administrators and the greater openness in their relationships with the President's Office, they did not seem to realize the broader role they could play in developing System policy and in promoting greater collaboration among the campuses. The WASC Team has two recommendations with regard to faculty. First, the All-Campus Faculty Senate Chairs should be encouraged to form a system-wide Faculty Senate that fairly and equitably represents faculty from all campuses and plays a more significant role in the development of System policies and in promoting greater collaboration among the campuses. It should be encouraged to work with the administration in developing a more rational and equitable system of faculty governance on the campuses. Second, the State may wish to consider adding a faculty representative to the Board of Regents. This is a common practice in other states, and it could add a very important voice to Board deliberations.

STRATEGIC PLANNING INITIATIVES

As the new System infrastructure has been building during the past eighteen months, a renewed effort to create a Strategic Plan for the UH was also undertaken by the new administration. The WASC Team focused on a number of issues related to strategic planning: the development process of the strategic plan; the underlying organizing concept of the UH in the Strategic Plan; how the campuses were aligning with the plan; and where the system actually was in the implementation of the plan. Other critical issues reviewed in this part of the Team's work included some of the special initiatives within the plan, including the medical research center program and the West Oahu campus initiative. Finally, this part of the Team's Review also addressed issues of particular concern relating to Native Hawaiians.

Beginning in 2001, The UH undertook an extremely aggressive and ambitious strategic planning process. At one campus, Manoa, an "open space process," was used which involved 1,400 individuals, including faculty, students, staff, administrators and external community. A series of other smaller meetings around the state involved many more individuals with the overall participation around 2000. In follow-up to this very inclusive process, results were gathered and then shared as drafts with numerous committees and constituents. The draft Strategic Plan was vetted thoroughly and accepted by all campuses, the Board of Regents, and the Faculty Senates.

The President, his senior administrative team, and the faculty all reported that the process for the development of the Strategic Plan was open, inclusive and highly successful. There appeared to be broad buy-in and acceptance of the plan. The process was described as "bottom-up." The faculty leadership reported that the faculty was pleased with the level of input and felt that the final product was good. They also reported that the campuses have started some alignment efforts with the new Plan.

The Plan emphasizes the need to knit together the UH system for the benefit and ease of service for the students as well as the economic development and workforce of the State. The Plan also puts special emphasis on the unique pluralism of the Hawaiian culture and the special responsibility of UH to reflect this pluralism. The underlying concept of the new Strategic Plan is: one system of higher education, many portals to knowledge. Now it is incumbent on each campus to translate this concept into specific campus plans and goals.

The UH is to be commended for conducting an open, inclusive and exciting strategic planning process. The challenges which remain can be met within a positive context, a circumstance not always attending strategic planning. The UH now needs to honor the work done by so many in the development of this Plan. The Interim Vice President for Academic Affairs is aware of this need and indicated that next steps are now being developed. These will include: developing a thorough implementation plan; breaking down the plan into “do-able” chunks; setting performance guidelines and key indicators of success; and determining what can be done via reorganization, internal reallocations of funds, and external fundraising. Further, the Board of Regents and the President have the obligation to provide continuing leadership and oversight of the UH Strategic Plan’s progress.

The Strategic Plan as developed by these broad University constituencies was the basis for a bold budget proposal that was presented to the State in the present legislative cycle. It included an approximate \$100m augmentation request, significant in light both of the UH budget base and the State’s financial circumstances. While the goals of the UH Strategic Plan may have been accepted in concept, the funding of the Plan was clearly not feasible in Hawaii’s current state budget climate. The WASC Team suggests that the partnership-building described earlier in this report will create a better framework for subsequent budget requests. That approach, along with more realistic budgetary growth proposals supported by the Regents and elected officials, offers more promise for success.

The Team believes, however (and this was also heard from the faculty), that aspects of the Plan can be pursued without a dramatic infusion of funding at this time. Internal reallocation of funds could also be explored. Regardless of initial funding obstacles, the WASC Team was impressed by the positive endorsement of the faculty regarding the Plan and such endorsement gives much momentum for pursuing the Plan.

The UH Strategic Plan provides a broad framework to guide the future development of the UH system. The goals and objectives are flexible enough to provide an umbrella under which all can gather. A Strategic Plan not only guides the development of new initiatives, but can also help an institution preserve its character and core values. Consequently, it can help an institution move forward in good times and bad. The WASC Team urges UH to use its Strategic Plan to frame the budgetary reductions and redirections that will be essential for preserving core strengths and pursuing new

objectives that are key to the future of the University and the State in hard economic times as well as for budget requests in better times.

One special initiative identified in the Strategic Plan seemed especially important to the WASC Team. It involves the status of the West Oahu campus. Presently, the UH-West Oahu campus is an upper-division institution that is housed on the Leeward Community College Campus. It was created by a Board of Regents action in 1971 and was planned to develop into a full four-year institution, as it is located in a very fast growing area of the State with a large high school population.

The WASC Team, from its review of materials and interviews, found apparent and continuing agreement that the development of UH-West Oahu should still be a priority, although it may not necessarily involve building a new campus. After many years of promise and delay, a site had been identified and it was expected that construction would begin within a few years. With an eight million dollar planning allocation, the University of Hawaii-West Oahu carried out an extensive planning process for a master plan for a new campus. A series of planning meetings was held that has resulted in some sample proposed master plans for a campus. The campus was more than ready to move forward. There appears, however, to be little support for the project from the new Governor. The funding for the build-out of the new campus has been removed from the state budget, and in these tough economic times it does not appear that the funding will be available in the short term. University of Hawaii President Dobbelle shared many possible options for West Oahu, but nothing definite. The advice from the system level is that UHWO should plan for a four-year program, and not necessarily plan for a new campus.

The WASC Team commends UH for maintaining its commitment to developing the West Oahu campus given the demographics of the area. The challenge, of course, is how to continue the academic as well as physical planning process and eventually fund the buildings, or develop an alternative plan for the campus' long-term future. Interim plans have been discussed for housing the campus in leased space temporarily. Whatever the interim plans and long-term solution for campus location, communication with the campus is especially important, as campus staff have been spending considerable time and energy in planning. The West Oahu new Strategic Plan was approved in Fall 2002, after the systemwide plan was approved in the Spring of 2002. Several West Oahu faculty members participated in the system-level planning process, and their perspectives helped the West Oahu Planning Group to include some efforts to align with the system plan. They reviewed their mission and made efforts to make it less tentative. There was strong community involvement in the UHWO strategic planning process. Several legislators attended and there were attempts at building bridges with the Manoa campus.

The Strategic Plan clearly spells out the goal of building a four-year academic program. The "product" or anticipated result needs to be included in the section of Key Performance Indicators. The tactical vehicle for doing this is to develop an academic plan that would include the specifics of growth in enrollment, growth and development of academic programs, including lower division, and the faculty and staffing that would be necessary to deliver the curriculum.

Yet to be accomplished is a plan for assessing the Strategic Plan so that the campus can monitor progress annually to 2010. The WASC Team recommends that the West Oahu leadership continue the articulation of its Strategic Plan and plan for assessing progress towards the identified goals.

Finally, the WASC Team also discussed some specific issues of great concern to Native Hawaiians which bear comment given the Strategic Plan's special consideration of the traditions and native culture of Hawaii. Also, the new President made it clear from his arrival at UH that Native Hawaiian affairs would be very important to his administration. Four issues were identified:

1. the telescope installations on the Big Island;
2. a current reverse discrimination legal complaint;
3. lands ceded to the UH Manoa campus; and
4. the establishment of the Pukoa Council

Discussions are currently underway with representatives of the Native Hawaiian community with regard to use of the land for telescope installations and related issues. Hopefully these discussions will result in a mutually agreeable outcome. The legal complaint and the issue of ceded lands are issues that will be resolved in the courts of law and it would be inappropriate to comment at this time.

The WASC Team sees the development of the Pukoa Council as an opportunity to "test" the role of UH in establishing system-wide advisory councils and to further the acceptance of the new UH structure as one that will advance the mission of the University in serving Native Hawaiians and others.

An effective advisory council format pulls in many constituencies. In a memo shared with the Team from the UH Council the President was asked a series of questions that will guide him in making explicit the charge, role and membership of the Pukoa Council. The WASC Team encourages this development and recommends that it would be helpful to make the charge, role and membership of the Council public, lending public recognition to the President's stated goal of prominence for these particular matters of concern to the State.

FINANCIAL AND BUDGETARY ISSUES

Finally, the WASC Team considered UH financial and budgetary issues on the basis of material provided and meetings with the Vice President for Administration and Chief Financial Officer, the Interim Vice President for Academic Affairs, the Vice President for Student Affairs, the Faculty Senate representatives, several Regents, a State Senator, and a representative of the Governor's Office. These sessions provided further information about UH and Hawaiian budget processes and the potential for augmentations.

We are pleased to see that the President's Office has been responsive to Regental interest in having a different presentation of accounting statements to track revenues and expenditures in a manner more closely aligned with for-profit methodologies. Despite the fact that the State's financial circumstances leave little hope for immediate allocations to recover quickly from past losses or to obtain a full commitment for State funding of the Strategic Plan, we see a willingness in the Legislature and the Governor's Office to work with UH to move them forward. For example, the Chair of the Senate Education Committee described a proposed ½% increase in the excise tax as a means to help the education sectors including the UH system. The Senator said the goal was to assist UH to "tread water or even swim upstream" in these difficult budget times. To date, this solution is not supported by the Governor. However there appears to be some political support, even with the current state budget difficulty. Moreover, when we inquired about individual hopes for the University and what it would produce for the State and its people, the Team found agreement with the goals that the President and his Strategic Plan set for the University. This suggests that there is a base of support that hopefully will lead to appropriate funding to enable the University to achieve its goals as articulated in its Strategic Plan. This good will should be nurtured fully.

Thus, despite the fact that the nearly \$100m budget request to fund the Strategic Plan was not approved, the President and his team must get on with implementing the Plan. Taking positive steps in that direction is essential to leverage hard-earned momentum and support within the UH community and allow the Plan to remain a lever for budgetary improvement. One example would be the establishment of enrollment goals for each campus.

Our team believes that a downturn can actually help an institution turn itself around, make operations more efficient, eliminate low priority programs, even begin new initiatives, and generally strengthen its programmatic base. This will better position the University to build new programs and strengthen already strong ones when good times return. The President and his team must provide the leadership for this. The UH Strategic Plan and the related campus plans represent the starting point for a successful budget strategy, which, in turn, is essential to the success of the plans. In other words, the two are inextricably tied together. The plans should provide the direction and the basis for setting principles for budget allocation and acquisition (e.g., protect deferred maintenance or increase user fees) and for making choices among academic programs and initiatives on the one hand and new administrative programs out of the President's Office on the other.

Based on discussion during the Special Visit and with corroboration from the campus visits, the Team has the strong impression that the overall UH budget process is neither clear nor consistent and presents a significant problem for campuses who need to plan programs and rely on resource plans. The budget process, the Team believes, needs significant improvement internally and externally. We were left with many unanswered questions about how the budget process works. For example, how can chancellors predict funding levels to support planning and decision-making, and how does tuition revenue flow to the campuses? The Team believes that the budget process must be a transparent

one, and we are pleased that the President agrees with this principle and has the support of the UH faculty to make this a reality.

In creating an orderly and effective budgetary process, the Team recommends that all phases should be considered and revamped: budget proposal timelines from the campuses to the President and, then, from UH to the State should be clear and realistic; reporting formats should be consistent and reflect normal university fund management requirements, as well as meeting the needs of the business community; and allocation decisions and processes should be timely, well communicated, and provide a basis for projection. In addition, the process should provide for more faculty input on systemwide budget issues. This also relates to developing a rational and clear faculty senate organization which can participate in the budget process. Having a systemwide senate, as is the pattern in other multi-campus systems, would help with this, and the UH faculty should consider this carefully. All this is essential so that all parties, the faculty, chancellors, and regents have clarity and know when and how to advise, make requests, and manage prudently. This will also enable these parties to be more effective advocates for the University's budget. To pursue these improvements, the Team urges the CFO and others to consult internally with the campuses, the faculty, and the regents so that changes will meet perceived needs and be supported. External consultation, with appropriate national or regional professional organizations, may also be beneficial as the leadership seeks to create a rational and clear budget process.

A particular area of concern in the budget and planning process is enrollment. The campus visiting teams found that enrollment at the UH campuses is not now linked to campus budget acquisition. For example, it was reported that FTE student enrollment at the UH Hilo campus increased by around 16% since 1998, while its budget allocation from the UH system remained essentially constant; during a similar period, UH Manoa's budget allocation also remained constant despite enrollment decreases. Understandably, the Hilo campus does not believe this is fair or equitable. In part, this pattern may be an outgrowth of State of Hawaii budget practices: At UH Manoa, the team learned that State appropriations to UH are now made in lump sums at the campus level (an improvement in UH autonomy from the former system in which appropriations were made by function--instruction, research etc.--within each campus). But, in practice, the UH President can now legally transfer funds among the campuses. The Team recommends that the UH system develop a more rational, understandable, and equitable budget allocation system, one that establishes appropriate student/faculty ratios and funding levels for the different types of institutions in the System. The Team also believes that establishing campus enrollment goals that meet public needs will help UH to obtain support for its budget proposals from the Regents as advocates and, ultimately, from the State.

CONCLUSION

In conclusion, the WASC Special Visit Team wishes to thank the UH system for the opportunity to be of service in this Special Visit to the UH system. We also wish to thank Dr. Ralph Wolff of WASC who ably assisted us in this mission.

To reiterate our major recommendations:

On **External Governance:**

- The WASC Team recommends that the President and Board of Regents take concerted steps to ensure that a partnership exists between the President and the Board, including defining an appropriate role for the Board in promoting the agreed-upon goals of the UH's Strategic Plan. To prepare the Board of Regents for this partnership and to allow for the Board to properly evaluate UH's progress and the President's performance, regular and substantive reports to the Board are needed. Also, the UH and its Board of Regents may wish to utilize national resource organizations for the orientation of the new Board members soon to come.
- The Team also recommends that concerted steps be taken to develop partnerships with the governmental leadership of the State for purposes of aligning the UH Strategic Plan and goals of the State's leadership as well as positioning the UH to obtain budgetary support.
- The Team recommends that the UH Board of Regents develop a stronger and clearer policy concerning political endorsements and involvements which is oriented toward avoiding political partisanship and the appearance of such in relation to the affairs of UH.
- The Team recommends careful analyses of future recommendations for further "autonomy" for UH including developing information and data which assist the President and Board of Regents in understanding the resources which are necessary to undergird new responsibilities.

On **Internal Governance:**

- The WASC Team recommends that the UH and the President continue their efforts on the reorganization and further articulation of the UH system including development of an independent President's Office and Council of Chancellors. This further development should be consistent with the review and approval by the ACCJC of the new integration of the community colleges in the Council of Chancellors and with ACCJC's concerns for maintaining the full mission of the community colleges.
- The Team recommends that the UH and the President carefully pursue a plan to replace the current executive leaders, who will be leaving the UH system office soon, with an eye to assuring that institutional expertise and knowledge are not entirely lost. Additionally, the Team recommends that further planning for the functional staff requirements of the system officers is needed, particularly on resource requirements. The Team further recommends that the UH and the President develop the role of the system and system officers vis-à-vis the role of the campuses, especially the community colleges. A long-term plan should indicate system officer roles and counterpart campus roles. Costs and timelines as well as return on investments should also be included.

- The Team recommends additional focus by UH and the President (and potential future WASC review) on the development of student participation in the UH governance as recent initiatives may not be fully in effect.
- The Team recommends a strong focus by the UH, the President and the faculty on the development of a more fairly organized and rational faculty governance structure at the system level. A fully functioning All-Campus Faculty Senate should play a significant role in the development of system policies and intercampus coordination, as well as in budget development. The UH may also wish to propose the addition of a faculty representative to the Board of Regents as this brings an important voice to the highest level governance deliberations.

On Strategic Planning Initiatives:

- The WASC Team recommends that the UH continue the very good process utilized in creating its new Strategic Plan in developing the next stages of planning and implementation. Specifically, an implementation plan, which breaks the Plan into “do-able” chunks; which includes setting performance guidelines; which pursues appropriate additional reorganization elements; and which outlines internal reallocation of funds and external fundraising goals needs to be developed.
- The Team recommends that the UH consider the Strategic Plan as a framework for guiding the UH system in both good and less good economic times; allowing core principles and goals of the Plan to guide budgetary reductions/redirections as well as any augmentations of State resources.
- The Team also recommends that the Board of Regents and the President provide continuing leadership and oversight of the progress of the UH Strategic Plan.
- The Team recommends that the UH continue the planning process for the West Oahu campus, despite the current lack of support for new construction funding; including the further development of plans for a four-year academic program. The Team further recommends that such planning identify key campus indicators of success and performance relating to enrollment growth and development of faculty and staffing necessary for lower division programs.
- Finally, the Team recommends that the President further develop the charge, role and membership of the Pukoa Council which is concerned with issues of significance to Native Hawaiians and that this Council receive the public exposure which would lend recognition to these issues.

On Financial and Budgetary Issues:

- The WASC Team recommends that budgetary decision-making be integrally tied to the UH Strategic Plan and campus strategic plans and that through this plan the UH capitalize on the core of support which exists for the UH. Further, as noted above, the Team recommends that the Strategic Plan be the guidepost for budgetary choices whether they are augmentations, reductions or redirections.
- The Team strongly recommends that the UH, the Board of Regents, and the President focus special attention on a flawed budgetary process; attention is

required to create an orderly and effective budgetary process which establishes timelines, reporting formats, and clearly understood allocation principles. The Team further urges that an appropriate role for the faculty senate representatives be developed. The Team urges that external consultation with national or regional professional organizations may be of benefit to assist.

- Finally, the Team recommends that the UH leadership explore and create appropriate relationships between budgeting and enrollments, which potentially differentiates on the basis of numbers as well as campus missions and programs.