



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

---

Testimony Presented Before the  
Senate Committee on Ways and Means  
February 25, 2015 at 9:00am

by  
Randolph G. Moore  
Chair, University of Hawai'i Board of Regents  
And  
David Lassner  
President, University of Hawai'i

**SB 637 – PROPOSING AN AMENDMENT TO THE HAWAII CONSTITUTION TO  
DIVEST EXCLUSIVE JURISDICTION OF THE BOARD OF REGENTS OF  
THE UNIVERSITY OF HAWAII OVER THE INTERNAL STRUCTURE,  
MANAGEMENT, AND OPERATION OF THE UNIVERSITY OF HAWAII**

Chair Tokuda, Vice Chair Kouchi, and Members of the Committee:

Thank you for this opportunity to testify on SB637, which proposes a constitutional amendment to divest the Board of Regents from exclusive jurisdiction over internal structure, management and operations of the University of Hawai'i. The University of Hawai'i strongly opposes this measure.

SB 637 does not provide a rationale for this action but as background, we note that the current constitutional language was approved by a majority of voters in 2000 (after it was unanimously approved by the Legislature in 2000). That constitutional amendment was the culmination of many years of discussion in which the broad community began to appreciate the critical role of the University of Hawai'i (UH) in our state's economy and the importance of flexibility in enabling the UH to deliver on our potential to advance the economy. During that period prior to the 2000 amendment the Legislature itself passed a number of well-considered actions to increase flexibility.

We believe this widely accepted advance in public policy has been a huge success for Hawai'i and will highlight below just a few of the outcomes UH has been able to achieve with the flexibility granted:

In Fiscal Year (FY) 99 UH's total expenditures were approximately \$730 million, of which over half (\$380 million) were state general funds. In FY14 total expenditures have more than doubled, to over \$1.5 billion, with state general funds now contributing less than 30% (\$420 million).

The widely respected UH Economic Research Organization (UHERO) estimated in 2013 that each dollar of state general funds, now approximately \$420 million, translates into \$9.61 of total business sales, \$2.91 of employee earnings, and \$.52 in tax revenues

Chair Tokuda, Vice Chair Kouchi  
and Members of the Committee  
February 25, 2015

returned to the state.

In FY01 the total extramural awards to UH totaled \$216 million. For FY14 that number was \$392 million, an increase of over 80%. UH experienced a peak in FY11 when the UH was able to leverage the federal stimulus act (ARRA) to bring over \$488 million in extramural funding into Hawai'i when the State needed the economic stimulus most.

Fall enrollment in the 1999 academic year was 45,000 and grew to over 57,000 in Fall 2014. This represents an enrollment increase of over 26% achieved with a growth in general fund investment of less than 11%. And again, UH was able to respond to community needs by enrolling over 60,000 students during the peak of the recession when our citizens most needed additional education and training to compete in a difficult job market — even as our state budgets were being cut.

In 2000, UH awarded 7,238 degrees and certificates. In the 2014 academic year UH awarded 11,278 degrees and certificates, the most in our history and an increase of over 55% since 2000. On average, a bachelor's degree recipient earns over \$1 million more in their lifetime than someone with only a high school diploma, making the impact of these additional degrees to our people, families and communities is substantial.

Under its own authority, UH has created innovative programs to advance student success including: a degree audit system that works across multiple campuses, the development of multi-campus degree pathways, reverse transfer, automatic admission, and the nationally renowned "15 to Finish" program.

Since 2000, UH has undertaken over \$1 billion in major construction, stimulating economic activity across the state. In addition to numerous renovations, some of the major milestones include: a completely new campus at UH West O'ahu; a new Kaka'ako campus comprised of the John A. Burns School of Medicine and the Cancer Center; the LEED Platinum Center for Microbial Oceanography Research and Education and a new Frear Hall at UH Mānoa; the new IT Center for the UH System (LEED Gold certification pending); a new Education Building at Leeward Community College; the One Stop Center at Kaua'i Community College; a new Science Building at Maui College as well as the new Institute for Astronomy Advanced Technology Research Center in Kula; a new Learning Resource Center (Library) at Windward Community College; a new Hawaiian Language Building, Science and Technology Building, Student Life Center and Student Housing at UH Hilo; and of course, the first phase of our long-awaited new Pālanui campus is nearing completion in West Hawai'i.

Since 2000, UH has: replaced 10 campus student information systems on our campuses with a single integrated system; implemented the State's first competitive online procurement system; completely replaced our financial system; implemented a new online research administration system that allows proposals to be submitted online

Chair Tokuda, Vice Chair Kouchi  
and Members of the Committee  
February 25, 2015

to the federal government; automated UH's payroll interface to DAGS; moved from paper to online distribution of payroll statements (a concern noted for the rest of state government by the Governor in his state of the state address); moved vacation/sick leave processing online; and implemented online timesheets for hourly workers.

Proactive actions and successes such as these are consistent with the expectations of the Legislature and community in 2000 (when the current constitutional language was adopted). Charging Boards of Regents with responsibility for the structure, management and operations of public colleges and universities is the consistent best practice across the nation.

The University of Hawai'i welcomes the opportunities to engage in public conversation with the Legislature and the community about major policies, directions and priorities. However, we believe that maintaining jurisdiction over internal structure, management and operations, as described by our constitution, is the appropriate purview and responsibility of the Regents, who are appointed by the Governor and confirmed by the State Senate.

Thank you for this opportunity to testify in strong opposition to this measure.

Date: Tuesday, February 25, 2015  
Time: 9:00 AM  
Place: Conference Room 211

To: Senate Committee on Ways and Means  
Senator Jill Tokuda, Chair  
Senator Ronald Kouchi, Vice Chair

Re: Support of SB 637 Proposing a constitutional amendment to divest the board of regents from exclusive jurisdiction of UH.

My name is Bret Polopolus-Meredith and I am a graduate student at the University of Hawai'i at Mānoa (UHM). I am writing in support of SB 637 proposing a constitutional amendment to divest the board of regents (BoR) from exclusive jurisdiction over internal structure, management, and operations of the University of Hawai'i (UH).

In 2011 or 2012 the BoR told UHM to spend down its reserve fund of \$90M, which the chancellor at the time promptly began. At the start of fall 2014, the BoR told UHM to save and maintain a reserve fund of 10%, about \$80M. UHM is cutting the budget to meet this demand. Yet, tuition is set to increase another 7% next year. It seems there has been a lack of foresight or even 'current sight'.

Furthermore, student needs do not always seem to be the order of the day. I've heard there's a hiring freeze on faculty or not replacing retiring faculty, class sizes may go up, fewer class sections may be offered, and graduate assistant positions may be reduced. There are currently 47 fewer graduate assistant positions than in 2012. The four colleges that constitute the Arts and Sciences have only 5 academic advisors to service 8,000 undergraduates. There should be 20-25 advisors to have a ratio similar to the national average. Restrooms are often broken with bags placed over toilettes. Some drinking fountains and AC units are rusted to the point that the metal has corroded. Walls have holes or missing chunks. I do not blame our hard working facilities staff. I blame the BoR and the administration. It's hard to maintain morale or feel pride in UH when walking into a broken or decrepit restroom. I am writing because I still have hope that UH can be improved, but that hope is dwindling.

UHM is ranked #203 among public universities. There are 50 flagship universities in the U.S. The BoR and administration have not publicly discussed or unveiled plans to improve UH's reputation. I'm not sure how they expect to grow the student body under these conditions.

The unannounced and unwarranted firing over summer 2014 of Thomas Apple as UHM chancellor was met with significant opposition from both students and

faculty. The process by which Thomas Apple was evaluated and removed was suspect. President Lassner's evaluation of Thomas Apple was questionable. The BoR never discussed the performance review of Thomas Apple. The BoR never discussed the removal of Thomas Apple. The BoR never placed the evaluation or removal of Thomas Apple on a full board agenda nor on an agenda for the BoR's Personnel subcommittee.

The Mānoa Faculty Senate (MFS) Executive Committee issued a statement recommending Thomas Apple remain chancellor of UHM. ASUH at Mānoa passed a resolution in support of Thomas Apple remaining chancellor of UHM. The Sovereign Council of Hawaiian Homeland Assembly released a statement in support of Thomas Apple to continue as UHM chancellor.

The MFS and Graduate Student Organization (GSO) both entered votes of no confidence in the BoR. MFS censured President Lassner and GSO voted no confidence in President Lassner. The BoR has overseen a great deal of turnover among senior administration in recent years. UHM currently has an interim chancellor and no plans of searching for a permanent leader.

Thank you for the opportunity to testify.

Respectfully submitted,  
Bret Polopolus-Meredith  
bp32@hawaii.edu  
808-304-9334

**SB637**

Submitted on: 2/24/2015

Testimony for WAM on Feb 25, 2015 09:00AM in Conference Room 211

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Javier Mendez-Alvarez	Individual	Oppose	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)

Date: Wednesday, February 25, 2015  
Time: 9:00 AM  
Place: Conference Room 211

To: Senate Committee on Ways and Means  
Senator Jill Tokuda, Chair  
Senator Ronald Kouchi, Vice Chair

Re: Opposition to SB 637 - PROPOSING AN AMENDMENT TO THE HAWAII CONSTITUTION TO DIVEST EXCLUSIVE JURISDICTION OF THE BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII OVER THE INTERNAL STRUCTURE, MANAGEMENT, AND OPERATION OF THE UNIVERSITY OF HAWAII.

My name is Kristine Jan Espinoza. I am a higher education administration graduate student and proud alum of the University of Hawai'i at Mānoa. I transferred to and completed my B.A. in Biology and Anthropology at UHM. I am writing in **opposition** to SB 637, which proposes an amendment to the Hawai'i Constitution to divest exclusive jurisdiction of the Board of Regents of the University of Hawai'i over the internal structure, management, and operation of the University of Hawai'i.

I sincerely understand the raised concerns about the management and governance of the University of Hawai'i System (hereafter University) especially as it is the only public institution of higher education in the State. However, taking away autonomy does not necessarily ensure proper oversight and transparency of the University's fiscal and operational administration. My reservations lie in whether the State Legislature is apt to direct this institution of higher education. Constitutional autonomy established the University's **right to manage itself** relative to its educational mission. This independence and authority enables the University to move toward the future as it sees fit, based on the respective campus missions and policies as well as the public policy agenda of the State.

With this said, higher education governance reform can come in a different way. From what is written in the committee report #424 from HEA and JDL, it is clear that there is sentiment surrounding the importance of ensuring proper oversight and transparency. Thus, perhaps there should be more effort to approach **shared governance with a high degree of openness** - open plans, open policy statements, open reasons, open procedures, and fair informal and formal processes.

Studying higher education in graduate school has further made me appreciate and understand the history of and many purposes of higher education institutions. Let us ensure that the University is not just a good one, but a great one. Have faith in us.

Respectfully submitted,  
Kristine Jan Espinoza  
kjespino@hawaii.edu

**SB637**

Submitted on: 2/24/2015

Testimony for WAM on Feb 25, 2015 09:00AM in Conference Room 211

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Larry Caldwell	Individual	Oppose	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)



February 23, 2015

Dear Senator Takuda and Committee Members,

I wish to express my strong support for SB 637. While autonomy is an important aspect for the operation of a university, as a State institution of higher learning, we cannot exclude some level of oversight by our elected representatives to ensure that the university is meeting the expectations of the State of Hawaii and its citizens. I have to agree with the sentiments expressed in the Star-Advertiser expressed by David Hafner that "autonomy" is an experiment that has failed. While there were problems before the autonomy amendment, the problems today have magnified themselves. Indeed the legislature and the students of this State have a right to expect that public funds and tuition monies are properly and well-spent. Past problems before autonomy centered on a few well-connected State employees being given cushy UH jobs to enhance their high three prior to retirement, crappy construction at inflated prices, and difficult procurement practices. Frankly these problems remind me of the current situation. One exception is that now we have certain faculty sellouts looking to enhance their high three retirement in lucrative administrative positions, while we have created an administrative class of highly paid carpetbaggers looting the University of Hawaii for their own benefit.

While I wish that those who suggest that if we just had different people under the current system everything would be better, were right, I do not believe it. The forces of greed and power are much too insidious to allow a few elite administrators and a disconnected and at times, conflicted Board of Regents, to run the university. A return to faculty governance with broad fiscal oversight by the legislature provides the best hope for the return of sanity and stability to UH. Under autonomy we have had Evan Dobelle, MRC Greenwood, and David Lassner. Need I say more? At least legislators are responsible to voters. The administrators that run this University are responsible to themselves first and foremost. Autonomy didn't stop select legislators such as Senators Roz Baker and Josh Green from inappropriately inserting themselves into the internal operations of the University with devastating consequences, however, hopefully with input from faculty and students the legislature as a whole can insure that in the future the University of Hawaii serves the needs of students and the State and that UH can be run efficiently and with integrity.

I urge you to pass SB 637.

Robert Cooney, PhD  
Associate Professor  
UH, Manoa

## **[Testimony in support of SB637]**

February 23, 2015

Dear Chair Tokuda and Members of the Senate Ways & Means Committee,

I am writing in support of the proposed amendment to divest the exclusive jurisdiction of the BOR over the University's internal structure, management and operation (SB637).

Like any liberal-minded academician, I believe in the principle of autonomy at universities. However, as a wise colleague put it, autonomy without shared governance at UH seems to be the main culprit of the current financial problems at UH, whether they be the Cancer Center's debt or the instructional units' budget crisis to maintain teaching quality. Consistently, every issue seems to be linked with lack of transparency and accountability practiced by the administrators and with history of unrepresented faculty/student input. The current form of UH autonomy is hurting the academic integrity for the faculty and students and needs a closer public (legislature's) supervision of public funds until improvement.

Sure, we do have organized bodies that officially represent the faculty and students at UH, such as Manoa Faculty Senate and Manoa Graduate Student Organization. However, these organizations' calling for administration's accountability, often after much damage is done (e.g., MFS's censure and GSO's no confidence votes in the System President), seems to carry little weight to the Board of Regents.

Although I note that, based on my attendance of BOR meetings and meetings with individual Regents, the current Board members appear to be well-meaning for the University's success, they in their limited volunteer time gather and judge information on important operation matters mostly through their communication with the System President and his executive team, which does not help them gain critical and balanced insight to the issues.

I and many others hope that the bill to add faculty and student Regents on the Board will be approved and would help improving transparency and shared governance. However, additional oversight by the legislature especially on fiscal management is needed because the faculty and students would still not be part of many decisions being made and often do not have access to informative data. This, combined with the sad phenomenon among the faculty, occurring more frequently than not, where people are afraid to speak up for the realistic fear of retaliation or side with the administrators for personal gains, delays progress in the right direction. Of course, many of these problems would be mitigated if we have ethical and competent administrators but the poor track record we have in this regard speaks for having the checks and balances in place.

The prime example of no accountability and suppressed shared governance is the Cancer Center. Many in the legislature and the public only see the large deficit (~\$10M/year) the Center is facing in near future. However, you all, not to mention UH administration, have

ignored many warnings. Before this large deficit surfaced from overblown construction costs and hugely expanded administrative expenses, many faculty have spoken up against the now former director Michele Carbone's mismanagement: 30-some grievances have been filed, with ~25 cases ruled in favor of the faculty (<http://www.uhpa.org/system-policy/cancer-center-news/>). 11 (6 of them tenured, of the 28 original) productive faculty members and over a dozen loyal and competent staff members have left the Center almost solely over their disagreement with the former director's management. All this should have alerted the UH administration and BOR of potential mismanagement of the large State special funds in the hands of the very same person. What kind of organization, public or private, ignores over 30 formal grievances filed against a single manager and his management team, undermining them as mere "personality conflicts"? Yet, that is what was allowed to happen in the past 6 years, even after former chancellor Apple tried to change the leadership, until the UH administration was ordered by the National Cancer Institute to investigate likely serious violations of financial conflict interest rules.

Still today, the lack of faculty shared governance at the Cancer Center continues, and it hinders any meaningful improvements, including drastic cuts of wasteful expenses or exploring all the available options for future viability, desperately needed at the Center. UH/Manoa administrators and the interim Center director have retained the Senior Leadership team of the former director's, who are directly or indirectly responsible for his fiscal and personnel mismanagement, as decision makers at the Center and allow them to portray their compromising views as the Center faculty's.

In my discussion of the Cancer Center problems with many other Manoa faculty members in I Mua Manoa since August, it is evident to me that the same root causes (lack of transparency and accountability practiced by the recent and current UH administrators and unit administrators) have contributed to the current financial crisis in many departments and colleges across the campus. I believe that the University (the faculty and students and their academic activities) will benefit from having a systematic mechanism for a closer oversight by the legislature – very different from having undue, heavy-handed influence from a few legislators as also happened at the Cancer Center as you know.

Sincerely,

Unhee Lim, PhD

Associate Professor  
Cancer Center  
University of Hawaii at Mānoa

