

The Senate Special Committee on Accountability Monday, September 24, 2012 1:00 p.m.

Dear Chairperson Kim and Committee Members:

On behalf of the University of Hawaii Professional Assembly Board of Directors we thank you for the opportunity to submit testimony regarding a very important public issue.

When an incident occurs such as the mismanagement of the Athletic fundraising concert, it reflects a deeper and broader system failure that, if left unaddressed, jeopardizes the fundamental integrity of the University of Hawaii within our community including students and taxpayers.

Such incidents impede our ability to advance instruction and research because the trust in the fiscal management of the institution becomes severely compromised. UHPA has heard from community members at large who have expressed their loss of confidence in the Board of Regents and the President to effectively oversee the University operations.

Clearly the Board of Regents and President can delegate authority, but it is their responsibility to ensure that the delegation is not abused or misapplied in a manner that harms the organization. Such oversight has been lacking and there is a growing concern as the University seeks to increase its presence as an economic generator.

The pressure to continually expand the revenue stream of the University is placing demands at all levels of the system. Through a variety of mechanisms including non-profit foundations and 501c3's, competitive grants, and service contracts, the institution is committing significant resources to increasing revenue. Pursuing these activities does not automatically mean there is a coherent set of fiscal guidelines being followed or competency in the administration of these activities. To the contrary, there may be assumptions regarding administrative skills, knowledge and expertise that simply are incorrect. UHPA has raised these concerns in the past as related to non-profit activities in which oversight is delegated downward throughout the system or policies lack disclosure of contributors.

The Faculty is not exempt from the demand to increase revenue and some have a continuing obligation to fund their positions and related work. They are responsible for conforming with the fiscal requirements of the grant or contract; they are accountable for the work product; and there are clear consequences for failure to adhere to the terms of the agreement. The consequences can include loss of future funding, jeopardizing Federal or other funding for major parts of the institution, and termination of employment.

University of Hawaii Professional Assembly



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As the current fundraising situation demonstrates, there is a lack of clarity as to who is responsible and accountable for fundraising and related activities. Perhaps there is a clear designation of a person or persons responsible for ensuring proper oversight, but to date the Board of Regents has failed to address that component of administrative roles. The faculty is not looking for anything more than is expected of them and to date the Board of Regents and the University top administrators continue to disappoint.

UHPA is concerned that unless there are steps taken to address the delegation of responsibility and oversight by the Board of Regents, there will continue to be a significant loss of confidence in the institution with a resulting loss of financial support which ultimately will negatively impact the students we are all here to serve. The UHPA Board of Directors feels strongly that it is imperative that quick progress be made in implementing a remedy. We want to ensure that students and our community can depend on the University's top leadership to support, oversee, and enhance the mission of the University of Hawaii.

Respectfully submitted,

Adrienne Valdez UHPA President

