



Testimony to the BOR
November 15, 2012

On behalf of the University of Hawaii Professional Assembly, this testimony concerns three items on the Board's agenda, two of which will be discussed in Executive Session.

As of this writing, UHPA has not received a copy of the Report of the Operational and Financial Controls Improvement Advisory Task Group. However, we think that it is incumbent upon the Regents to assure the university community that public confidence in the administration of the university is restored. Decisions on the approval of external fund-raising must be free from the possibility of fraud. They should be guided by clear and transparent internal controls that verify the authenticity of outside vendors. The internal controls should include specific lines of authority and responsibilities prior to entering into contracts and the issuance of any UH, Foundation, or state funds. Thus far, the public's faith has not been restored, and unfortunately, it may take both specific and concrete changes as well as time, for that confidence to be re-established. In my judgment, public confidence in UH decision-making will not improve until it is clear who is at fault when deals fail for lack of due diligence.

Pursuant to the 2009-2015 UHPA/BOR Agreement, UHPA and representatives of the administration will meet on November 28th to negotiate the terms contained in the salary section of our contract. There are a number of salary related issues that are of continuing concern to UHPA, including the minimum salaries by rank. These minima are too low, and seldom set the wages for new hires, which causes salary inequities to grow, especially in the social sciences and humanities. This impact is particularly noticeable when the Regents' budget request to the Legislature includes extraordinary salaries for newly created positions in the sciences. This administration initiative is predicated on the idea that large salaries can entice persons into the faculty who may bring with them possibilities for substantial external grants. Not only does this create a two tier salary system within the science research faculty, many of whom have consistently demonstrated their collective ability to bring in extramural funding during a career long dedication to UH-Manoa, but it unnecessarily exacerbates the differences with all other disciplines, including those additional positions the Regents are requesting for faculty in the disciplines of Hawaiian culture and language. As Regents, you have probably not thought through the adverse consequences of making the wage gaps worse. It is clear and unequivocal that when it comes to salaries, UHPA is the exclusive representative of the faculty. Ultimately, the issues of salary equity, salary compression, and the ability of the University to sustain funding for all faculty salaries, are negotiable.

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On a related topic, UHPA is concerned that the University will be unable to fund salaries already agreed to in the contract, even with continued high levels of external grants, without additional support from the Legislature. The Board of Regents has accepted a level of responsibility for funding general salary increases separate from legislative appropriations in our last two Agreements. This has always been of personal concern to me; a concern I shared across the table with now three individual Presidents. I believe that the Regents must include in the budget requests to the Governor and Legislature appropriations for the already negotiated salary increases in the current contract. UHPA stands ready to assist the administration in achieving this legislative end, provided that the administration is willing to work cooperatively with us to address faculty members' concerns over all salary related issues.

Finally, the agenda calls for the Board of Regents to consider in executive session, the sale of land that is a part of the UH-West Oahu campus to the Roman Catholic Church, and immediately following that action, the public portion of the agenda calls for approval of the sale. One can only assume that this sale of land is necessary to cover the shortfall in funding to meet commitments already made to the development of UH-West Oahu. Since the beginning of this new century, UHPA has repeatedly testified before the Regents in opposition to the sale of land held by the University, and made various proposals for other methods of developing such lands that did not require its sale. Those suggestions were all rejected or ignored, and in the case of UH-West Oahu, the initial development required the sale of land given to the University by the Campbell Estate. If UH-West Oahu is to be a viable, independent campus, it must have the necessary, basic financial support provided through the state legislative appropriations to UH. Perhaps land sales can cover the costs of capital development, but the real challenge will be to meet the annual operational costs of the campus. Selling land is permanent. Once done, the asset is gone forever. Had we begun in 2005 with a plan for developing workforce housing on those lands along with the creation of the UH-West Oahu campus, not only for faculty members but also other public employees in the Kapolei area, the University may already be receiving lease rents and profits that could underwrite a substantial portion of those operational expenses. In any case, sale of the land was not in the public interest, then, and it is not in the public interest now.

I appreciate the Regents taking time to consider the issues that we have raised. UHPA's success is only measured by the success of the University of Hawaii itself. It is in that context that these concerns are raised.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'J. N. Musto'.

J. N. Musto, Ph.D.
Executive Director