I. Call to Order, Sign In
Susan Hippensteele, Co-Chair of ACCFSC, called the meeting to order at 9:15am in Bachman Hall, room 203.

II. Approval of April 15, 2011 minutes
The minutes of 4/15/2011 were approved unanimously.

III. New Business
A. Budget Update (MRC Greenwood)
President Greenwood joined the ACCFSC, apologized for not being able to attend some ACCFSC meetings this year, and relayed her intention to attend more meetings next year.

Budget Update
While the final state of the budget is still unclear, we do know, more or less, where we are with the legislature. The Council on Revenue’s revisions will be released next week or the week after. An upward revision is possible, but unlikely. The Governor may also make final revisions. The final budget will likely be within a few million of the current draft. Currently, we are facing about an 11 or 12 million dollar cut overall across the entire UH system. Increased enrollment for next year may help make up this deficit.

Budget Transparency (Kuali)
UH needs faulty to help with the implementation of Kuali. Kuali is both a financial and decision/business management tool. The absence of a real-time, on time financial system has rendered UH unable to project commitments accurately and has created issues with the legislature. Faculty members are asked to help staff throughout the transition from FMIS to Kuali. Generally, UH needs to project a much more coordinated message. President would like to provide media training to a small group of faculty and students who are willing to act as ambassadors in some settings (neighborhood board, Chamber of Commerce, etc.) so that UH can transmit a broader message about the value of the University as a whole.

Future Plans
The Budget Planning Workshop with the BOR is in August. BOR should approve the budget by October/November (after agreement on tuition). It is unlikely that UH will receive more general funds from the legislature next year-
but it should get more CIP. UH has to raise more money, as it is unlikely that it will receive levels of state funding comparable to those received in the past.

President opened the floor for questions.

Q: What is the plan for tuition rates?

There is a public relations issue with the faculty contract. Faculty salaries should not be perceived as causing a tuition increase. UH needs to have a straightforward story about the way faculty are hired and the international arena in which we compete. There is concern that raising tuition will deny access, especially to underrepresented groups. Financial aid participation rates for underserved students are at about 27% for Native Hawaiians in community colleges. Tuition is still a bargain compared to California schools. Argument should be that UH has to raise tuition because the state has cut financial support.

Q: Should UH change its marketing strategy from a bargain education to a valued education?

Yes - At the Alumni Awards Banquet, influential alumni talked about their time at UH and how proud they are to be part of the UH community. These people are in a position to talk about the value of their education, how important faculty are, and how far UH has come. These are the stories we should be telling and the people we should be telling them. UH needs more faculty members in attendance at these events.

Q: Have you thought of funding the educational improvement fund, which used to give faculty awards for improving education?

The last time UH assessed tuition rates - it was trying to position itself among peers. Now, UH must show what we need the money for and what proportion of that we’re going to do. Finding a way to provide some incentive funds is important. We will resuscitate the system Distance Learning Committee to find ways to use technology to serve more students without increasing faculty workload. Apple has offered to do a workshop in the fall to showcase new technologies – such as a translator that instantly translates documents into 11+ languages. Faculty collaboration across departments may also help.

Q: How much of our budget is covered by tuition and what is our goal in this regard?

These are the questions we’re struggling with and which Joanne Itano can likely provide more accurate figures. We want to be in the middle of the pack among peer institutions. We were headed for the middle of the pack once we finished the current 5-year tuition plan – but peer institutions have since raised their tuition rates. The argument needs to be – if the state isn’t going to provide the assistance than we’ll have to look carefully at what’s realistic to expect from our tuition profile. UH must carefully consider how we demonstrate the value of higher education. We will have learning assessments – whether they form internally or as a result of federal direction. If we got ahead of the curve and did something better than WASC – we could be the best-integrated system and the best system to be able to quantify value in education.

Q: What is the long-term policy for serving underserved students in light of tuition increases?

The long-term policy is that underserved students will always have priority in financial aid. Community Colleges have increased Pell grant money from 4 to 26 million. Part of the problem was ensuring that families were educated about financial aid options. Windward CC launched a very successful outreach program to educate families about financial aid, and has a one-stop-shop for financial aid on the weekends at Windward Mall. The FAFSA form is intimidating and should be simplified. For-profit universities constitute less than 12 percent of the overall student enrollment in higher education, but receive about 30 percent of federal financial aid.

Q: Many classrooms have ripped chairs. Is there anything that can be done about that?

It is possible to get someone to help with this. This is the sort of thing that may appeal to a certain kind of donor. Faculty leaders may also help solicit responses from donors. The Chancellor may also be another good person to speak to. Maybe just getting rid of the eyesores would help.

Q: Community Colleges lose profit to for-profit universities more than Manoa. How will this be addressed?

Our message is that we’re a better bargain. UH should brand itself as an enduring institution with much to offer, especially by the Community Colleges to non-traditional students. UH also offers less financial risk.

Q: Any comments on the future of tenure?

Tenure is the foundation of great universities. Many choose academics because of tenure. Any analysis of labor statistics shows that the workforce has changed – there are faculty members with tenure (enduring core faculty), but there are also many other equally talented PhD’s without the same career goals. A community of respect for the professionals who are needed to run a great university should be established. Some states are challenging tenure –
but it is unlikely this will happen in HI. Sometimes faculty misinterpret the purpose of tenure and aren’t consistent about what it means in terms of their obligation to the institution. This must be communicated to junior colleagues.

**Q: What problems do you anticipate with the implementation of Kuali?**

When you implement a new system – it is usually declared a disaster because there is a learning curve. UH is short staffed and now we’re requiring staff to completely change the way they do business, particularly in the area we’re most vulnerable. Faculty should encourage the front line staff, and get them to ask questions early so we can address issues. Kuali is designed to be more useful for decision purposes. Although our payroll is automated, every month we print it and send it to the state for manual input. We are now the first agency that transmits payroll electronically.

**Q: When will Kuali be implemented?**

Implementation will begin this year. There are only a few choices out there – in terms of financial management systems – and many are for corporate, rather than higher education, institutions. Kuali is not very expensive and other institutions have implemented it. UH has just hired a deputy to David Lassner.

**Q: Should other institutions have implemented Kuali?**

Governor has said he will support this. UH faculty may already be doing this – but without the publicity. Incentives discussed included time off for organizing a conference, asking the tourism authority to provide the incentive (rather than UH), a faculty spotlight, and a template showing how to organize conferences. Faculty may also want to go through the faculty governance organizations to change tenure guidelines to include some sort of incentive for this.

President thanked the group and encouraged members to e-mail her with any further feedback.

**B. ACCFSC Retreat (possible date August 26; location; agenda)**

Co-Chairs discussed the possibility of an ACCFSC retreat with Joanne Itano. The retreat will be at the beginning of the year and will include both outgoing and incoming SEC members. The purpose is to discuss upcoming business and to facilitate turnover, as well as clarifying the role of the ACCFSC.

August 26 has been set as the tentative date, and the times will be from 9:00 – 3:00. KCC and Windward were considered as possible locations.

**Travel for outer-Island faculty**

Itano agreed that the President’s Office would sponsor travel for both the outgoing and incoming Chair.

**Agenda items**

Identifying issues for the ACCFSC to review for the year, as well as identifying general issues of concern to faculty were mentioned. Such issues include workload and distance education.

**Logistics**

Young and Hippensteele will put together an agenda. Itano will check on venue and travel for about 50 total people. Windward and Kapiolani will be the top choices for venue.

**C. Budget Update - Continued (Joanne Itano)**

UH has not yet determined how to allocate the 8.5 million cut. Decisions on the tuition schedule were postponed because there were too many unknowns with the legislature. The legislature is increasingly critical that tuition revenue is increasing and wants to know where the money is going. Tuition used to be a smaller portion of UH revenue and was used to fill gaps. Since tuition revenue has increased, UH must now be more deliberate and forthcoming about how the money is used. President’s office will solicit public comment on all the campuses after August (with a proposed tuition schedule), and will then revise the schedule and bring it back to the BOR by the November meeting so that it can be finalized in the fall. One option is to have a five-year schedule with increases in fixed dollar amounts each year so that we can be clear with families and students. Another is to guarantee students a fixed amount upon admission – but this poses implementation issues.

**Q: Have you considered the possibility of improving the quality teaching by decreasing the number of students?**

Today, young people in the state are less educated than their parents and their parents’ parents. There may be a moral obligation to do everything we can to increase the number of educated citizens of the state – but we also do need to consider faculty workload and quality.

**Q: What about the correlation between underprivileged students and level of success in higher education?**

Poverty is highly coordinated with underserved racial and ethnic groups. The mechanism we have to help both culturally and economically disadvantaged individuals is financial aid. UH quadrupled financial aid over the last schedule. Over the past tuition schedule, there was an increased enrollment of minority students across the system.
Tuition revenue should also be used for on-campus work. Students who work on campus perform better. There should be an option for campus’ to create work-study kinds of programs, and we are working on creating a policy to this effect.

Q: Some schools link loans/grants to on-campus work (primarily privates). These are some other models to think about that would help support and distribute aid money differently.

Graduation debt is so high that there is concern for people with huge debt. There is an effort to increase outright aid - as100% of need is not currently met. Hawaii is one of the few states in the nation that does not have a state scholarship. When asked, the legislature came up with 2.5 million and put it in our budget, rather than setting it aside separately for the students.

Q: What percentage of the budget does tuition cover?

Roughly 12% - 22% of the budget is funded by tuition revenue.

Q: What share of the cost of instruction is covered by tuition?

Community Colleges: 14 – 22%; Manoa: 30 – 45%. W-Oahu & Hilo are in between. When we calculate cost of instruction, we take out research, and include only instructional costs (pro-rate the library) and student services. The cost is about $9,000-$10,000/student at the community colleges (undergrad, fulltime FTE) and up to about $18,000/student at Manoa. Then we look at the tuition and calculate the portion that is covered by tuition. Hilo is actually higher than Manoa because Hilo has a smaller number of students.

C. Distance Learning Integrity (Linda Johnsrud)

There are two federal regulations taking effect on July 1, 2011 that concern (1) state authorization of higher education and (2) credit hour requirements.

Under the state authorization law, states must authorize all credit-awarding entities that are operating in their state – including private and public institutions that offer distance-learning courses to residents in their state even if the school does not have a physical building in the state. Hawaii currently has limited authorization of higher education institutions – and requires non-accredited institutions to disclose their lack of accreditation. The law will require the state to establish an entity to establish and administer the application process, and also to hear and act on student complaints. By virtue of our status as a public school, UH is authorized to provide education in Hawaii, but the state does not have any entity to take student complaints or to establish the authorization process for other institutions – such as distance learning providers. Every entity offering courses to students outside of Hawaii must show that they have been authorized by the state to do so – including UH.

States are now scrambling to make a good faith effort to comply with the law, and must be fully compliant by 2014. To show a good faith effort to comply, UH has mailed all states and territories to inquire about what we need to do to be authorized to deliver education in their state. Organizations are also gathering this information and compiling it into a master list. The next good faith effort is to determine how many students are enrolled at UH and living elsewhere. The intent of this law is a concern with the amount of federal aid that is going to for-profit intuitions. Some states are imposing an extremely high fee to apply to offer education in their state.

UH may have to tell faculty that we cannot deliver online courses out of the state of Hawaii – and will have some sort of disclaimer stating that the course is not available to students residing in certain states. The authoritative body will reside in state agency, will likely have implications for distance education, and may alter the governance the University.

D. Credit hour monitoring requirement (Susan Hippensteele/Linda Johnsrud)

Under the credit hour requirement, there is a standard expectation that for every one hour a student spends in the classroom, they should spend at least 2 hours on coursework outside the classroom. There is a general statement to this effect in WASC documents, and Manoa also has language to this effect. What is going to be rolled out is a requirement that we monitor and show compliance. We must show that the credit hours that the students are receiving require the level of work that we expect of them. This would require UH to (1) create a general system policy; and (2) track and maintain data from students and faculty to show during the next accreditation cycle. The law establishes a 1 or 2 year transition period to show full compliance. The implications for noncompliance after the transition period are unclear.

Some suggestions to show compliance included (1) placing the requirement in the course outline; (2) including a question one-café to estimate the time students spend preparing outside of class; (3) building this into program review; (4) institute a test based on student learning outcomes that shows the amount of time a student would take
so that if the students meet the SLOs they would have shown that they met the outside of class requirement. There are also technical implication issues – as students learning trades like welding cannot practice outside of class in the conventional way.

The federal government became concerned with credit hours because it awards federal financial aid based on credits and saw, from studying 15 for-profit institutions, that credit hours are being used as currency for financial aid. System policy will likely define it and leave measures up to the campus. Whether system policy incorporates some guidelines is something to determine. System is not motivated to create entire new webs of compliance requirements and needs to determine how existing structures can incorporated.

IV. Continuing Business
A. Feedback from Senates on Common Course Numbering proposal
Representatives have provided online reports on behalf of their constituencies using the listserv. UH-West Oahu hasn’t yet submitted a report, but will forward it to the list. Responses vary and range from unanimous support from Manoa (with suggestions for implementation) to unanimous rejection (with similar suggestions). It was pointed out that the suggestions matter much more than the approval/disapproval. Itano will convene a meeting to be held in September to discuss implementation. Most questions raised issues of academic autonomy and collegiality etc.

The overarching issue is alpha course numbering, and every campus must be represented in the discussion this fall. There was some discussion about the possibility of creating a system-wide general education committee that may spawn from the common course numbering implementation committee. An active general education committee at the system level would be very helpful for WASC. This item will be added to the retreat agenda.

B. Kuali appointments to the Kuali Implementation Group
VP Lassner ultimately agreed to include faculty users on the Kuali implementation committee. Lassnar denied the Manoa faculty member inclusion in the committee because ACCFSC did not appoint her. The nominee – Shirley Daniel – is an accountant with the College of Business and has been meeting with VCAFO Kathy Cutshaw to discuss the Kuali system. ACCFSC must make appointments as soon as possible.

Q: How much will it cost?
This is an open source system and there is only cost in terms of implementation. Five positions were added a few years ago to work on implementation.

Each institution-type has different needs – so ACCFSC will appoint one Community College & one 4-year representative. Shirley Daniel (4-year) and Ron Takahashi (Community College) were discussed as appointees, and their appointments were unanimously approved, pending Takahashi’s acceptance.

C. Review of April meeting with Howard Karr

V. Standing Committee reports
In the interest of time, representatives were asked to submit reports to the ACCFSC listserv.

A. Distance Learning Advisory Cmte (Jenny Wells)
B. University Council on Articulation (John Casken)
C. Budget (Barbara Leonard)
D. Business Process
E. CCCFSC Report (Libby Young)
F. Governance

The meeting adjourned at 12:00.

NEXT MEETING– Friday, AUG 26, 9:00 am – 3:00 pm.