

# **THE ESTABLISHMENT OF AN INDEPENDENT UNIVERSITY OF HAWAII AT HILO**

Joyce D. Kahane  
Researcher

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Legislative Reference Bureau  
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## FOREWORD

This report on the feasibility of establishing the University of Hawaii at Hilo as an independent institution, separate from the University of Hawaii system, was prepared in response to House Resolution No. 119, H.D. 1, adopted during the 1985 legislative session.

House Resolution No. 119, H.D. 1, requested a joint report by the Legislative Reference Bureau and the Department of Planning and Economic Development with the latter to conduct an economic assessment and impact analysis of the proposed separation of the University of Hawaii at Hilo from the University of Hawaii system. The findings and recommendations of the Department, authored by Dr. Richard Y. P. Joun, Head of the Department of Planning and Economic Development Research and Economic Analysis Division, are contained in Part III of this report. The Legislative Reference Bureau report primarily examined the issue of the "frustration" of the University of Hawaii at Hilo as part of the University of Hawaii system, as well as explored the historical background of higher education in the United States, in general, and in Hawaii, in particular.

We wish to acknowledge with sincere gratitude those administrators, faculty, and staff at the University of Hawaii, both at Hilo and at Manoa; Hawaii county business executives; higher education executives around the nation; and other important resource persons who took the time to respond carefully and thoughtfully to our questionnaires, and who provided us with valuable information and assistance. In particular, we express our deep appreciation to Dr. Albert J. Simone, President of the University of Hawaii, for his gracious cooperation during the course of our study; Mr. Richard Novak, Assistant Director of Government Relations, American Association of State Colleges and Universities, Washington, D.C., for helping us to locate other states that had recently changed or proposed changes in the structure of higher education administration; Mr. Robert Fujimoto, Vice Chairperson, University of Hawaii Board of Regents; Mr. Harold Masumoto, Vice President for Administration, Mr. Walter Muraoka, Acting Director of Facilities Planning, Mrs. Colleen Sathre, Assistant to the Vice President for Academic Affairs, Mr. Stanley Taba, Budget Analyst, Mr. Michael Yano, Budget Director, and Dr. David E. Yount, Acting Assistant Vice President for Academic Affairs, all of the University of Hawaii central administration; Dr. Richard Kosaki, former Acting Chancellor and Mr. Takaaki Izumi, Director of Management Services, College of Tropical Agriculture and Human Resources, both of the University of Hawaii at Manoa; Dr. Ralph Miwa, Acting Chancellor, Dr. Jack K. Fujii, Dean of the College of Agriculture, Dr. Charles M. Fullerton, Dean of the College of Arts and Sciences, Dr. Harold Kozuma, Director of Student Services, Mrs. Violet May Makuakane, Private Secretary of the Chancellor, and Mr. Edgar Torigoe, Director of Administrative Affairs, all of the University of Hawaii at Hilo; Dr. John W. Kofel, Director of the Pacific Regional Education Program, Honolulu; Mr. Alan S. Konishi, Director of the Hawaii County Department of Research and Development, Hilo; Mr. Francis Tsunozumi, President of the Kanoelehua Industrial Area Association, Inc., Hilo; Mr. Leonard Wilson, Honolulu; Mr. Sam J. Baker, Assistant to the President, Southern Technical Institute, Marietta, Georgia; Mr. W. S. Leonard, Assistant Chancellor for Development and Vice President for

University Relations, Lamar University System, Beaumont, Texas; Dr. Charles Manning, Deputy Executive Director of the Colorado Commission on Higher Education, Denver, Colorado; and Dr. Laurence R. Marcus, Director of the Office for State Colleges, New Jersey Department of Higher Education, Trenton, New Jersey.

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Samuel B. K. Chang  
Director

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## EXECUTIVE SUMMARY

This study was conducted in response to House Resolution No. 119, H.D. 1, adopted during the Regular Session of 1985. The Resolution requested a feasibility study of establishing the University of Hawaii at Hilo as an independent institution, separate from the University of Hawaii system. The reasons expressed as underlying this Resolution were two-fold. First and foremost was the desire to help Hawaii county develop a stable economic base through the creation of a world-class university and second, was the "frustration" of the University of Hawaii at Hilo as a result of being part of the University of Hawaii system.

The Resolution requested that the Department of Planning and Economic Development conduct an economic assessment and impact analysis of the proposed separation of the University of Hawaii at Hilo from the University of Hawaii system, and their report is included as Part III. The Legislative Reference Bureau's portion of the study involved an examination of the "frustration" of the University of Hawaii at Hilo as part of the University of Hawaii, as well as the historical and contemporary background of higher education in the United States in general, and in Hawaii in particular, with attention to higher education administration; the constitutionality of establishing a second state university in Hawaii; and the relationship of the federal land grant system and the proposed university reorganization.

The Department of Planning and Economic Development found that the start-up cost of new upper division instructional programs would be very expensive without an existing critical core of faculty and facilities, especially with respect to natural science courses.

The Bureau found that it would be constitutional for the State of Hawaii to establish a second state university. Moreover, the establishment of several land-grant institutions in the State is not contrary to land-grant related federal law, and the legislature would determine the distribution of the land grant among the land-grant institutions.

Although early American colleges traditionally had their own board of lay persons who governed the college, selected its president, and operated relatively independently from government and other institutions, as higher education in the United States developed, and particularly as it experienced the massive growth of the 1960's, governance forms developed to control the expansion of institutions. When enrollments declined or leveled off and budgets tightened in the mid-1970's, concerns centered around reducing the growth of higher education, and more centralized administration was viewed as a way to further the more effective and efficient management and accountability of resources.

The advantages of a more centralized pattern of higher education governance include the following: provides for central leadership, policy direction, coordination, and allocation of funds; defines a central plan and the unique missions and roles of institutions; prevents diffuse, fragmented, and confusing administrative structures where funds are dissipated on duplicated and proliferated courses, and where each institution competes for

state appropriations regardless of the needs of the State; may offer the prestige and visibility of affiliation with an institution with a valued name; benefits less well-developed units because of their access to services from larger, better endowed units; facilitates academic articulation; and enables better coordination and communication between institutions and government.

Arguments favoring a more decentralized higher education administrative structure include the importance of institutional autonomy; the value of having a local governing board in immediate contact with its particular campus; leadership that is more likely to press for local concerns than to answer to a central administration; a more streamlined bureaucracy; more management and fiscal flexibility; and higher morale, because the destiny of the institution is in the hands of the university community.

Even though the trend of higher education reorganization has been toward a more centralized arrangement, it has been stated that there is still no perfect system or preferred model for higher education governance. In the future, however, there may be more attempts to combine both centralized and decentralized modes of governance for the effective coordination and regulation of higher education, as well as for institutional autonomy.

The Bureau made the following recommendations:

1. The University of Hawaii at Hilo needs a leader, in the true sense of the word, to be its permanent chief executive. Currently a search is underway for a permanent University of Hawaii at Hilo chancellor, who would continue to be shared with the small West Oahu College.

2. If the Legislature were to separate the University of Hawaii at Hilo from the University of Hawaii, there are two basic alternative structures for an independent University of Hawaii at Hilo:

- A. The Legislature may recommend that the Board of Regents create a separate University of Hawaii at Hilo position of President, to report to the existing University of Hawaii Board of Regents; or
- B. The Legislature may establish a separate University of Hawaii Board of Regents, by statute, that would appoint a University of Hawaii at Hilo President.

The latter option would afford the University of Hawaii at Hilo the greatest amount of autonomy, at the cost of statewide coordination of public higher education. Under this alternative, it might be necessary to institute a state agency which oversees both Board of Regents.

Either route of independence from the University of Hawaii would enable the University of Hawaii at Hilo to have a leadership that is solely focussed on the University of Hawaii at Hilo, and an advocate devoted totally to its concerns. It would then be able to define its own mission and goals, determine its policies, and allocate its own funds. Bureaucratic "red tape" would be reduced.

Separation for the University of Hawaii at Hilo, however, would also mean surrendering the advantages of affiliation with the University of Hawaii, such as the University of Hawaii at Hilo's relatively well-subsidized budget; potentially effective inter-campus articulation; and access to the University of Hawaii computer, research, and library facilities; films and speakers; travel and research moneys; and nationally-known reputation.

It is emphasized that by severing its association with the University of Hawaii, the University of Hawaii at Hilo would not necessarily be guaranteed the amount of funding which it currently receives from the State as a unit of the University of Hawaii. As an independent institution, the University of Hawaii at Hilo would no longer be unified with the University of Hawaii "lobbying muscle", but alone would compete with the University of Hawaii and other organizations for state moneys, which have become severely constrained in the last decade. Moreover, since the mid-1970's, student enrollments have leveled off or declined. The shrinking college-age population has caused universities throughout the United States to conduct aggressive campaigns to recruit older students to the campus.

3. A more decentralized University of Hawaii internal organization would presumably enable the University of Hawaii at Hilo, as part of the University of Hawaii system, to have more of a role in devising policies for the unique context of the University of Hawaii at Hilo, as well as to retain the benefits accruing to it as part of the University of Hawaii system.

4. According to the Department of Planning and Economic Development, the funds necessary to increase the size and scope of the University of Hawaii at Hilo may not be available at this time. The Department recommended that the University of Hawaii at Hilo utilize the opportunities and resources available on the Big Island. Strategies should be developed to integrate the University of Hawaii at Hilo into the on-going activities on the Big Island, such as astronomy, geothermal, and ocean thermal energy conversion research and development, to benefit the University of Hawaii at Hilo and the Big Island economy.



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P A R T   I

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## Chapter 1

### INTRODUCTION

House Resolution No. 119, H.D. 1, requests a feasibility study of establishing the University of Hawaii at Hilo as an independent institution, separate from the University of Hawaii system. The reasons expressed as underlying this idea were two-fold. First and foremost was, "the support of a well-managed and innovative university, separate from the University of Hawaii system, and composed of a first-class teaching and research faculty specifically focused on taking advantage of the special and unique qualities that exist on the 'Big Island', might better enable Hawaii County to create a new and stable economic base"<sup>1</sup> and second, the Resolution was responding to the "frustration experienced by the UH Hilo as a result of perceived domination within the University system by the Manoa campus"<sup>2</sup> (see Appendix A). In the Legislative Reference Bureau's portion of the report, the issue of the "frustration" of the University of Hawaii at Hilo as part of the University of Hawaii system is examined and the historical background of higher education in the United States, in general, and in Hawaii, in particular, are explored.

The Resolution also requests that the Department of Planning and Economic Development conduct an economic assessment and impact analysis of the proposed dissociation of the University of Hawaii at Hilo from the University of Hawaii system. The report of the Department is presented in Part III.

#### Methodology

In order to determine whether it would be appropriate to establish the University of Hawaii at Hilo as an autonomous institution, detached from the University of Hawaii system, because of perceived frustrations experienced as part of the system, it was decided to gain a more expansive perspective on higher education; identify the specific problems of the University of Hawaii at Hilo; and weigh the advantages and disadvantages of the proposed administrative change. Accordingly, the principal data gathering activities consisted of the following:

- (1) Review of the literature on higher education in the United States, especially with regard to higher education governance;
- (2) Investigation into the experiences of other states that have recently restructured their public higher education systems;
- (3) Interviews with university (Hilo and Manoa) administrators and faculty; Hawaii county government representatives; and Hawaii county business executives; and
- (4) Survey of all administrators, faculty, and staff at the University of Hawaii at Hilo concerning their views on the problems of the University of Hawaii at Hilo and their attitudes toward the proposed creation of the University of Hawaii at

Hilo as an independent institution, separate from the University of Hawaii.

### Organization of the Report

The report is presented as follows:

- (1) Chapter 1 introduces the report.
- (2) Chapter 2 describes the historical background and selected contemporary issues of higher education in the United States, with attention to higher education administrative structures.
- (3) Chapter 3 analyzes the experiences of certain states that have recently proposed changes in their arrangements of higher education governance.
- (4) Chapter 4 discusses the evolution of higher education in Hawaii; the current organization of the University of Hawaii system; the major frustrations of the University of Hawaii at Hilo as part of the University of Hawaii system; and the pros and cons of establishing the University of Hawaii at Hilo as an independent institution.
- (5) Chapter 5 presents an inquiry into the constitutionality of establishing a second state university in Hawaii.
- (6) Chapter 6 investigates the relationship of a second state university and the University of Hawaii land grant.
- (7) Chapter 7 is the Department of Planning and Economic Development's economic assessment and impact analysis of establishing an independent University of Hawaii at Hilo.
- (8) Chapter 8 reports the findings and recommendations of the Legislative Reference Bureau.
- (9) The Appendices provide details regarding the organization of higher education in other states.

### Definition of Terms

In this report, the terms "higher education", "college", and "university" are often used broadly. "Higher education" encompasses education beyond the high school level. Although the terms "college" and "university" are traditionally differentiated in meaning, "college" referring to undergraduate instructional institutions and "university" referring to institutions which also have a graduate research orientation, the boundaries of these terms have often become merged. In what follows, "college" and "university" may sometimes be interchanged.



## Chapter 2

### AN OVERVIEW OF HIGHER EDUCATION IN THE UNITED STATES

#### The Beginnings of Higher Education in the Nation

The establishment of colleges such as Harvard (1636), William and Mary (1693), and Yale (1701) in colonial America marked the beginnings of higher education in this country. These institutions were patterned after the British mode of collegiate education, and were not universities in the modern sense.<sup>1</sup>

The early American colleges were for an elite wealthy class, and were founded for the purpose of training clergy for the ministry. A fixed classical curriculum dominated, and the study of Greek, Latin, math, history, and moral philosophy was emphasized. Instructors were generalists, and their primary function was to teach. Institutions of higher learning which soon burgeoned over the American landscape, as the settlement of the United States pushed westward and southward prior to the American Civil War, modeled themselves after these colonial private colleges.

The first state college was legally established in 1789 in North Carolina, and by 1800, Georgia, Tennessee, and Vermont had founded state-sponsored institutions. The Northwest Ordinance of 1787, enacted by Congress under the Articles of Confederation, authorized land grants for "seminaries of learning" in the states to be formed from the old Northwest Territories. As a consequence, Ohio University (1804) and Miami University (1809) in Ohio, the University of Michigan (1817), Indiana University (1820), and the University of Wisconsin (1849) came into existence. Colleges emerged in most states soon after the states were created. The desire to perpetuate the ministry of a particular church denomination was an important factor in the proliferation of institutions of higher education.<sup>2</sup>

#### The Development of Higher Education in Post-Civil War America

The federal government gave new impetus to state governments to create higher education institutions by enacting the Morrill Act of 1862, which made possible the establishment of land-grant institutions. The aim of these institutions was to prepare the country's labor force in the mechanical arts and agriculture, and demonstrated the wakening of interest in practical education to meet the demands of the new agricultural and industrial American society. By the end of the century, each existing state had at least one institution designated as a land-grant college.<sup>3</sup>

In the period following the Civil War, one American college after the other transformed itself into a modern university. These new institutions were patterned after the German university. The reliance on religious ideas gave way to a commitment to science. The curriculum expanded, and the fixed menu of classical studies was supplanted by a smorgasbord of elective classes from which students could choose. Emphasis was placed on research, specialization by instructors, and graduate education.<sup>4</sup> Moreover, the land-grant college program introduced new principles into higher education so that higher education would not be limited to the wealthy; education in the applied sciences was to be considered respectable; and public service was to be an

acceptable function of higher education.

### **The Twentieth Century: Expansion and Retrenchment**

In the first half of the twentieth century, most states, especially in the Middle West and West, were developing their public institutions. Universities began extensive research programs in the physical and biological sciences. They offered new services for farmers, industries, and other special interest groups. They added professional schools in new areas such as social work, public administration, and industrial relations. They provided for specialization in agriculture, medicine, and dentistry.

The post-World War II baby boom gave rise to an especially dramatic expansion of higher education. During this most rapid period of growth in the history of higher education in the United States, from the early 1960s to the middle of the 1970s, there was a relative abundance of financial resources for higher education and a massive influx of students. New facilities were constructed and old ones expanded, additional faculty was hired, and more institutions created. Community colleges took root in local communities, and state normal schools and teachers' colleges became comprehensive universities.

When enrollments began to decline or level off and budgets tightened, in the mid-1970s, concerns centered around cutting back the growth of higher education. However, despite the shrinking college age population and severe fiscal constraints, enrollments in the first half of the 1980s were relatively stable, credited by college officials to improved academic programs and more intensive recruiting of high school students and older adults.<sup>5</sup> Certain higher education institutions, such as George Mason University in Virginia<sup>6</sup> and Hawaii Pacific College in Hawaii,<sup>7</sup> have even flourished during this retrenchment period because they have been successful in their aggressive efforts to create a niche for themselves.

Total enrollment in higher education expanded from about 1,500,000 students in 1940 to about 12,000,000 students by 1980<sup>8</sup> (see Appendix B-1). The number of institutions increased from 1,532 institutions in the 1948-1949 academic year to 3,250 in the 1980-1981 academic year.<sup>9</sup> In 1979, California had 137 public institutions of higher education, Texas had 94, and New York had 82<sup>10</sup> (see Appendix B-2).

In 1950, of the nearly \$930 million income of public higher education institutions, other than income from auxiliary enterprises, \$445 million was provided by state governments, or 48 per cent of the total income of public higher education. In 1980, public institutions of higher education had a total income of \$35 billion, other than income from auxiliary enterprises, 52 per cent of which, \$18 billion, came from state governments<sup>11</sup> (see Appendices B-3 and B-4).

### **Higher Education Administrative Structures**

Higher education administrative structures adapted their form to the changing face of higher education in the evolving American nation. As higher education in the United States developed and particularly as it experienced its great spurt of growth in the 1960s, governance forms developed to control the seemingly unwieldy growth, and to further the more effective and efficient management of resources.

The administrative arrangements of the early American colleges were relatively simple compared to the tiers of bureaucracy which often exist today. These colleges usually had one campus at a single location, a board of lay persons who governed the college and selected its president, and operated relatively independently from government and other institutions. The historic Supreme Court decision of 1819 regarding Dartmouth College is famous for affirming the administrative autonomy from government of early American higher education.<sup>12</sup>

Since World War II, the freestanding campus in a single location with its own board has become the exception. States began to group their individual geographically distinct campuses under one common framework of governance, establishing one or several multicampus systems in the state.<sup>13</sup> Doctoral-granting institutions, undergraduate institutions, professional schools, and community colleges were often amalgamated under one umbrella organizational structure.

Even though seventeen states had established central higher education governing agencies prior to 1946, the real push for statewide coordination of public higher education began in the 1950s and accelerated in the 1960s. By 1982, all but three states, Delaware, Vermont, and Wyoming had an agency which coordinated their public higher education institutions.<sup>14</sup> The evolution of higher education administrative patterns is illustrated in Table 1.

A variety of classifications exist which describe these higher education governance structures.<sup>15</sup> This report uses the classification scheme conceptualized by Millet.<sup>16</sup> According to his analysis, there are currently three basic types of governance structures in higher education: the statewide governing board, the coordinating board, and the advisory board. The statewide governing board, the type of higher education administrative structure in Hawaii, is the strongest and most centralized structure. It is a multicampus governing board with statewide authority and responsibility for the governance of all public institutions of higher education in the State. Coordinating boards have three types of authority only: planning, budget review and recommendation, and approval of new academic programs. The advisory board has one or two of the coordinating board's authorities.

As portrayed in Table 1, the trend has been toward centrally-directed higher education policies. Among the advantages cited for more centralized systems are improved efficiency, greater accountability of tax dollars, avoidance of unnecessary duplication, and better coordination and communication among institutions and government officials. However, there is also a countervailing interest in deregulation and decentralization. Arguments favoring decentralization include institutional autonomy, the importance of having a local governing board in immediate contact with its particular campus, less cumbersome bureaucracy, and increased fiscal and management flexibility. According to Aims C. McGuinness, Assistant Executive Director for the Higher Education Commission of the States, there is no perfect system or preferred model for higher education governance. In the future there may be more attempts to balance the two approaches of centralization and decentralization, in an attempt to promote strategic planning and coordination, as well as the integrity of the individual institutions.<sup>17</sup>

Table 1

EVOLUTION OF ADMINISTRATIVE PATTERNS IN THE STATES

State	Before 1940	1940- 1949	1950- 1959	1960- 1964	1965- 1969	1970- 1982
Alabama	I	I	I	I	III	IIIa
Alaska	IV	IV	IV	IV	IV	IV
Arizona	I	IV	IV	IV	IV	IV
Arkansas	I	I	II	III	III	III
California	I	II	II	III	III	III
Colorado	I	I	I	II	IIIa	IIIa
Connecticut	I	I	I	I	IIIa	IIIa
Delaware	I	I	I	I	I	I
Florida	IV	IV	IV	IV	IV	IV
Georgia	IV	IV	IV	IV	IV	IV
Hawaii	IV	IV	IV	IV	IV	IV
Idaho	IV	IV	IV	IV	IV	IV
Illinois	I	II	III	IIIa	IIIa	IIIa
Indiana	I	I	II	II	III	IIIa
Iowa	IV	IV	IV	IV	IV	IV
Kansas	IV	IV	IV	IV	IV	IV
Kentucky	III	III	III	III	III	IIIa
Louisiana	I	I	I	I	IIIa	IIIa
Maine	I	I	I	I	IV	IV
Maryland	I	I	I	III	IIIa	IIIa
Massachusetts	I	I	I	I	IIIa	IV
Michigan	I	I	II	II	III	III
Minnesota	I	I	II	II	III	III
Mississippi	IV	IV	IV	IV	IV	IV
Missouri	I	I	II	III	III	IIIa
Montana	IV	IV	IV	IV	IV	IV
Nebraska	I	I	I	I	II	III
Nevada	IV	IV	IV	IV	IV	IV
New Hampshire	I	I	I	IV	IV	IV
New Jersey	I	I	I	I	IIIa	IIIa
New Mexico	I	I	IIIa	IIIa	IIIa	IIIa
New York	IIIa	IIIa	IIIa	IIIa	IIIa	IIIa
North Carolina	I	I	IIIa	IIIa	IIIa	IV
North Dakota	IV	IV	IV	IV	IV	IV
Ohio	I	II	II	IIIa	IIIa	IIIa
Oklahoma	I	IIIa	IIIa	IIIa	IIIa	IIIa
Oregon	IV	IV	IV	IV	IV	III
Pennsylvania	I	I	I	III	III	IIIa
Rhode Island	IV	IV	IV	IV	IV	IV
South Carolina	I	I	I	III	IIIa	IIIa
South Dakota	IV	IV	IV	IV	IV	IV
Tennessee	I	I	I	I	IIIa	IIIa
Texas	I	I	IIIa	IIIa	IIIa	IIIa
Utah	I	I	III	III	IV	IV
Vermont	I	I	I	I	I	I
Virginia	I	I	III	III	III	IIIa
Washington	I	I	I	II	III	III
West Virginia	I	I	I	I	IV	IV
Wisconsin	I	I	III	III	IIIa	IV
Wyoming	IV	IV	IV	IV	IV	I

I No state agency  
 II Voluntary coordination  
 III Advisory board  
 IIIa Coordinating board  
 IV Statewide governing board

Source: Carnegie Foundation, Control of the Campus, pp. 40-41.

## Chapter 3

### HIGHER EDUCATION GOVERNANCE RESTRUCTURING IN THE STATES

Examples from four states of relatively recently proposed changes in public higher education structures are presented below. In three of the states, Colorado, New Jersey, and Texas, the direction of the proposed modification was toward a more centralized public higher education arrangement. In one state, Georgia, the transformation was toward decentralization. Two attempts to alter higher education structure were successful; one was not; and one resulted in a compromise between opposing perspectives. These cases illustrate, in a concrete way, the kinds of issues that may be involved in attempts to restructure the administration of higher education.

#### Colorado<sup>1</sup>

The Higher Education Committee, a blue ribbon commission appointed to examine Colorado's state higher education system, reported its findings in January of 1985. It recommended strengthening the authority of the Colorado Commission on Higher Education, the coordinating board for higher education in Colorado.

The Colorado Commission on Higher Education was created in 1965 as the statutory agency for planning and coordinating Colorado state higher education. It oversees Colorado's six governing boards,<sup>2</sup> which govern the twenty-seven institutions of public higher education.<sup>3</sup> Prior to July 1985, the commission had the limited authority of a coordinating board.<sup>4</sup> It could review and make recommendations, but for the most part, did not have the authority to make policy decisions.

The Higher Education Committee found that the decentralized system of public higher education in Colorado was confusing, diffuse, and fragmented. The Colorado Commission on Higher Education was too weak to provide the leadership, policy direction, and coordination required for the excellent state system of higher education which Colorado desired. The system was overbuilt; it had too much capacity for demand; there was excessive redundancy in the offerings of the campuses; and resources were spread too thinly.

Because the university system funding mechanism was based on student enrollment, there was intense competition among the campuses for students. This situation was exacerbated by the fact that the student population was contracting and evidenced little prospect for substantial gains for the near future.

In attempts to attract and maintain students, not only were institutions guilty of duplicating and proliferating programs and courses, especially high demand programs such as education and business at the baccalaureate level, but they also lowered admission and academic standards. Institutions encroached on one another's claimed geographic service areas, in order to raise enrollment levels.

Moreover, the individual institutions did not have clearly defined missions and goals. Instead, they pursued their own self-interests without consideration of the needs of the State. Colorado's decentralized university management required a more coherent means to resolve institutional interests.

The Higher Education Committee recommended the creation of a strong centralized statewide governing board<sup>5</sup> to be responsible for higher education policy. Its recommendation met with opposition, however, especially by institutional governing boards that did not want to relinquish their existing authority. As a result, the Legislature provided for a compromise structure, a central policy and coordinating board. This rejuvenated Colorado Commission on Higher Education would be less than a statewide governing board but more than a coordinating board. New and expanded authority of the board would include determining the role and mission of each institution; establishing the distribution formula for appropriations; creating enrollment policies consistent with institutional roles and missions; directing the discontinuation of academic or vocational programs at institutions; and developing criteria to determine whether an institution should be consolidated or closed, and submitting such recommendations to the Legislature.

#### New Jersey<sup>6</sup>

In its February 1984 report, the Governor's Commission on the Future of the State Colleges of the State of New Jersey recommended that the nine autonomous state colleges merge into a centrally governed University of New Jersey. The proposed University of New Jersey would be administered by a Board of Governors that would appoint a system president. The individual institutions would retain their own board of trustees and local presidents.

The Board of Higher Education, established in 1966, is the statutory coordinating agency for all of public higher education in the state. There are thirty-one governing boards<sup>7</sup> for the thirty-one public higher education institutions.<sup>8</sup>

The origins of New Jersey's first state colleges are traced to 1855 with the establishment of Trenton, William Paterson, and Kean as two-year normal schools. In 1923, three similar kinds of institutions were created. During the 1920's and 1930's, these six institutions developed into four-year colleges offering baccalaureate and masters degrees, mainly in teacher education. The intent of the 1966, 1974, and 1981 state Acts relating to higher education was to enlarge the scope of the state colleges so that they would become comprehensive institutions offering graduate level programs, and to encourage the colleges to develop distinct identities and build statewide reputations for excellence in certain fields.

The Commission on the Future of the State Colleges contended that despite the power and authority envisioned for the state college boards by the 1966, 1974, and 1981 Acts, the status of the state colleges were similar to that of state agencies,<sup>9</sup> unlike other New Jersey state higher education institutions. Because of their lack of autonomy and flexibility in fiscal and other matters, the state colleges were unable to achieve high standards of academic excellence. As a consequence, the state colleges had low prestige and poor visibility. Because New Jersey high school graduates did not value the type of education they perceived they could have at a New Jersey state

college, they usually chose to attend out-of-state higher education institutions, resulting in a high rate of out-migration of the prospective college population. Also, state college program duplication posed a serious problem.

The Commission on the Future of the State Colleges concluded that consolidating the state colleges into the University of New Jersey system would be a solution to the problems of the state colleges. The name, the University of New Jersey, would confer greater prominence and distinction to the state colleges. As a consequence, the state colleges would become more attractive to the potential student population. The centralized governance apparatus would provide leadership, facilitate the development of a cohesive plan to reduce unnecessary program duplication, combine programs where appropriate, and foster the development of unique aspects of each college.

There were a variety of arguments set forth against the concept of a "University of New Jersey". First, there was no compelling evidence to indicate that a central governing board in itself produced better quality education. Second, the proposed name of the new system, the "University of New Jersey" was a misnomer. Use of the word "university" was inappropriate, because the state colleges were in fact "colleges" according to the New Jersey state administrative code. The code requires that the term "university" be reserved for institutions which have at least three doctoral programs. Third, another layer of bureaucracy, a University of New Jersey Board of Governors, would simply replace the state bureaucracy. Fourth, through centralization, the state colleges would lose their unique identities.

Fifth, the state college presidents would become glorified deans working for a distant president who in turn would report to a Board of Governors even more removed from each college. Therefore, the local presidents would respond to central not local control and the state college communities would lose leadership that understood their particular problems and mission. Sixth, state colleges would lose their local governing boards which kept their "fingertips on the campus pulse," and were accessible and accountable to the community in a way that would be impossible for a board responsible for nine colleges. Finally, and perhaps most importantly, it was posited that the governance arrangement for higher education must fit the environmental context. Since New Jersey was a state characterized by home rule and local control, the best solution to governance problems would be to follow the traditions of the state.

The University of New Jersey concept did not come to fruition. The nine state colleges remain separate entities.

#### **Texas<sup>10</sup>**

In Texas, Lamar University officials sought designation as a "system" because of dissatisfaction with their share of the state higher education appropriations. The Coordinating Board, Texas College and University System, the coordinating agency for higher education in the state, was established in 1965 and administers the fifteen governing boards for senior institutions,<sup>11</sup> and the ninety-eight public institutions of higher education in Texas.<sup>12</sup>

The incipient Lamar University System, South Park Junior College, opened its doors in 1923 to 125 students on the third floor of a high school building. South Park Junior College was renamed Lamar College in 1932 in honor of Mirabeau B. Lamar, the second president of the Republic of Texas, and the person known as the father of public school education in Texas. After World War II, when student enrollments rose rapidly, college officials sought senior college status for Lamar College. Legislation was enacted in 1947 to create the Lamar State College of Technology, and two years later the Texas Legislature appropriated \$1 million for the construction of new buildings. By 1967, Lamar State College of Technology's technological engineering academic program extended to include thirty-nine fields of study.

Lamar University was established in 1971, and later two branch campuses were affixed, Port Arthur and Orange. The John E. Gray Institute, an education and research facility in support of business, industry, and labor was founded and attached to Lamar University in 1981.

University officials pressed for "system" status because as a "system" Lamar University would be entitled to a different funding formula and therefore an augmented budget. Lamar University in 1983 was funded as if it were administratively and geographically a single entity, not as an institution with several sectors. Funding levels for Lamar University were lower than comparable Texas upper-level branch campuses and community colleges.

Prior to attaining "system" status, Lamar University at Orange was appropriated \$1,189,700 and Port Arthur \$1,477,682. On full "systems" funding the former would be appropriated \$2,031,148 and the latter \$2,234,517. Lamar officials asserted that Lamar University was crucial to the State for it could contribute to the economic development of the region. In June 1983, the Legislature approved "system" status for Lamar. However, Lamar's funding would not be increased for two more years.

### Georgia<sup>13</sup>

Southern Technical Institute aspired for independence from the Georgia Institute of Technology. Georgia's thirty-three higher education institutes are all administered by a statewide governing board.<sup>14</sup> Southern Technical Institute was the only branch campus of the system, the only institution that reported to another campus of the system rather than the state Board of Regents.

Immediately after World War II, there was a national movement to increase the availability of high level technicians to round out the teams of engineers, technicians, and skilled artisans. Two-year technical institutes were encouraged and recognized by the Engineer's Council for Professional Development. In 1946, the Associated Industries of Georgia asked the state Board of Regents to found a school to train technicians. Their request was referred to Georgia Institute of Technology for evaluation and in 1947, the "Technical Institute" (now Southern Technical Institute) was established. Initially, the curriculum was selected and developed in close liaison with industry, and was modified continuously to achieve the best fit for industrial needs.



From its inception, the college operated very closely with Georgia Institute of Technology financially, but otherwise was virtually autonomous. Periodically, committees were organized on the Southern Technical campus to investigate the desirability and feasibility of eliminating the official administrative relationship of Southern Technical Institute to Georgia Institute of Technology, and of creating Southern Technical Institute as an autonomous unit of the state university system.

The Regents Study Committee of 1978, one of the last committees formed to discuss this question, was split over the separation of Southern Technical Institute from Georgia Institute of Technology.

Committee members supporting continued affiliation of Southern Technical Institute with Georgia Institute of Technology maintained that the ties with Georgia Institute of Technology offered Southern Technical Institute prestige. Moreover, Georgia Institute of Technology lent many valuable services to Southern Technical Institute which would be expensive to otherwise supply. Furthermore, the association of the two institutions facilitated their academic articulation.<sup>15</sup> Finally, Southern Technical Institute would eventually duplicate the offerings of the Georgia Institute of Technology if it were autonomous, and would no longer promote engineering technology.

Advocates of independence for Southern Technical Institute reasoned that Southern Technical Institute had "come of age", and was beginning to smother under the protective wing of Georgia Institute of Technology. Also, the faculty and staff morale at Southern Technical Institute was low because of both real and perceived neglect by Georgia Institute of Technology. In addition, geographical distance prevented the close administrative contact necessary for a viable organization. Further, Southern Technical Institute's mission differed from Georgia Institute of Technology's. While Southern Technical Institute had a "hands-on" practical engineering technology focus, Georgia Institute of Technology had a more theoretical research-based approach. Georgia Institute of Technology's administration and faculty were, by and large, neither sufficiently concerned nor informed about engineering technology to serve Southern Technical Institute well. Lastly, Southern Technical Institute would command more respect if it were allowed to stand alone.

In 1980, Southern Technical Institute became an independent institution. It has been able to compete for state funds with the other colleges and universities in the Georgia state higher education system, and has continued to increase in enrollment significantly.

### Summary

Although none of the above four cases exactly parallels the situation of higher education in Hawaii, there are relevant points which may be extracted and viewed in the context of Hawaii's concerns.

Proposed changes in the structuring of higher education administration have most commonly inclined toward centralization, yet occasionally toward decentralization. The above cases illustrate benefits and detriments to either mode of governance. Certain themes, derived from the four examples, are listed below:

**Pro Centralization**

- (1) Provides for central leadership, policy direction, coordination, and allocation of funds;
- (2) Defines a central plan and the unique missions and roles of institutions;
- (3) Prevents diffuse, fragmented, and confusing administrative structure where funds are dissipated on duplicated and proliferated courses, and where each institution competes for state appropriations, attempting to satisfy its own needs, regardless of state goals;
- (4) Offers the prestige and visibility of affiliation with an institution with a valued name;
- (5) Benefits less well-developed units because of their access to services from larger, better-endowed units of the system;
- (6) Facilitates academic articulation; and
- (7) Provides the advantage of having "system" status for funding purposes.

**Pro Decentralization**

- (1) There is no compelling evidence that demonstrates that centralization is a better administrative mode;
- (2) Advances local institutional autonomy;
- (3) Allows local administrators to have their "fingertips on the campus pulse," and to be more accessible and accountable to the institutional community;
- (4) Enables local administrators to better press for local concerns rather than to answer to a central administration;
- (5) Raises the morale of institutional personnel for, relatively speaking, the control of the institution is in their hands; and
- (6) Reduces cumbersome bureaucracy.

Moreover, governance styles peculiar to states have evolved, whether characterized by local control, such as in New Jersey or central control, such as in Hawaii. A strong argument in response to proposed higher education administrative change has been the importance of following the traditions of the state.

## Chapter 4

### THE STATE OF HAWAII

#### PART A. THE UNIVERSITY OF HAWAII

The state-run University of Hawaii and the privately operated Brigham Young University-Hawaii Campus, Chaminade University of Honolulu, Hawaii Loa College, Hawaii Pacific College, and numerous extension programs comprise the setting of higher education in the State of Hawaii. The University of Hawaii dominates higher education in this State, enrolling about 86 per cent of the students who attend higher education institutions (see Exhibit 1).

#### Historical Background

The University of Hawaii had its beginnings in 1907 when the Legislature of the Territory of Hawaii established a "College of Agriculture and Mechanical Arts" on Oahu, pursuant to the Morrill Land Grant Acts of 1862 and 1890. This College of Hawaii became the State's land-grant institution of higher education. Initially, there were twelve faculty members and five regular students.

Several years later, the college moved from its temporary location in downtown Honolulu to Manoa Valley, the current location of the University of Hawaii at Manoa. When the College of Arts and Sciences was added to the College of Applied Science in 1920, the institution's name was changed to the University of Hawaii, and the scope of its academic mission was broadened.

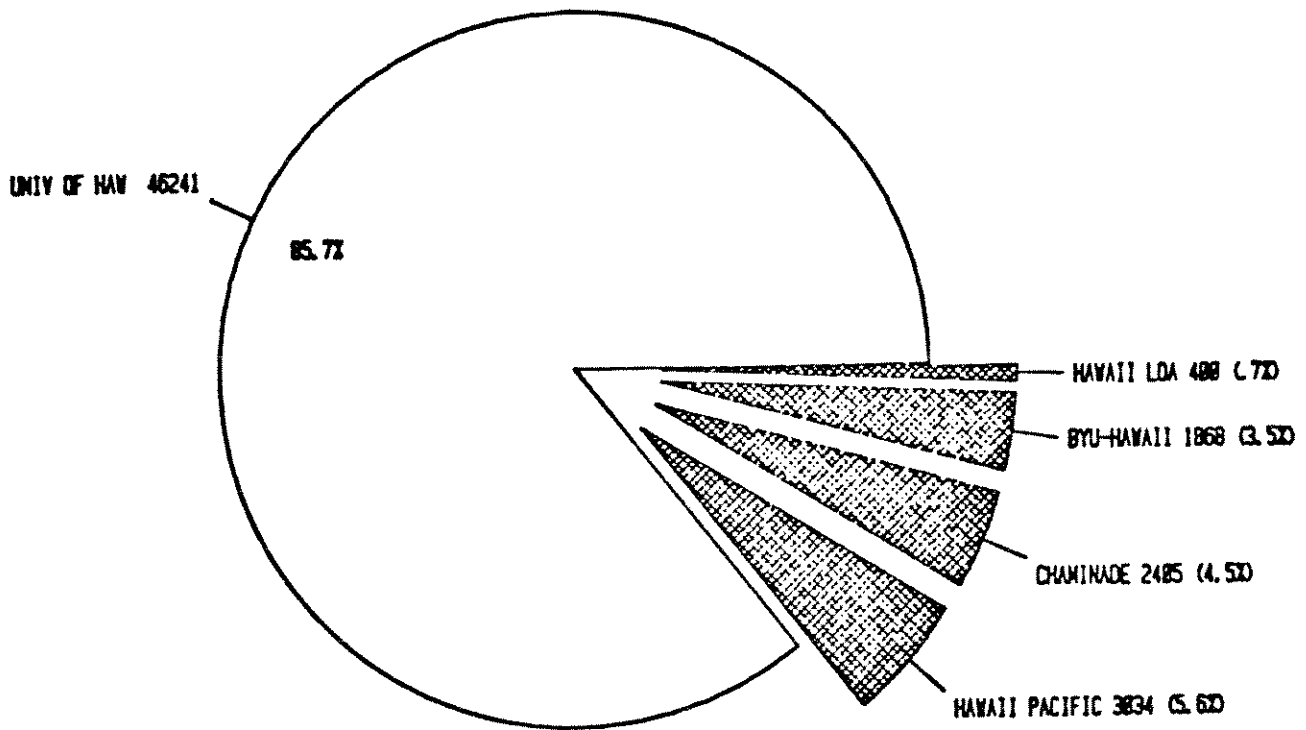
Following World War II, the University's academic and physical growth progressed. By the early 1950's, enrollment had increased to more than 5,000, and the institution expanded to include the Graduate Division and the Colleges of Education, Engineering, and Business Administration. A two-year branch campus at Hilo was also set up.

When Hawaii became a state in 1959, the University of Hawaii was created as a constitutional agency under the new Hawaii State Constitution. The federal government founded the Center of Cultural and Technical Interchange between East and West (the East-West Center), and attached this Center to the University. Later the East-West Center became administratively independent from the University, although many links between them still exist.

The University of Hawaii experienced the massive growth that affected higher education across the nation during the 1960's. Student enrollments increased (see Table 2) as well as financial support for the University, both in state appropriations for operations and capital improvements, and in gifts, grants, and contracts from outside sources (for example, see Table 3). The University enlarged its staffing, both faculty and non-faculty, as well as the number, variety, complexity, and geographical distribution of physical facilities.

Exhibit 1

HIGHER EDUCATION IN HAWAII\*



Source: The Regents' Operating Budget for the Fiscal Biennium 1985-87,  
University of Hawaii, p. 30.

\*Fall 1983

Table 2  
UNIVERSITY OF HAWAII ENROLLMENT 1958-1984

<u>FALL SEMESTER</u>	<u>TOTAL</u>
1958	6,342
1959	6,923
1960	7,511
1961	8,231
1962	9,150
1963	10,466
1964 <sup>1</sup>	13,515
1965	15,597
1966	17,216
1967	20,058
1968 <sup>2</sup>	22,576
1969 <sup>3</sup>	27,187
1970	31,943
1971	35,071
1972 <sup>4</sup>	37,078
1973	37,971
1974 <sup>5</sup>	40,351
1975	43,516
1976 <sup>6</sup>	43,869
1977	43,459
1978	43,470
1979	43,099
1980	43,274
1981	45,085
1982	47,210
1983	46,241
1984	43,809

Source: Department of Planning and Economic Development, The State of Hawaii Data Book 1975: A Statistical Abstract (Hawaii Department of Planning and Economic Development, 1975) pp. 49-50; Fall Enrollment Report, University of Hawaii, Fall 1984, Office of Institutional Research and Analysis, University of Hawaii, December 1984, p. 6.

1. Honolulu, Kapiolani, Kauai, and Maui Community Colleges opened instruction as part of the University of Hawaii.
2. Leeward Community College opened for instruction.
3. Hawaii Technical School was transferred from the Department of Education and renamed Hawaii Community College.
4. Windward Community College opened for instruction.
5. The University of Hawaii at Hilo College of Agriculture opened for instruction.
6. West Oahu College opened for instruction.

Table 3

APPROPRIATIONS OF STATE TAX FUNDS FOR OPERATING EXPENSES  
OF HIGHER EDUCATION IN HAWAII: 1959-1984

<u>FISCAL YEAR</u>	<u>\$ (IN THOUSANDS)</u>
1959-60	4,958
1967-68	26,320
1969-70	41,782
1973-74	57,295
1981-82	154,755
1983-84	181,560

<u>FISCAL YEAR</u>	<u>\$ (IN THOUSANDS) TEN YEAR GAIN</u>	<u>PER CENT</u>
1960-70	36,824	742.50
1974-84	124,265	216.9

Source: Book of the States 1970-1971 (Kentucky: The Council of State Governments, 1970), p. 322; Book of the States 1984-1985, p. 370.

In 1964, the State created a system of community colleges under the jurisdiction of the University, using the technical schools administered by the Department of Education as a base. By the end of the 1960's, the scope of the University ranged from vocational training and community college work to advanced research, professional training, and post-doctoral study.

Even though the pace of expansion slowed, some of the momentum of the 1960's did carry into the next two decades. The facilities of the community colleges were augmented, as previously formulated plans were carried out. New professional schools in medicine and law were created on the Manoa campus.<sup>7</sup> A new upper division college, West Oahu College, began to function in temporary facilities in the central and leeward areas of Oahu.

However, the mid-1970's and 1980's were generally leveling off periods for the University. On the whole, college enrollments reached a steady state, or declined (see Table 2). Adverse economic conditions and competing demands for government services began to lessen the formerly abundant flow of funds from both the state and federal governments. In 1970-1971, the State allocated nearly 15.6 per cent of its general fund receipts to the University, but in 1984-1985, the allocation decreased to 11.5 per cent of general fund receipts, amounting to about a \$60 million loss for higher education.<sup>1</sup> Legislative appropriations, which had frequently exceeded University requests were often reduced below what the University already considered severely pared down requests (for example, see Table 4). Concurrently, mounting inflation reduced the value of the financial resources available for higher education.

### Organization of the University of Hawaii

The University of Hawaii spans nine campuses, numerous research units, and agricultural research stations and extension offices. The University is governed by a constitutionally created Board of Regents whose members are appointed by the Governor and confirmed by the Senate of the Hawaii State Legislature. The University's chief executive officer, the President, is appointed by the Board of Regents and serves at its pleasure.

Prior to 1971, the University of Hawaii President administered each campus of the University. However, under former University of Hawaii President Harlan Cleveland,<sup>2</sup> the Board of Regents approved a reorganization plan to establish divisional chancellors governing each sector of the University of Hawaii, which came to be the University of Hawaii at Manoa, the University of Hawaii at Hilo, the University of Hawaii Community Colleges, and West Oahu College (see Exhibit 2). In 1984, the University of Hawaii at Hilo and West Oahu College chancellorships were consolidated (see Exhibit 3).

The most recent reorganization plan approved by the Board of Regents in November of 1985, eliminated the position of chancellor responsible for the University of Hawaii at Manoa campus. It continued the other two chancellor posts, for the University of Hawaii Community Colleges and the joint chancellor for the University of Hawaii at Hilo and West Oahu College, and created four new vice president positions (see Exhibit 4).

Each major unit of the University has its own distinct role.<sup>3</sup> The University of Hawaii at Manoa offers programs ranging from the

Table 4

UNIVERSITY OF HAWAII<sup>1</sup>  
CAPITAL IMPROVEMENTS PROGRAM  
REQUESTS AND APPROPRIATIONS  
(\$ thousands)  
July 26, 1985

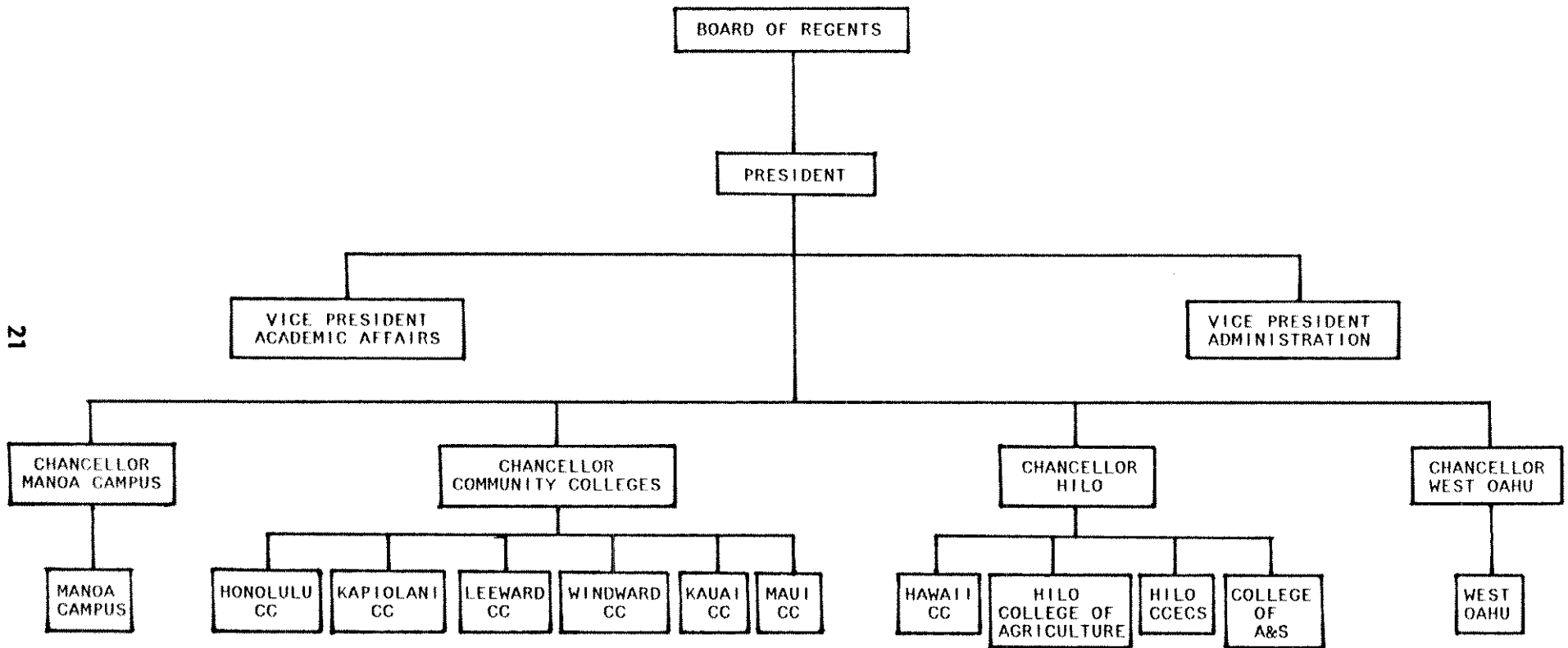
<u>Fiscal Year</u>	<u>UH Request</u>	<u>Legislative Appropriations</u>	<u>Percent of UH Request Appropriated</u>
1974-75	\$57,025	\$63,081	111%
1975-76	\$54,897	\$44,905	82%
1976-77	\$49,166	\$23,866	48%
1977-78	\$26,001	\$ 8,775	34%
1978-79	\$17,074	\$19,943	117%
1978-79 <sup>2</sup>	\$13,115	\$16,938	129%
1979-80	\$36,117	\$22,438	62%
1980-81	\$47,531	\$22,721	48%
1981-82	\$39,550	\$15,111	38%
1982-83	\$51,807	\$16,895	33%
1983-84	\$44,529	\$20,451	46%
1984-85	\$31,090	\$24,401	78%
1985-86	\$54,157	\$21,653	40%

Source: Capital Improvements Program, University of Hawaii, Facilities Planning Office, November 1985.

1. All Campuses.
2. Supplemental Budget.



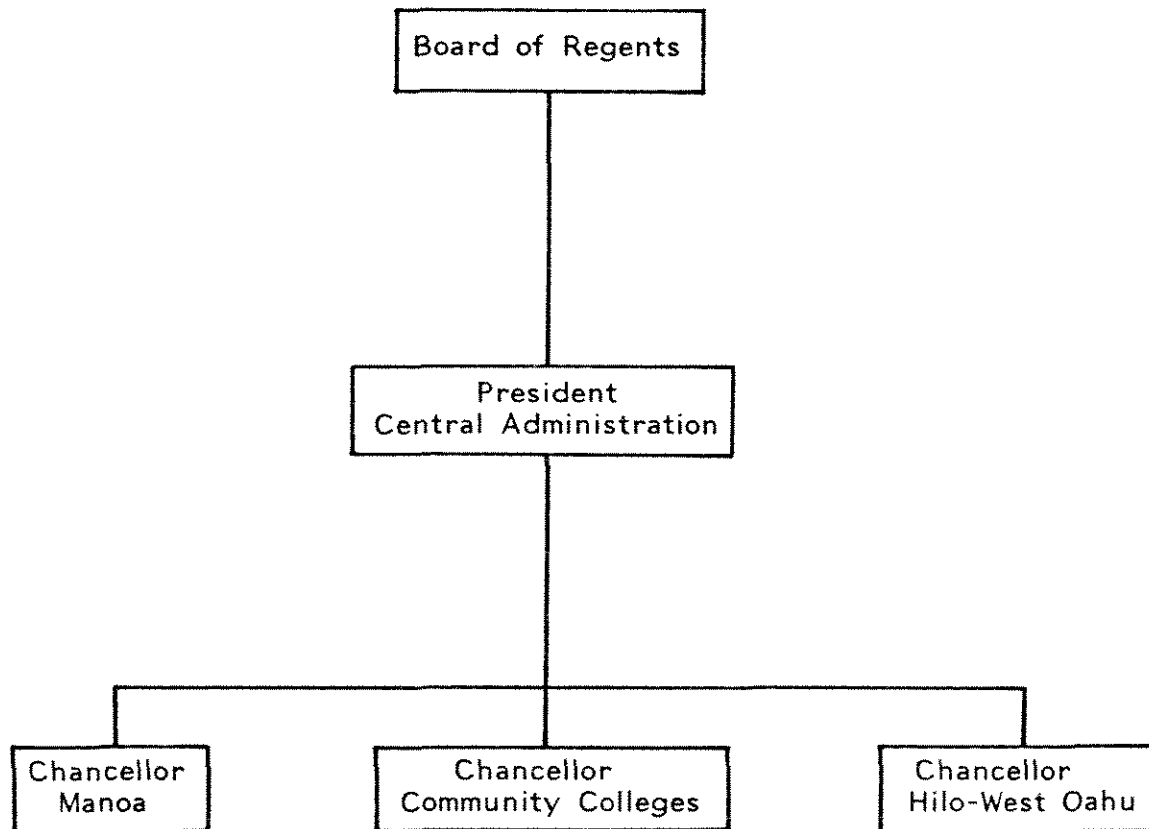
ORGANIZATIONAL CHART 1



Source: State of Hawaii, University of Hawaii Organizational Chart, Updated July 1982.

Exhibit 3

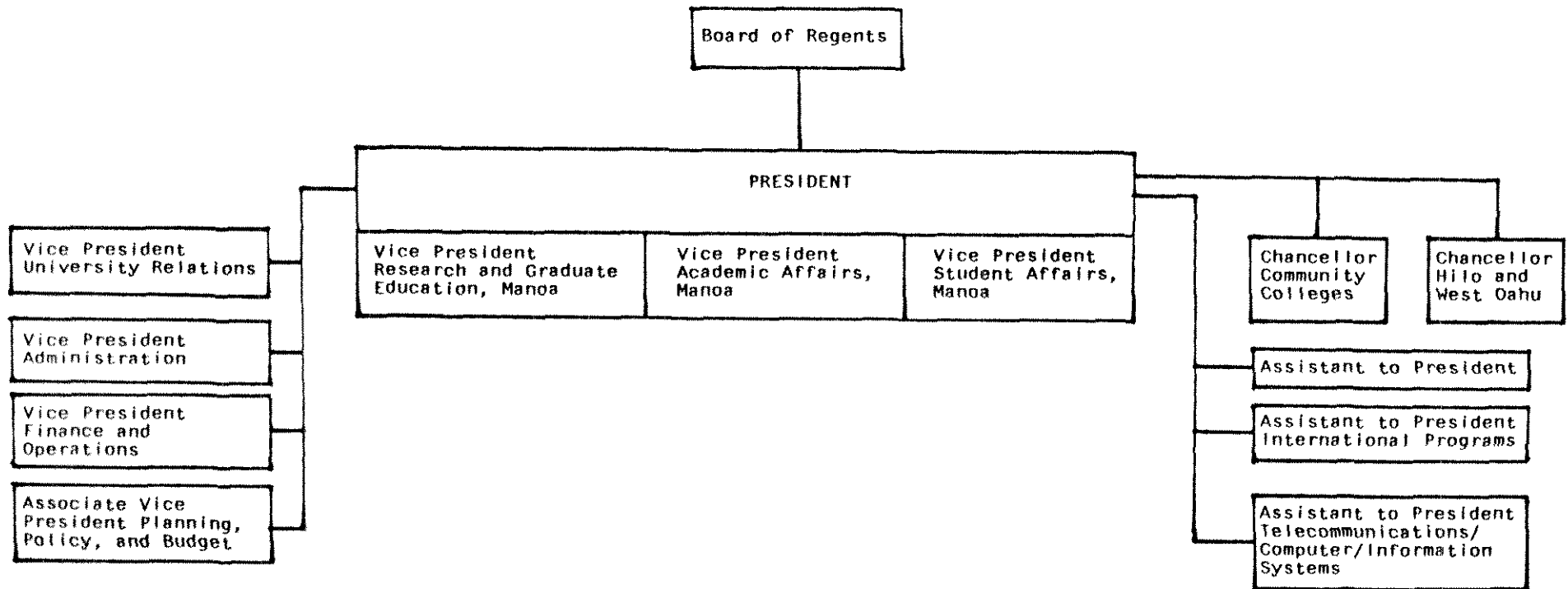
ORGANIZATIONAL CHART 2



Source: President Albert J. Simone, Proposed Reorganization of the University of Hawaii, November 12, 1985, p. 16. Approved by the Board of Regents.

Exhibit 4

ORGANIZATIONAL CHART 3



Source: President Albert J. Simone, Proposed Reorganization of the University of Hawaii, November 12, 1985, p. 19.  
Approved by the Board of Regents.

undergraduate to the postdoctoral levels, and is responsible for graduate programs throughout the State. It provides professional education, and carries out a statewide cooperative agricultural extension service. The University of Hawaii at Manoa enrolls about 46 per cent of the University of Hawaii student body (see Table 5).

The University of Hawaii Community Colleges, also representing 46 per cent of the University of Hawaii student body (see Table 6), offers vocational and technical training to meet the needs of the State; general and preprofessional courses in the liberal arts which may be transferred to baccalaureate degree programs; and outreach programs designed to meet the career development, cultural, and intellectual needs of the communities they serve.<sup>4</sup>

The University of Hawaii West Oahu College, where 1 per cent of the students of the University of Hawaii are enrolled (see Table 7) has an upper division Bachelor of Arts program with concentrations in the humanities, social sciences, and professional studies. It also conducts outreach programs for students on Oahu, Kauai, and Maui who seek a non-traditional baccalaureate degree.<sup>5</sup>

## PART B. THE UNIVERSITY OF HAWAII AT HILO

The University of Hawaii at Hilo provides a small residential college environment as a higher education alternative in the State.<sup>6</sup> Located in the eastern part of Hawaii County in the city of Hilo, the University of Hawaii at Hilo is 200 air miles from Honolulu. It is accredited by the Accrediting Commission for Senior Colleges and Universities of the Western Association of Schools and Colleges.

### Organization

The University of Hawaii at Hilo is composed of a two-year Hawaii Community College, a four-year College of Arts and Sciences, a four-year College of Agriculture, and a Center for Continuing Education and Community Service (see Exhibit 5). Although the University of Hawaii at Hilo was organized in 1970, it still remains essentially a "confederacy" of the College of Arts and Sciences, the College of Agriculture, and the Hawaii Community College, and is not an integrated unit.<sup>7</sup>

### Hawaii Community College

The University of Hawaii at Hilo had its beginnings in 1941, when the Territorial Legislature established the Hawaii Vocational School as part of the state Department of Public Education. Programs included automotive mechanics, carpentry, machine shop, sheet metal, welding, and dressmaking. After World War II, new programs were developed to meet the expanding needs of business and industry: in 1947, a diesel mechanics program was started; in 1951, architectural drafting; in 1952, food service; in 1955, electricity; in 1958, business education; and in 1966, automotive body repair and painting, electronics, and practical nursing. Its agriculture program began in 1972, and the Associate degree of nursing in 1974.

Table 5

## UNIVERSITY OF HAWAII AT MANOA ENROLLMENT: 1974-1984

STUDENT LEVEL	FALL SEMESTER										
	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
Total.....	21,526	21,041	21,196	20,950	21,095	20,706	20,175	20,446	20,880	20,966	19,965
Enrollment Change %±.....	-3	-2	+1	-1	+1	-2	-3	+1	+2	--	-5
Percentage of Total UH Enrollment	53%	48%	48%	48%	49%	48%	47%	45%	44%	45%	46%

Source: Fall Enrollment Report, University of Hawaii at Manoa, Fall 1984, as of October 16, 1984, Office of Institutional Research & Analysis, University of Hawaii, November 1984, p. 4; Fall Enrollment Report, University of Hawaii, Fall 1984, Office of Research & Analysis, University of Hawaii, December 1984, p. 6.

Table 6

UNIVERSITY OF HAWAII COMMUNITY COLLEGES ENROLLMENT: 1974-1984

Fall Semester	Enrollment Change %±	Enrollment Total UH	Percentage of					COMMUNITY COLLEGES			
			Honolulu	Kaplanian	Kauai	Leeward	Mau	Windward			
1974	+9	15,794	3,266	3,597	965	5,678	1,278	+3	1,010	+23	
1975	+20	18,949	3,982	4,307	1,181	6,790	1,554	+22	1,135	+12	
1976	+1	19,217	4,422	4,571	1,125	6,347	1,626	+5	1,126	-1	
1977	-1	19,077	4,382	4,457	1,191	6,093	1,630	--	1,324	+18	
1978	--	19,120	4,377	4,702	1,103	5,833	1,713	+5	1,392	+5	
1979	--	19,067	4,568	4,626	1,085	5,493	1,810	+6	1,485	+7	
1980	+2	19,359	4,493	4,966	1,060	5,535	1,869	+3	1,436	-3	
1981	+7	20,807	5,190	5,079	1,175	5,989	1,897	+2	1,477	+3	
1982	+7	22,176	5,325	5,555	1,266	6,195	2,287	+21	1,548	+5	
1983	-4	21,237	5,127	5,278	1,182	6,022	2,172*	-5	1,456	-6	
1984	-5	20,175	4,549	5,264	1,159	5,753	2,087	-4	1,363	-6	

Source: Fall Enrollment Report, University of Hawaii, Community Colleges, Fall 1984, Office of Institutional Research & Analysis, University of Hawaii, November 1984, p. 5.; Fall Enrollment Report, University of Hawaii, Fall 1984, Office of Research & Analysis, University of Hawaii, December 1984, p. 6.

\*Does not include 22 additional students from Lanai who were unable to meet regular registration deadlines.

Table 7

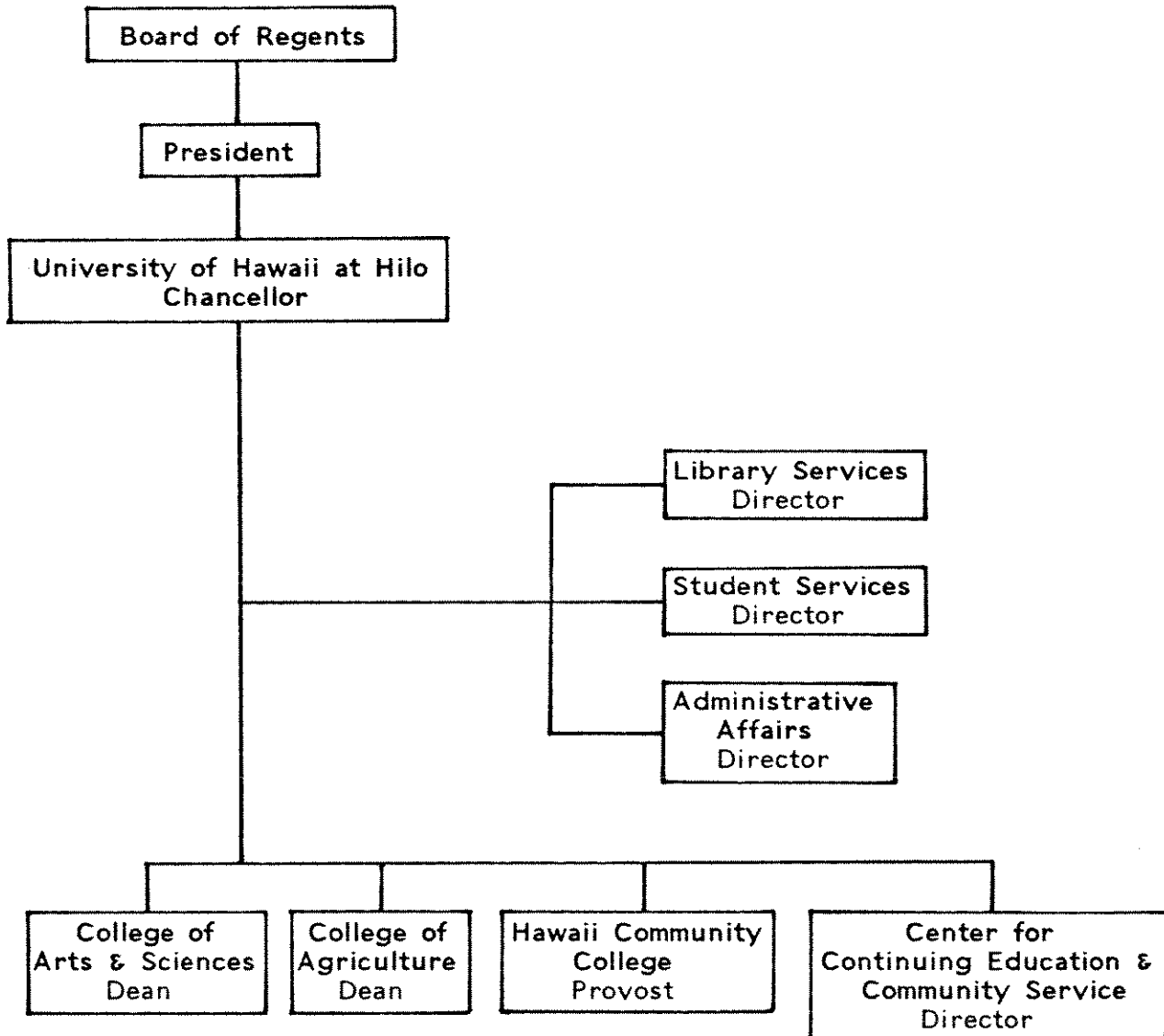
WEST OAHU COLLEGE ENROLLMENT: 1976-1984

	WEST OAHU COLLEGE	
	No.	$\frac{\%}{100}$ (enrollment change)
1976.....	134	
1977.....	200	+49
1978.....	230	+15
1979.....	257	+12
1980.....	246	-4
1981.....	365	+48
1982.....	408	+12
1983.....	433	+6
1984.....	435	--

Source: Fall Enrollment Report, University of Hawaii, Fall 1984, Office of Institutional Research & Analysis, University of Hawaii, December 1984, p. 6.

Exhibit 5

ORGANIZATIONAL CHART 4



Source: University of Hawaii at Hilo Academic Development Plan, p. 52.



The Hawaii Vocational School was renamed the Hawaii Technical School in 1956, and its administration was transferred to the University of Hawaii in 1969. In 1970, Hawaii Technical School was renamed Hawaii Community College. Hawaii Community College offers general academic, occupational, and vocational instruction leading to Certificates of Achievement and the Associate in Science and the Associate in Arts degrees (see Table 8). Certificates of Completion are also available in nurse's aide and nursery school training, and all trade and industry programs except agriculture and electronics.

### **The College of Arts and Sciences**

As early as 1947, courses were taught at the Hilo Center, which was a two-year branch campus of the College of General Studies of the University of Hawaii at Manoa. For the next ten years, courses offered at the Hilo Center paralleled those offered at the University of Hawaii at Manoa campus to facilitate the transfer of students to the University of Hawaii at Manoa after the second year. During this period, the Hilo Center changed its name to the Hilo Branch, and shortly thereafter to the Hilo Campus. In 1970, the Hilo Campus became Hilo College, and evolved into a four-year college. In 1979, Hilo College was renamed the College of Arts and Sciences of the University of Hawaii at Hilo.

The College of Arts and Sciences provides general academic and professional instruction, with academic emphasis on the traditional arts and sciences subjects, particularly those relevant to Hawaii. Coursework may lead to the baccalaureate degree and to certificates in certain subject areas (see Table 9). Moreover, the College of Arts and Sciences offers a teachers education program which has been approved for certain academic majors, and enables students to qualify for the provisional teaching certificate issued by the Hawaii State Department of Education.

### **The College of Agriculture**

The Board of Regents established the College of Agriculture at the University of Hawaii at Hilo in 1974. The goal of the College of Agriculture is to prepare students for careers in agriculture or further graduate study. The program blends comprehensive classroom instruction with the practical application of acquired knowledge. Its emphasis is "hands-on" technology-based education.

The College of Agriculture offers the Bachelor of Science in three areas of specialization, tropical crops production, animal husbandry, and general agriculture. An agribusiness option is also available. A typical curriculum combines College of Arts and Sciences and College of Agriculture courses.

The recently completed agriculture building provides laboratories for courses in horticulture, animal science, entomology, plant pathology, plant physiology, soil science agronomy, and agribusiness. The University of Hawaii at Hilo Agriculture Farm Laboratory has 125 acres of land for students to gain experience in areas such as anthuriums, ornamental foliage plants, vegetables, animal livestock, bee keeping, macadamia nuts, bananas, papayas, and guavas.

Table 8

## HAWAII COMMUNITY COLLEGE: CURRICULA OFFERED

COLLEGE AND PROGRAM	EDUCATIONAL OBJECTIVE		
	Associate of Arts	Associate in Science	Certificate of Achievement
Hawaii Community College.....	1	18	16
Liberal Arts.....	AA		
Business Education			
Accounting.....		AS	
Data Processing.....		AS	
Data Processing (Keypunch)...			CA
Data Processing (Computer Operator).....			CA
Clerical.....			CA
Sales & Marketing.....		AS	CA
Secretarial Science.....		AS	CA
Health Services			
Practical Nursing.....			CA
Associate Degree in Nursing....		AS	
Food Services			
Food Service.....		AS	CA
Public Services			
Criminal Justice.....		AS	
Fire Science.....		AS	
Technology			
Agriculture.....		AS	CA
Auto Body Repair & Painting....		AS	CA
Automotive Mechanics Tech.....		AS	CA
Carpentry Technology.....		AS	CA
Diesel Mechanics.....		AS	CA
Drafting & Engineering Aide....		AS	
Electrical Installation & Maintenance Technology.....		AS	CA
Electronics Technology.....		AS	
Fashion Technology.....			CA
Machine Shop Technology.....		AS	CA
Welding & Sheet Metal Tech.....		AS	CA

Source: Master List of Curricula Offered, University of Hawaii, Fall 1984,  
Office of the Vice President for Academic Affairs, University of  
Hawaii, November 1984, p. 7.

Table 9

## COLLEGE OF ARTS AND SCIENCES: CURRICULA OFFERED

COLLEGE & PROGRAM	Bachelor's Degree	Subject Certificate	Associate of Arts	Associate in Science	Certificate of Achievement
TOTAL.....	21	2	1	18	16
College of Arts and Sciences	20	2			
Division of Business and Economics Business Administration. Economics.....	BBA BA	Cert.			
Humanities Division					
English.....	BA				
Hawaiian Studies.....	BA				
Japanese Studies.....	BA				
Music.....	BA				
Philosophy.....	BA				
Speech.....	BA				
Natural Sciences Division					
Biology.....	BA				
Chemistry.....	BA	Cert.			
Mathematics.....	BA				
Physics.....	BA				
Geology.....	BA				
Social Sciences Division					
Anthropology.....	BA				
Geography.....	BA				
History.....	BA				
Political Science.....	BA				
Psychology.....	BA				
Sociology.....	BA				
Urban Planning.....					
Interdisciplinary Majors					
Liberal Studies.....	BA				
Linguistics.....	BA				

Source: Master List of Curricula Offered, University of Hawaii, Fall 1984, Office of the Vice President for Academic Affairs, University of Hawaii, November 1984, p. 6.

### Center for Continuing Education and Community Service

In 1971, the Center for Continuing Education and Community Service was created as a community outreach facility for the University of Hawaii at Hilo. The Center for Continuing Education and Community Service provides a wide range of activities, including extended degree programs; professional and personal development courses; public lectures, seminars, conferences, and workshops; cultural exhibits and performances; community improvement projects; travel study; and international programs. Classes are offered throughout the County of Hawaii.

### Students and Faculty

The University of Hawaii at Hilo enrolls about 7 per cent of the University of Hawaii student population, and has averaged about 3,500 students over the last five years (see Table 10). Of the total number of students enrolled, 46 per cent are enrolled at the Hawaii Community College, 35 per cent in the College of Arts and Sciences, 4 per cent in the College of Agriculture, and 15 per cent are unclassified. Three-fourths of the students come from the Big Island; 14 per cent come from the rest of Hawaii; 6 per cent are from the Mainland; and the rest come from possessions of the United States (2 per cent) or foreign countries (3 per cent) (see Table 11).

Student tuition at the University of Hawaii at Hilo, for one semester of the 1985-1986 school year, was \$115 for resident lower division students and \$850 for nonresident lower division students; \$380 for resident upper division students and \$1,435 for nonresident upper division students; and \$115 for resident Hawaii Community College students and \$850 for nonresident Hawaii Community College students. This compares with the University of Hawaii at Manoa resident undergraduate tuition of \$425 and nonresident undergraduate tuition of \$1,530; West Oahu resident tuition of \$315 and nonresident tuition of \$1,100; and resident Community College tuition of \$115 and nonresident tuition of \$850.<sup>8</sup>

About 13.5 per cent of Hilo's 748 classes enrolled less than ten students, excluding directed reading classes and individual music classes, in the fall of 1983. This compared with 11.8 per cent at the University of Hawaii at Manoa at the undergraduate level, 3.6 per cent at the University of Hawaii Community Colleges, and 8.1 per cent for the total University.<sup>9</sup>

In the fall of 1984, the University of Hawaii at Hilo had 201 regular faculty and 53 lecturers. The lower division student faculty ratio was 17 in the fall of 1983 (24 at the University of Hawaii at Manoa), and the upper division ratio was 8 (13 at the University of Hawaii at Manoa).<sup>10</sup>

### Funding

The University of Hawaii at Hilo does not appear to have been neglected in its share of the Capital Improvements Program budget since 1974 (see Table 12). The General Funds Budget Worksheet for a five year-period (1982-1987) indicates that the University of Hawaii Board of Regents has requested for and the State Legislature has appropriated to the University of Hawaii at Hilo about 6 or 7 per cent of the total University of Hawaii general budget request or appropriation. These amounts are slightly less or equal to

Table 10

## UNIVERSITY OF HAWAII AT HILO ENROLLMENT: 1975-1984

STUDENT LEVEL	FALL SEMESTER									
	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
TOTAL.....	3,526	3,322	3,232	3,025	3,069	3,494	3,467	3,746	3,605	3,234*
Enrollment Change %±	+16	-6	-3	-6	+1	+14	-1	+8	-4	-10
Percentage of Total UH Enrollment	8%	8%	7%	7%	7%	8%	8%	8%	8%	7%
CLASSIFIED.....	3,069	2,945	3,033	2,873	2,872	3,059	3,006	3,130	3,101	2,735
Freshman.....	1,643	1,426	1,535	1,451	1,444	1,506	1,419	1,537	1,425	1,149
Sophomore.....	901	942	895	866	889	939	951	975	1,062	968
Junior.....	335	348	326	294	273	315	334	270	277	312
Senior.....	190	229	277	262	266	299	302	348	337	306
UNCLASSIFIED.....	267	239	169	147	187	418	458	606	495	499
Undergraduate.....	205	152	73	73	104	270	268	417	321	343
Graduate.....	62	87	96	74	83	148	190	189	174	156
NO DATA.....	190	138	30	5	10	17	3	10	9	

Source: Fall Enrollment Report, University of Hawaii at Hilo, Fall 1984, Office of Institutional Research, University of Hawaii, October 1984, p. 2; Fall Enrollment Report, University of Hawaii, Fall 1984, Office of Research & Analysis, University of Hawaii, December 1984, p. 6.

\*Excludes 3 special students: 2 early admits and 1 concurrent.

Table 11

SELECTED CHARACTERISTICS OF REGULAR STUDENTS  
UNIVERSITY OF HAWAII AT HILO  
FALL 1984

CHARACTERISTIC	TOTAL		CLASSIFIED						UNCLASSIFIED			
			Agriculture		Arts & Sciences		Hawaii CC		TOTAL			
	No.	%	No.	%	No.	%	No.	%	No.	%	2-YR	4-YR
TOTAL..... %.....	3,234	100.0 (100.0)	129	100.0 (4.0)	1,115	100.0 (34.5)	1,491	100.0 (46.1)	499	100.0 (15.4)	237	262 (7.3). (8.1)
SEX:												
Men.....	1,492	46.1	89	69.0	497	44.6	691	46.3	215	43.1	102	113
Women.....	1,742	53.9	40	31.0	618	55.4	800	53.7	284	56.9	135	149
PERMANENT HOME ADDRESS:												
Hawaii.....	2,880	89.1	112	86.8	912	81.8	1,384	92.8	472	94.6	227	245
Oahu.....	252	7.8	25	19.4	116	10.4	101	6.8	10	2.0	1	9
Honolulu.....	110	3.4	11	8.5	45	4.0	51	3.4	3	0.6	1	2
Leeward.....	93	2.9	9	7.0	41	3.7	38	2.5	5	1.0		5
Windward.....	49	1.5	5	3.9	30	2.7	12	0.8	2	0.4		2
Hawaii.....	2,440	75.4	74	57.4	707	63.4	1,204	80.8	455	91.2	225	230
Kauai.....	82	2.5	4	3.1	40	3.6	34	2.3	4	0.8	1	3
Maui County.....	106	3.3	9	7.0	49	4.4	45	3.0	3	0.6		3
Other than Hawaii....	350	10.8	17	13.2	202	18.1	107	7.2	24	4.8	8	16
U.S. Mainland.....	182	5.6	8	6.2	116	10.4	42	2.8	16	3.2	5	11
U.S. Possessions...	68	2.1	2	1.6	32	2.9	32	2.2	2	0.4	1	1
Foreign.....	100	3.1	7	5.4	54	4.8	33	2.2	6	1.2	2	4
No Data.....	4	0.1			1	0.1			3	0.6	2	1

Source: Fall Enrollment Report, University of Hawaii at Hilo, p. 6.

Table 12

CAPITAL IMPROVEMENTS PROGRAM APPROPRIATIONS  
(IN THOUSANDS)

FISCAL YEAR	University of Hawaii at Manoa		University of Hawaii at Hilo		University of Hawaii Community Colleges	
	(UH Request) Percentage of Total UH Request	(Legislative Appropriation) Percentage of Total Legislative Appropriation for UH	(UH Request) Percentage of Total UH Request	(Legislative Appropriation) Percentage of Total Legislative Appropriation for UH	(UH Request) Percentage of Total UH Request	(Legislative Appropriation) Percentage of Total Legislative Appropriation for UH
1974-75	(\$33,342) 58%	(\$42,112) 67%	(\$4,552) 8%	(\$3,578) 6%	(\$13,257) 23%	(\$11,517) 18%
1975-76	(\$13,162) 24%	(\$13,139) 29%	(\$14,020) 26%	(\$14,105) 31%	(\$14,297) 26%	(\$17,211) 38%
1976-77	(\$21,717) 44%	(\$8,430) 35%	(\$6,785) 14%	(\$8,352) 35%	(\$18,537) 38%	(\$6,743) 28%
1977-78	(\$22,506) 87%	(\$4,340) 49%	(\$550) 2%	(\$550) 6%	(\$2,945) 11%	(\$2,945) 34%
1978-79	(\$10,588) 62%	(\$14,957) 75%	(\$3,743) 22%	(\$3,743) 19%	(\$2,743) 16%	(\$1,243) 6%
1978-79*	(\$13,115) 100%	(\$16,800) 99%	(\$ )	(\$103) 1%	(\$ )	(\$35)
1979-80	(\$23,160) 64%	(\$17,935) 80%	(\$8,657) 24%	(\$3,134) 14%	(\$4,200) 12%	(\$1,369) 6%
1980-81	(\$26,123) 55%	(\$15,471) 68%	(\$8,888) 19%	(\$2,755) 12%	(\$12,354) 26%	(\$4,315) 19%
1981-82	(\$17,721) 45%	(\$7,322) 48%	(\$8,935) 23%	(\$1,480) 10%	(\$9,644) 24%	(\$3,109) 21%
1982-83	(\$17,566) 34%	(\$7,526) 45%	(\$11,630) 22%	(\$3,800) 22%	(\$19,261) 37%	(\$4,369) 26%
1983-84	(\$13,681) 31%	(\$9,351) 46%	(\$9,985) 22%	(\$2,020) 10%	(\$18,738) 42%	(\$7,080) 35%
1984-85	(\$11,886) 38%	(\$14,270) 58%	(\$9,557) 31%	(\$455) 2%	(\$9,647) 31%	(\$9,676) 40%
1985-86	(\$23,017) 43%	(\$6,466) 30%	(\$8,443) 16%	(\$1,300) 6%	(\$21,927) 40%	(\$13,387) 62%

Source: "Capital Improvements Program", Facilities Planning Office.

\*SUPPLEMENTAL BUDGET

the percentage of the student body enrolled at the University of Hawaii at Hilo in relation to the University of Hawaii as a whole during these years (see Tables 10 and 13).

### Facilities

There are 51 major buildings and 29 portable structures on the University of Hawaii at Hilo's 137-acre main campus and 21-acre second campus, a quarter of a mile away housing the Hawaii Community College and the Center of Continuing Education and Community Service. Presently, a set of new facilities is being constructed on the main campus, so that all units will eventually be situated together. The University of Hawaii at Hilo's new gymnasium opened in 1980, and the new library and media center in 1981. Phase I of the construction of the College of Agriculture Building was completed in 1982, and the Hilo Agricultural Farm Laboratory began development in 1983.

The University of Hawaii at Hilo's 1984 accreditation report commended the University of Hawaii at Hilo for its "attractive, functional, and in general well-maintained" physical plant, although a lack of appropriated funds for maintenance had caused a large backlog of maintenance needs. It stated that the three-level Library-Learning Resources Center was a "tremendous campus asset," and the College of Agriculture Farm Laboratory facility offered "an appropriate range of field laboratory opportunities," contributing to the education of agricultural students and potentially to the economy of Hawaii County.<sup>11</sup>

### Student Housing

On-campus residence halls provide housing for 458 students. Adult Student Housing, a private apartment complex adjacent to the University of Hawaii at Hilo on state property, accommodates 279 students. Limited privately-owned housing is available for rental.<sup>12</sup> However, the University of Hawaii at Hilo has not always been able to meet the demands for on-campus housing, resulting in potential students not enrolling at the University of Hawaii at Hilo. For example, in the Fall of 1984, the Office of Student Housing was unable to find dormitory space for 108 students.<sup>13</sup> The lack of adequate housing facilities is said to contribute to the small student population at University of Hawaii at Hilo.

The student housing question has been handled by the University of Hawaii at Hilo administration, and no request had been submitted to the University of Hawaii central administration to construct student housing. The University of Hawaii at Hilo administration applied for federal funds for dormitory construction for three years, but did not receive these funds. Discussions with private developers and contractors have also transpired.<sup>14</sup>

### New Programs

Since 1980, five new programs were established by the Board of Regents at the University of Hawaii at Hilo, the Bachelor of Science in computer science and the Bachelor of Arts in geology, Hawaiian studies, economics, and music. At the University of Hawaii at Manoa during this same time period, two new programs were created (see Exhibit 6).



Table 13

## GENERAL FUNDS BUDGET WORKSHEET

FISCAL YEAR	BOARD OF REGENTS BUDGET		LEGISLATIVE APPROPRIATION	
	University of Hawaii at Manoa (In thousands) Percentage of Total UH Budget	University of Hawaii at Hilo (In thousands) Percentage of Total UH Budget	University of Hawaii at Manoa (In thousands) Percentage of Total Legislative Appropriation for UH	University of Hawaii at Hilo (In thousands) Percentage of Total Legislative Appropriation for UH
1982-83	(\$101,342) 66%	(\$9,932) 6%	(\$97,222) 66%	(\$9,528) 6%
1982-83*	(\$102,265) 67%	(\$9,972) 6%	(\$98,840) 66%	(\$9,960) 7%
1983-84	(\$119,147) 65%	(\$12,669) 7%	(\$108,041) 66%	(\$10,728) 7%
1984-85	(\$123,210) 64%	(\$13,412) 7%	(\$108,376) 66%	(\$10,928) 7%
1984-85*	(\$114,981) 65%	(\$11,663) 7%	(\$108,906) 66%	(\$10,920) 7%
1985-86	(\$123,524) 65%	(\$12,434) 7%	(\$119,458) 66%	(\$12,232) 7%
1986-87	(\$124,707) 65%	(\$12,608) 7%	(\$119,863) 65%	(\$12,158) 7%

Source: University of Hawaii Budget Worksheet, Period FY 1982-83 to FY 1986-87, General Funds Only, University of Hawaii Budget Office, November 1985.

\*SUPPLEMENTAL BUDGET

## Exhibit 6

## NEW PROGRAMS 1980-1985

CAMPUS	NEW PROGRAMS ESTABLISHED BY BOARD OF REGENTS SINCE 7/1/80	NEW PROGRAMS AUTHORIZED FOR PLANNING BY THE ADMINISTRATION SINCE 7/1/80
UH-MANOA	Dance & Dance Ethnology, M.F.A. & M.A., 4/19/85	Architecture, Doctor of, 11/30/81
	Dental Hygiene, B.S., 11/19/81	Architecture, Bachelor of Landscape, 1/5/81
		Communications and Information Sciences, Ph.D., 8/24/81*
		Education (Counseling & Guidance), Ph.D., 11/17/81
		English, Ph.D., 12/26/84
		International Management, Ph.D., 9/18/85
		Journalism (Asian & Pacific), M.A., 8/17/81
		Mechanical Engineering, Ph.D., 2/3/83*
		Molecular Biology, M.S., & Ph.D., 7/12/85
		Public Administration, M.P.A., 8/17/81
		Second & Foreign Language Education, Ph.D., 9/30/82
		Social Welfare, Ph.D., 8/5/81
		Speech, M.A., 12/26/81
		Travel Industry Management, M.S., 7/12/85
UH-HILO	Computer Science, B.S., 1/18/85	Art, B.A., 3/7/84*
	Geology, B.A., 7/16/82	Early Childhood Education, C.A. & A.S., 11/9/84
	Hawaiian Studies, B.A., 11/19/81	
	Economics, B.A., 11/19/81	
	Music, B.A., 11/19/81	

Source: Prepared by the Office of the Vice President for Academic Affairs.

\*Currently pending Board approval.

Note: Since 1980, one planning request from the Hilo campus has been denied; one Manoa planning request has been returned to the campus; four Manoa planning requests not listed here have been declared inactive; and six of the Manoa planning requests listed here are under reconsideration.

The University of Hawaii at Hilo Academic Plan indicates that a number of program developments are under consideration at the campus level such as a two-year program in observatory and instrument technology and expanded basic course offerings in astronomy.<sup>15</sup>

### PART C. PERCEIVED FRUSTRATIONS AT THE UNIVERSITY OF HAWAII AT HILO

The Bureau interviewed selected University of Hawaii (Hilo and Manoa) faculty and administrators; Hawaii county government representatives; and Hawaii county business executives and informally surveyed University of Hawaii at Hilo administrators, faculty, and staff regarding their views on the problems of the University of Hawaii at Hilo and their attitudes toward the proposed creation of the University of Hawaii at Hilo as an independent institution, separate from the University of Hawaii. The Bureau found that the perceived frustrations of the University of Hawaii at Hilo included its low enrollment; the student housing shortage; the problem of the integration of Hawaii Community College, the College of Arts and Sciences, and the College of Agriculture; the want of a clearly understood and accepted University of Hawaii at Hilo mission, goal, and reason for existence; its low prestige; the isolation of its faculty from the mainstream of academic work; its poor faculty morale as a consequence of perceived insufficient support from the administration; strangulation by the rules of the executive branch of government;<sup>16</sup> absence of a strong identity; inadequate faculty salaries; cumbersome bureaucracy; exclusion from participation in the federal land grant; and no permanent resident chancellor. The latter five perceived problems, as discussed by those surveyed, are described in more detail below.

#### Identity

Although the University of Hawaii at Hilo has existed for over fifteen years, there is often confusion about its name. Government officials and University of Hawaii administrators sometimes erroneously refer to it as the "Hilo Branch" or "Hilo College" rather than the University of Hawaii at Hilo. It was suggested that perhaps a more distinctive name, such as Hawaii State University, could strengthen its identity. However, others argued that in California, for example, the California State University system is not as prestigious as the University of California system, and they would not want to be associated with the lesser esteemed system in the State.

#### Faculty Salaries

Many of the University of Hawaii at Hilo faculty complained that it was difficult to attract and retain faculty because faculty salaries were low, and that they averaged about \$5,000 below those at the University of Hawaii at Manoa.<sup>17</sup> The University of Hawaii central administration uses the American Association of University Professors national standard upon which to base their salary scales. According to the American Association of University Professors classification, the University of Hawaii at Manoa is a Category I institution, a doctoral level institution; the University of Hawaii at Hilo is a Category IIB institution, a general baccalaureate institution; and the

University of Hawaii Community Colleges are in Category IV, institutions that don't use the standard academic ranks, of which the majority are two-year colleges.<sup>18</sup> The Annual Report of the American Association of University Professors rating places the University of Hawaii at Manoa salary level in the second lowest category of institutions of its class; the University of Hawaii at Hilo is placed in the top category of similar institutions; and the University of Hawaii Community Colleges is in the bottom half.<sup>19</sup>

Certain University of Hawaii at Hilo faculty contend that most of the faculty in the College of Arts and Sciences and the College of Agriculture have doctorate level degrees,<sup>20</sup> and many conduct research and publish their work, in addition to their teaching duties. Therefore, their salaries should be raised accordingly.

Moreover, certain members of the University of Hawaii at Hilo academic community stated that the Governor's Special Salary Adjustment of 1985 was not distributed equitably. These funds were furnished in addition to negotiated across-the-board increases and included \$2,000,000 for 1985-1986, and \$4,190,000 to fund the second year costs of the 1985-1986 awards and additional adjustments for 1985-1986.<sup>21</sup> The University of Hawaii at Hilo was to share with West Oahu College 3 per cent of these moneys, whereas 88 per cent went to the University of Hawaii at Manoa, and 9 per cent went to the University of Hawaii Community Colleges.<sup>22</sup>

The stated objectives of the adjustment were to preserve and enhance educational quality; to achieve market adjustments; to prevent key faculty losses; and to strengthen key programs in accordance with the University of Hawaii's Strategic Plan and the State of Hawaii Functional Plan for Higher Education.<sup>23</sup> Distribution of the funding was calculated according to three factors. First, and weighted most heavily, was the percentage of eligible faculty in an approved high demand discipline such as computer science, business, engineering, astronomy, and oceanography. Second, the American Association of University Professors' comparative salary rating was taken into account. The concern was to bring all units of the University of Hawaii up to the American Association of University Professors eightieth percentile salary level. Finally, each unit's General Fund payroll proportion of the total University of Hawaii payroll was figured in the distribution of these funds. The University of Hawaii at Manoa represents 70.9 per cent of the payroll; the University of Hawaii Community Colleges are 24.4 per cent of the payroll; and the University of Hawaii at Hilo and West Oahu College are 4.7 per cent.<sup>24</sup>

### Federal Land Grant

The University of Hawaii at Hilo College of Agriculture has never been included in the distribution of the federal land grant which is awarded to the University of Hawaii. The University of Hawaii at Manoa College of Tropical Agriculture and Human Resources is allotted the entirety of the University of Hawaii federal land grant. According to the University of Hawaii at Manoa College of Tropical Agriculture and Human Resources Office of Management Services,<sup>25</sup> which initially budgets the land-grant, the University of Hawaii at Hilo does not receive any of the federal moneys because historically it has never received any. Moreover, money is very tight, and the University of Hawaii at Manoa hardly has enough for its own needs. Individuals at the

University of Hawaii at Hilo reasoned that since all of the University of Hawaii at Hilo College of Agriculture faculty have a doctoral degree, they are well-qualified to conduct research, and having a share of the federal money would enable them to better do so.

### **Cumbersome Bureaucracy**

Members of the University of Hawaii at Hilo community described the tiers of bureaucracy that are involved in the decision-making process. The process, they say, would be more streamlined if the University of Hawaii at Hilo could directly approach the Board of Regents or the Legislature with requests. Furthermore, the University of Hawaii at Hilo must follow the system policies, such as the "small undergraduate classes" policy, which aims to limit classes enrolling less than ten students.<sup>26</sup> Such policies, they say, may be more appropriate for the University of Hawaii at Manoa which has a broader enrollment base.

### **Leadership**

Since it was organized in 1970, the University of Hawaii at Hilo has had five chancellors and acting chancellors:

1. Chancellor Paul Miwa, 1970-1975;
2. Chancellor Edwin Mookini, acting, 1975-1976, permanent, 1976-1978;
3. Acting Chancellor Peter Dobson, 1978-1979;
4. Chancellor Stephen Mitchell, 1979-1984; and
5. Acting Chancellor Ralph Miwa, 1984-

Currently, the chancellor of the University of Hawaii at Hilo is an acting chancellor, who is also the chancellor of West Oahu College, and who resides on Oahu. More than one-half of those surveyed stated that the University of Hawaii at Hilo needs a permanent leader who can give undivided attention to the requirements of the University of Hawaii at Hilo.

## **PART D. ATTITUDES TOWARD THE PROPOSED SEPARATION OF THE UNIVERSITY OF HAWAII AT HILO FROM THE UNIVERSITY OF HAWAII SYSTEM**

University administrators, staff, and faculty; state and county government representatives; and Hawaii county business executives held divergent views regarding the proposed separation of the University of Hawaii at Hilo from the University of Hawaii system. One individual said that it was a waste of time to even discuss it. Others were sympathetic to the idea, and even stated that they had supported such a concept for many years. Many perceived that the idea had both advantages and disadvantages. Selected arguments "pro" and "con" with respect to the proposed independence of the University of Hawaii at Hilo, as voiced by persons surveyed, are cited below.

## Pro Separation

### Autonomy

As an autonomous institution, the University of Hawaii at Hilo would acquire the freedom to determine and strive for its own future development, unencumbered by the preconceptions and restrictions of the University of Hawaii. The University of Hawaii at Hilo could then define its own priorities, formulate its own policies, and allocate its funds.

As one individual put it, "Let us paddle our own canoe, with our own steersmen, so we can set our own direction."

### Streamline Bureaucracy

The current decision-making process involves excessive "red tape", because of the presence of the University of Hawaii central office.

### Positive Identity

"Stepchild," "fosterchild," "black sheep," "an afterthought," "out of sight out of mind," "takes the backseat while the University of Hawaii at Manoa takes the limelight," and "neglected" were used to describe the University of Hawaii at Hilo. As an institution independent from the University of Hawaii, the University of Hawaii at Hilo would be able to develop a more positive identity.

### Leadership

The University of Hawaii at Hilo would benefit by having a permanent resident leader whose absolute concern is the University of Hawaii at Hilo community, who is a strong advocate for local needs, and who does not have to report to the University of Hawaii central office. Therefore, the University of Hawaii at Hilo policies would be more responsive to and appropriate for local conditions.

### Competition

Competition is healthy, and often brings out the best in people and organizations. Other states have at least two higher education systems. Hawaii also should have more than one system.

Arguments opposing the separation of the University of Hawaii at Hilo from the University of Hawaii, as put forth by those surveyed, included the following.

## Con Separation

### Impossibility of Total Autonomy

A separate University of Hawaii at Hilo does not mean that it will achieve total autonomy, for at some level it will be regulated.

### Internal Constraints

The University of Hawaii at Hilo is not dominated by the central administration. According to the University of Hawaii at Hilo Office of Administrative Affairs, one-half of the decisions made regarding the University of Hawaii at Hilo are local, and one-half are made by the central administration. When a unit of the University of Hawaii makes an effective argument for what they want, they are usually successful in attaining it. If the University of Hawaii at Hilo has lost anything, it is because a good case was not presented.<sup>27</sup>

### Advantages of Affiliation with the University of Hawaii

The University of Hawaii central office is able to coordinate and organize public higher education in the State and guide it towards a greater compatibility. It is able to monitor the proliferation of resources and the duplication of programs, and emphasize cooperation rather than set up barriers to communication.

The University of Hawaii at Hilo is able to benefit from being part of an established major university with a nationwide reputation and academic credibility. It may become even more difficult for the University of Hawaii at Hilo to attract students, faculty, and staff without the reputation of the University of Hawaii behind it.

Faculty at the University of Hawaii at Hilo are able to compete for funding from the University of Hawaii Office of Research Administration which provides seed money to junior faculty for research. There is the potential for effective articulation between the University of Hawaii units and students are usually able to transfer from one institution to the other. The University of Hawaii at Hilo is able to profit from the University of Hawaii at Manoa computer, research, and library facilities; films; speakers; travel moneys; and the unified "lobbying muscle" for legislative support.

### Not Unique

The administration of the executive branch of the state government has been a problem for every unit of the University of Hawaii not only those at Hilo.<sup>28</sup>

Each unit in the University of Hawaii system feels that they are getting "the short end of the stick".

### Competition

The inevitable competition for state funds will be cutthroat and both institutions will lose. It is presently an inopportune time for the separation of the University of Hawaii at Hilo from the University of Hawaii, because of budgetary retrenchment and low enrollments. A separate University of Hawaii at Hilo would only create two mediocre institutions.

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P A R T   I I

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Chapter 5

by Jacqueline Zane

Chapter 6

by Karl-Reinhard Titzck



## Chapter 5

### THE ESTABLISHMENT OF A SEPARATE PUBLIC UNIVERSITY

**Question Presented:** Whether the Hawaii State Constitution Prohibits the Establishment of a Second State University, Separate from the University of Hawaii?

**Analysis:**

The purpose of this memorandum is to determine whether the Hawaii State Constitution prohibits the establishment of a second state university, separate from the University of Hawaii. In order to determine whether the State Constitution prohibits the establishment of a second state university, an examination must be made of the relevant state constitutional provisions. The pertinent provisions in Article X on Education are:

Section 1. The State shall provide for the establishment, support and control of a statewide system of public schools free from sectarian control, a state university,...and such other educational institutions as may be deemed desirable,...

\* \* \*

Section 5. The University of Hawaii is hereby established as the state university...

Section 6. There shall be a board of regents of the University of Hawaii,.... The board shall have the power, as provided by law,<sup>1</sup> to formulate policy, and to exercise control over the university.... (Emphasis added)

The Hawaii Supreme Court has established the method of interpreting Hawaii constitutional provisions. The court has stated many times that "[t]he fundamental principle in construing a constitutional provision is to give effect to the intention of the framers and the people adopting it."<sup>2</sup> The court goes on to state:

We are also mindful of the rules of construction relating to constitutional provisions. This intent is to be found in the instrument itself. When the text of a constitutional provision is not ambiguous, the court, in construing it, is not at liberty to search for its meaning beyond the instrument.<sup>3</sup> However, if the text is ambiguous, extrinsic aids may be examined to determine the intent of the framers and the people adopting the proposed amendment.<sup>4</sup>

The Court also adheres to the established rule that "[i]n construction of a constitutional provision, words of the constitution are presumed to be used in their natural sense unless the context furnishes some ground to control, qualify, or enlarge it."<sup>5</sup> Therefore, in interpreting the provisions of Article

X, sections 1, 5, and 6, of the Hawaii State Constitution, the words themselves must be considered in their context.

In Article X, sections 1 and 5, of the Hawaii State Constitution, the words "a" and "the", when considered in the context of the provisions, are ambiguous. The provision in Article X, section 1, provides for the establishment of "a state university", while section 5 states that "[t]he University of Hawaii is hereby established as the state university." If these two parts of sections 1 and 5 are considered together, it appears the State may establish "a state university" which is provided for in section 5 as "the University of Hawaii". At first glance, such a correlation between sections appears to limit the State solely to the establishment, support, and control of the University of Hawaii.

However, in section 1 of Article X, there is a clause after the words "a state university" which authorizes the State to provide for the establishment, support, and control of "such other educational institutions as may be deemed desirable".<sup>6</sup> These words appear to create power in the State to establish additional educational institutions, including universities, as may be deemed desirable by the State.

Article X, section 6, provides a board of regents for the University of Hawaii, with its powers provided by law, to control the university and formulate policy. This section of Article X of the Hawaii State Constitution does not appear to prohibit the State's power to establish a second state university with a separate board of regents. Section 6, as adopted in 1950, however, contains a clause which limits the power of the board of regents over the University of Hawaii. The clause reads: "[t]he board shall have the power, in accordance with law". "In accordance with law", in the context of a constitutional provision, makes "clear that educational policy adopted by the board must not be contrary to the law."<sup>7</sup>

This review of the words of the constitutional provisions indicates that it is unclear as to whether the drafters of the Hawaii State Constitution intended to have Article X be construed so narrowly or so broadly, as to either prohibit or permit the State to establish other state universities, or educational institutions, separate from the University of Hawaii. The Hawaii Supreme Court has stated that if the text of the constitutional provisions are ambiguous, the Court will examine extrinsic aids to determine the intent of the framers and of the people adopting the proposed constitutional amendments.<sup>8</sup>

The extrinsic aids to be examined include the 1950 Hawaii Constitutional Convention debates, proceedings, and committee reports.<sup>9</sup> In order to perform this examination, the concerns of the delegates who originally drafted what is now Article X must be considered.

The first relevant report of the 1950 Convention is Standing Committee Report No. 52 (STCR 52).<sup>10</sup> STCR 52 is the report of the Committee on Education, dealing with Article IX, Education (now Article X, Education) of the Hawaii State Constitution.<sup>11</sup> STCR 52 recorded the negative response of the Committee on Education to Delegate Proposal No. 2, which requested a constitutional provision reserving to the University of Hawaii Board of Regents control over all publicly supported higher education in the State of

Hawaii.<sup>12</sup> Clearly, the Committee on Education in 1950 did not intend to leave to the Board of Regents the power to control all publicly supported higher education in the State of Hawaii.<sup>13</sup>

After considering the various delegate proposals, the Committee on Education recommended that Committee Proposal No. 11, which contained the constitutional provisions for Article IX (now Article X) on Education, pass on second reading.<sup>14</sup> The language of Committee Proposal No. 11 and the intent behind it was discussed by the delegates in a meeting of the Committee of the Whole. The following is a synopsis of the pertinent parts of the debate relating to the question presented:<sup>15</sup>

Delegate Earl Nielsen (2nd district), requested a change to be made to the language proposed for Article IX, §1 (now Article X, §1). Delegate Nielsen stated: "There's just one little change I would like to see made. It says 'a state university.' Couldn't we make that plural so that when we grow a little more we can have another university? Is that taken care of somewhere else?"

In response to Delegate Nielsen's questions, Delegate Samuel W. King (5th district) replied by stating:<sup>16</sup>

May I clear that? There is a further clause, "and such other educational institutions as may be deemed desirable." I believe in the committee report there was some discussion of...and other types of higher schools that can be established by the legislature.

Later on in the proceedings, another delegate questioned the validity of the clause "such other educational institutions as may be deemed desirable".<sup>17</sup> Delegate Thomas T. Sakakihara (1st district) stated that:<sup>18</sup>

If the remarks made here by the Chairman of the Committee on Education is true, that "such educational institutions as may be deemed desirable" will be considered as a catchall phrase, then why did he specifically limit a state university?

Delegate Sakakihara was referring to the discussion between Committee of the Whole Chairperson Fukushima and the Chairperson of the Committee on Education, Delegate Loper wherein both chairs agreed that the phrase "such other educational institutions" was a catchall phrase, including other types of higher schools that could be established by the legislature.<sup>19</sup>

The response to Delegate Sakakihara was referred to Delegate Benjamin O. Wist (4th district), a member of the Committee on Education, by Chairperson Yasutaka Fukushima (5th district). Delegate Wist's answer indicated the reference was to junior colleges and not universities.<sup>20</sup>

However, Delegate Wist continued:<sup>21</sup>

Then, too, I think it's pertinent to point out that we specifically provided the phrase, "such other institutions as

may be deemed desirable" to take care of this very problem that has been raised here by the two previous speakers.

The two previous speakers referred to by Delegate Wist were Delegates Fukushima and Sakakihara.

Whether Delegate Wist meant to include Chairperson Fukushima's remarks referring Delegate Sakakihara's question to Delegate Wist is unclear from the record. Delegate Sakakihara's question regarding the specific language of "a state university", however, fits within Delegate Wist's previous statement, and thus supports the inference that the catchall phrase "such other institutions as may be deemed desirable" provides for the establishment of other state universities within the Hawaii State Constitution.

At a later point in the proceedings, Delegate Wist provided still another interpretation of the words "a state university". Delegate Wist stated: "The reason we mentioned [a] university specifically - because it is an existing institution."<sup>22</sup> This statement may be construed to mean that the reason why Article X, section 1, of the Hawaii State Constitution reads "a state university", is solely because the University of Hawaii was the sole existing institution. In other words, this was a mere statement of fact in the section's language and was not meant to limit the number of state universities the State could establish.<sup>23</sup>

Delegate Wist further pointed out that "we might establish other institutions of higher learning, probably shall in time, junior colleges or full fledged colleges".<sup>24</sup> Although no mention of the word "university" was included in his remarks, his words were general and broad enough to include other state universities, as an "institution of higher learning".

Delegate William H. Heen (4th district) reiterated the problem to Delegate Wist:<sup>25</sup>

There was an inquiry made about whether or not we might have more than one university. If we need two universities we can have one in Hilo and call it the University of Hawaii at Hilo, same as the University of California at Los Angeles. That's only one state university.

Delegate Heen's comments approve the idea of establishing other universities; however, under one state university system.<sup>26</sup>

After the Committee of the Whole debates, Committee of the Whole Report No. 10 was written. This report covers the debates and amendments made to Committee Proposal No. 11. Committee of the Whole Report No. 10 reads in pertinent part:<sup>27</sup>

Section 4 as originally proposed reads as follows:

Board of Regents. There shall be a board, to be known as the "Board of Regents of the University of Hawaii", to be appointed....

This section was amended to read as follows:

Board of Regents. The University of Hawaii is hereby established as the state university. There shall be a board, to be known as the "Board of Regents of the University of Hawaii...."

The first sentence of the amended paragraph was included to make it clear that the mandate in Section 1 (Article X) to establish "a state university" refers to the University of Hawaii.

Thus, it appears the Committee of the Whole intended that section 1 of Article X, of the Hawaii State Constitution, where it reads "a state university", to refer to "the University of Hawaii" as specified in section 5, Article X, of the State Constitution.

However, the clause following "a state university", "and such other educational institutions as may be deemed desirable", was not so clearly defined by the convention debates, proceedings, and committee reports. It apparently was intended as a catchall phrase upon which there was some disagreement.<sup>28</sup>

Since the Committee of the Whole debates, proceedings, and reports have not provided a clear view of the intention of the framers regarding the constitutional provisions for Article X, further examination of extrinsic aids are necessary. Standing Committee Report No. 52, written by the Committee on Education regarding Article IX (now Article X), made reference to the Model State Constitution.<sup>29</sup>

The Model State Constitution's provision for education closely resembles the Hawaii State Constitution's provision in Article X, section 1.<sup>30</sup> It is highly probable that since STCR 52 referred to the Model State Constitution, the language of the Model State Constitution, Public Welfare section, was used as guidance for the present language in Article X, section 1, of the Hawaii State Constitution. In fact, the Model State Constitution has been used by delegates to most state constitutional conventions and by members of official and unofficial revision committees of the last forty years.<sup>31</sup>

The Model State Constitution provides another method of interpreting Article X, section 1, of the Hawaii State Constitution. In the Model State Constitution, the provision for Education is placed under the title heading "Public Welfare".<sup>32</sup> The provision reads:<sup>33</sup>

Section 1000. Public Education. The legislature shall provide for the maintenance and support of a system of free common schools, wherein all the children of this State may be educated, and of such other educational institutions, including institutions of higher learning, as may be deemed desirable.

In the explanatory discussion following that language, it is stated:<sup>34</sup>

The provisions of Article X are purposely couched in the broadest possible terms. It must be emphasized that the primary purpose of the Committee here is to outline a general framework of constitutional powers which will guarantee to the State ample authority to establish and maintain a complete program of public welfare services.

The explanatory discussion informs the reader that the language of the constitutional provision should be kept in general terms to guarantee the state which adapts its state constitution to the Model State Constitution, the ability to avoid narrow or restrictive interpretations of the powers enumerated in the article.

The discussion in the Model State Constitution concludes that the constitutional provisions for Public Welfare (including Education) should not be narrowly construed, in order to give the legislature the power to interpret the constitutional provisions according to the demands and changes of an expanding public welfare system.<sup>35</sup> Similar language in the Hawaii State Constitution may be construed to mean that the drafters did not intend to restrict or limit the power of the legislature from expanding and developing other educational institutions to respond to the State's growing needs.

The 1968 and 1978 Hawaii State Constitutional Conventions did not offer any substantive changes to Article X, section 1, of the Hawaii State Constitution relevant to this discussion. The examination of the 1950 proceedings, debates, committee reports, Model State Constitution, and the text of the Hawaii State Constitution, Article X, leads one to believe that the phrase "and such other educational institutions as may be deemed desirable" supports the conclusion that the Hawaii State Constitution does not prohibit the establishment of a second state university separate from the University of Hawaii. Further analysis of this phrase supports this conclusion.

The term "educational institutions" in Article X, section 1, appears to include a university within its meaning. An "educational institution" is defined as a school, seminary, college, university, or other educational establishment, not necessarily a chartered institution.<sup>36</sup> Within the Hawaii Revised Statutes, there is no definition for "educational institutions". A similar term, "educational organization", is used which includes the term "university" within its definition.<sup>37</sup> Other sources also define educational institutions to include a university.<sup>38</sup>

Thus, the language in Article X, section 1: "The State shall provide for the establishment, support and control of...such other educational institutions as may be deemed desirable....", may be interpreted to include the establishment of another state university as an educational institution.

In Application of Pioneer Mill Co., the Hawaii Supreme Court stated: "when interpreting ambiguous constitutional provisions, the Court attempts to determine purposes which the provision was designed to achieve."<sup>39</sup>

The establishment of a separate university in response to the growth of education in the State of Hawaii appears to follow the purpose for which Article X on Education was adopted, and to allow the formation of a second state university system if the legislature so desires.

## FOOTNOTES

1. The phrase "as provided by law" in the context of a constitutional amendment, absent applicable constitutional or statutory provision referred to, indicates that further legislation is required to put such amendment into operation. State v. Rodrigues, 63 Haw. 412, 415, 629 P.2d 1111, 1114 (1981). See also, Hawaii Rev. Stat., §304-4 (Supp. 1984) (statutes establishing scope of power the Board of Regents).
2. State v. Kahlbaun, 64 Haw. 197, 201, 638 P.2d 309, 314 (1981), quoting State v. Miyasaki, 62 Haw. 269, 281, 614 P.2d 915, 922 (1980); Hawaii Government Employees' Association v. County of Maui, 59 Haw. 65, 80-81, 576 P.2d 1029, 1039 (1978). See also, State v. Mueller, 66 Haw. 616, 629-630, 671 P.2d 1351, 1360 (1983) (Duty of Supreme Court in construing the State Constitution is to give effect to intention of framers and people who adopted provision in question); State v. Lester, 64 Haw. 659, 667, 649 P.2d 346, 352-353 (1982) (state constitutions must be construed with due regard to the intent of the framers of the constitutions); Huihui v. Shimoda, 64 Haw. 527, 531, 644 P.2d 968, 971 (1982).
3. State v. Kahlbaun, 64 Haw. 197, 201, 638 P.2d 309, 314 (1981), quoting Draper v. State, 621 P.2d 1142, 1151 (Okla. 1981); Perkins v. Eskeridge, 278 Md. 619, 366 A.2d 21, 34 (1976).
4. State v. Kahlbaun, 64 Haw. 197, 201-202, 638 P.2d 309, 314 (1981).
5. Hawaii Government Employees' Association v. County of Maui, 59 Haw. 65, 76-77, 576 P.2d 1029, 1036-1037 (1981), quoting State v. Anderson, 56 Haw. 566, 577, 545 P.2d 1175, 1182 (1976); Employees' Retirement System v. Ho, 44 Haw. 154, 159, 352 P.2d 861, 865 (1960).
6. Hawaii Const. art. X, sec. 1.
7. Hawaii, Constitutional Convention, 1950, Proceedings, Vol. I, pp. 316-317.
8. State v. Kahlbaun, 64 Haw. 197, 204, 638 P.2d 309, 314 (1981); quoting Newman v. Hjelle, 133 N.W. 2d 549, 556 (N.D. 1965); see also, Director of Department of Agriculture and Environment v. Printing Ind. Assn., 600 S.W. 2d 264, 267 (Tex. 1980). (Constitutional provisions, like statutes, are properly interpreted in the light of conditions existing at the time of their adoption, the general spirit of the times, and the prevailing sentiments of the people.)
9. See, State v. Kahlbaun, 64 Haw. 197, 204, 638 P.2d 309, 316 (1981) (In order to give effect to the intention of the framers and the people adopting a constitutional provision, an examination of the debates, proceedings, and committee reports is useful.)
10. See, Hawaii, Constitutional Convention, 1950, Proceedings, Vol. I, pp. 201-206.
11. Ibid.

12. Ibid.
13. "It was the consensus of your Committee (on Education) that the decision with respect to this matter (Proposal No. 2) is not immediately pressing and can well be left for future legislative action." Ibid. at 205.
14. Ibid., p. 206.
15. Hawaii, Constitutional Convention, 1950, Proceedings, Vol. II, p. 587.
16. Ibid.
17. Ibid., p. 588.
18. Ibid.
19. Ibid.
20. Junior colleges and universities fit well within the definition of an "educational institution". Properly speaking, a "university" is an aggregation or union of colleges. It is an institution in which the education imparted is universal, embracing many branches, such as the arts, sciences, and all manner of higher learning, and which possesses the power to confer degrees indicating proficiency in the branches taught.

The word "college" has been said to be employed in the United States to indicate an institution of learning, having corporate powers, and possessing the right to confer degrees, and which, with reference to its educational work, consists of the trustees, teachers, and scholars, all of whom make up the membership of the college and represent its active work. The term "college" may also be used to indicate a building, or group of buildings, in which scholars are housed, fed, instructed, and governed while qualifying for university degrees, whether the university includes a number of colleges or a single college. In a broad sense, the terms "college" and "university" convey the same idea, differing only in grade, with each indicating an institution of learning consisting of trustees, teachers, and scholars as making up its membership and representing its active work, or an institution engaged in imparting knowledge to resident students and possessing the right to confer degrees.

The term "junior college" has been defined as a school offering courses of instruction on the level of difficulty for the first 2 years above high school level, the meaning of which is not dependent on the breadth or variety of the field of education covered.

In most of the cases in which the question has arisen, normal schools or teachers' colleges, and universities and colleges, as well as junior colleges, have been held not to be "common" or "public" schools.

15A Am Jur. 2d Colleges and Universities, §1 (1976) (citations omitted).

21. Hawaii, Constitutional Convention, 1950, Proceedings, Vol. II, p. 588.



22. Ibid.
23. Generally, 'constitutional provisions guaranteeing fundamental rights are to be liberally construed so that the purpose to be attained, or evil to be remedied, is accomplished. State v. Leong, 51 Haw. 581, 584, 465 P.2d 560, 562 (1970).
- "A constitution states or ought to state" as Justice Cardozo once wrote, "not rules for the passing hour but principles for an expanding future." Benjamin N. Cardozo, The Nature of the Judicial Process (New Haven: Yale University Press, 1921), p. 24.
24. Hawaii, Constitutional Convention, 1950, Proceedings, Vol. II, p. 588.
25. Ibid.
26. The existing state university system is controlled by the University of Hawaii Board of Regents. The University of Hawaii at Manoa and Hilo campuses are parts of this system. For a breakdown of what institutions are included in this system, See, the Hawaii Rev. Stat., ch. 304.
27. Hawaii, Constitutional Convention, 1950, Proceedings, Vol. I, pp. 315-316.
28. See, Hawaii, Constitutional Convention, 1950, Proceedings, Vol. II, p. 588 (discussion between Delegates King, Sakakihara, and Wist).
29. See, Hawaii, Constitutional Convention, 1950, Proceedings, Vol. I, p. 201.
30. The 1948 Model State Constitution provision on Education under Article X, Public Welfare, reads:
- Section 1000. Public Education. The legislature shall provide for the maintenance and support of a system of free common schools, wherein all the children of this State may be educated, and of such other educational institutions, including institutions of higher learning, as may be deemed desirable. (Citation omitted)
- National Municipal League, Model State Constitution (5th rev. ed.; New York: 1948), p. 18.
31. National Municipal League, Model State Constitution (6th rev. ed.; New York: 1968), p. iii.
32. National Municipal League, Model State Constitution (5th rev. ed.; New York: 1948), p. 18.
33. Ibid.
34. Ibid., p. 49.
35. The explanatory article on Public Welfare (Education) in the 1948 Model State Constitution states:

Provisions of state constitutions are often construed narrowly as limitations, and if the language is capable of such construction serious difficulties may be confronted....

Protection against such [restrictive interpretations] contingency is provided by section 1007.

Ibid., p. 49. This section 1007 permits the State to override the enumeration in Article X, when the State is acting for the good of the state government, and welfare of its citizens.

36. Black's Law Dictionary, 461 (5th ed. 1979).
37. Hawaii Rev. Stat., §235-55.6(e)(8) (Supp. 1984).
38. For example, the phrase "educational institutions" (found only within the taxation section of the Hawaii Revised Statutes) as used in the laws relating to tax exemptions, has been defined as "one which teaches and improves its pupils, or as a school, seminary, college or educational establishment...." 84 C.J.S. Taxation §283 (1953) (citations omitted).

The Revised Statutes of the State of Missouri: "State educational institutions" shall mean and shall include:

- (a) The State University of Missouri....
- (b) "Lincoln University"....
- (c) The several state teachers colleges, to wit....
- (d) Junior college districts....

Mo. Rev. Stat. §176.010(5) (1978).

39. Application of Pioneer Mill Co., 53 Haw. 496, 500, 497 P.2d 549, 552 (1972).

## Chapter 6

### LAND GRANT SYSTEM

How Do the Land-Grant College System and Related Federal Law Affect the Establishment of a Separate State University?

#### I. Introductory Note

House Resolution No. 119, H.D. 1, Regular Session of 1985, requested the Legislative Reference Bureau and the Department of Planning and Economic Development to jointly conduct a study on the establishment of a separate public university.

The purpose of this chapter is to analyze the effects of the establishment of a separate state university on the land-grant and sea-grant college systems.

The chapter begins with the historical background of the land-grant system. Then follows a survey of the legal setting of land grant as federal statutory law and the cases and opinions. Rulings and instructions relative to land grant and supplementary Morrill funds are covered.

The chapter then deals with a brief history of the University of Hawaii, and discusses the applicability of the land-grant system to Hawaii and the Morrill Act and Bankhead-Jones Act income of the University of Hawaii in recent years.

Finally, the effects of the establishment of a separate State University are examined and the main aspects of sea-grant system are discussed.

#### II. Historical Background of the Land-Grant System-- the Origins of the Land-Grant System

The significance of the Morrill Act has been characterized as "...an immortal moment in the history of higher education in America and in the world".<sup>1</sup> Since their establishment, "...the land-grant colleges and universities have grown to represent to the world an unique system of universal education".<sup>2</sup> The establishment of a broader higher education was based on several ideas in the United States and elsewhere.

An important idea in the genesis of the land-grant colleges was that of democracy.<sup>3</sup> In the United States democracy does not mean the government of the people only but political and social equality as well. "Social and economic democracy in America means primarily liberty of action and equality of opportunity. The central idea behind the land-grant movement was that liberty and equality could not survive unless all men had full opportunity to pursue all occupations at the highest practical level."<sup>4</sup>

This purpose is expressed in the Morrill Act in the following words:

"...the endowment, support, and maintenance of at least one college where the leading object shall be, ... to promote the liberal and practical education..."<sup>5</sup> (emphasis added.)

The world changed dramatically in the 19th century. The industrial revolution led to enormous industrial innovations. These radical changes in the societies were reflected in changes of higher education in the western world. They were described as the "revolt against the classics".<sup>6</sup> This revolt had been under way since the days of Wilhelm von Humboldt in Prussia and Jeremy Bentham in England and was to introduce or to deepen mathematical studies and physical sciences in their recent developments instead of the classic Greek, Latin, theology, etc.

Speaking before the Vermont Legislature in 1888, Mr. Morrill said: "The fundamental idea was to offer an opportunity in every State for a liberal and larger education to larger numbers, not merely to those destined to sedentary professions, but to those much needing higher instruction for the world's business, for the industrial pursuits and professions of life."<sup>7</sup>

Another reason for the new legislation were the demands of agricultural societies. They were insisting that there must be available colleges where agriculture could be studied.

Some progress had been already been made in the United States. By the time the Civil War began, 4 million acres in federal land grants had been awarded to states for universities, and 60 million acres of public land had been set aside for free schools.<sup>8</sup>

Prior to the Morrill Act, a number of agricultural schools and colleges had been founded, the largest being those in Michigan, Pennsylvania, and Maryland; the 1860 census recorded that only 3 per cent of the 397 American colleges had departments of science and agriculture. In 1857 Vermont's Justin Smith Morrill introduced a bill to establish a new type of college. The bill was narrowly passed by Congress in 1859, but was vetoed by President James Buchanan, who claimed it was too costly, injurious to newer states, and unconstitutional. Subsequently, however, President Abraham Lincoln signed the slightly modified Morrill Act into law on July 2, 1862.<sup>9</sup>

### III. The Legal Setting of Land Grant

#### a. The meaning of land grant

The idea of land-grant colleges is basically a federal aid for the States to establish at least one college, "...where the leading object shall be, without excluding other scientific and classical studies and including military tactics, to teach such branches of learning as related to agriculture and mechanic arts...."<sup>10</sup>

b. Federal Statutory Law

1. First Morrill Act of 1862

Section 1 of the Morrill Act of 1862 states "...that there be granted to the several States for the purposes hereinafter mentioned, an amount of public land, to be apportioned to each State a quantity equal to thirty thousand acres for each Senator and Representative in Congress to which the States are respectively entitled by the apportionment under the census of 1860."

Section 2 regulates the distribution of the land and the sale thereafter.

Section 3 provides that all expenses of management, superintendence taxes from date of selection of the lands, previous to their sales, and all expenses incurred in the management and disbursement of the moneys which may be received therefrom, shall be paid by the states, so that the entire proceeds of the sale of the lands shall be applied, without any diminution whatever, to the purposes mentioned.

Section 4 provides that the money is to endow, support, and maintain at least one college related to agriculture and mechanic arts.

Section 5 enacts the conditions of the land grant.

Sections 6, 7, and 8 contain formal provisions.

2. Second Morrill Act of 1890

The Morrill Act of 1890 supplemented that of 1862 in some important respects.

Section 1 provided after a transition period a permanent annual appropriation of \$25,000 per state, described as a "...more complete endowment", for instruction in the state. Section 1 stated more specifically the fields of instruction for which the money could be used: "...be applied only to instruction in agriculture, the mechanic arts, the English language and the various branches of mathematical, physical, natural, and economic science, with special reference to their applications in the industries of life, and to the facilities for such instruction."

Section 1 also barred grants to institutions whose admissions were based on racial discrimination. On the other hand, it allowed states to establish separate land-grant institutions for black and white students.

3. Nelson Amendment of 1907

The Nelson Amendment of 1907 expanded and slightly modified the Morrill Acts. It is commonly referred to as "the Morrill-Nelson Act" and one of the supplementary acts to that of 1862.<sup>11</sup>

In the first place the amendment doubled federal money: "That there shall be, ..., annually appropriated, out of any money in the Treasury... to be paid..., to each State and Territory for the more complete endowment and maintenance of agricultural colleges now established,... the annual sum... shall be fifty thousand dollars..."

Furthermore it was provided, that the colleges may use some money "...for the special preparation of instructors for teaching the elements of agriculture and the mechanic arts."

4. Bankhead-Jones Act of 1935, Title II, Section 22

At the end of the first decade of the twentieth century, land-grant institutions were receiving approximately one-third of their total income from federal sources. By 1932, however, only 10 per cent came from the federal government and the number of students had sharply increased.<sup>12</sup> This development may be the reason for the more complete endowment and support of land-grant colleges, which was provided in the Bankhead-Jones Act of 1935.

The Act granted an amount of \$20,000 to each state, and an additional amount on the basis of population. Section 22 of the Bankhead-Jones Act of 1935 provided: "(a) For the fiscal year beginning after the date of the enactment of this act, and for each fiscal year thereafter, \$980,000, and (b) For the fiscal year following the first fiscal year for which an appropriation is made in pursuance of paragraph (a) \$500,000, and for each of the two fiscal years thereafter \$500,000 more than the amount authorized to be appropriated for the preceding fiscal year, and for each fiscal year thereafter \$1,500,000. The sums appropriated in pursuance of paragraph (a) shall be paid annually to the several States and the Territory of Hawaii in equal shares. The sums appropriated in pursuance of paragraph (b) shall be in addition to sums appropriated in pursuance of paragraph (a) and shall be allotted and paid annually to each of the several States and the Territory of Hawaii in the proportion which the total population of each such State and the Territory of Hawaii bears to the total population of all the States and the Territory of Hawaii, as determined by the last preceding decennial census."<sup>13</sup>

The payments under Section 22b of Bankhead-Jones Act were based on the population of the state or territory. In the

terms of Section 22b, population is the "total population" and not just the "farm population".<sup>14</sup>

5. Later Amendments

A. 1960 Amendment to Title II, Section 22 of the Bankhead-Jones Act of 1935

The Amendment of 1960 increased the uniform grants to each state and Puerto Rico to \$150,000 and the variable sum to \$4,300,000 for distribution among the states and Puerto Rico. The 140 per cent increase over the level of 1935 was based on 100 per cent inflation and a 40 per cent total population increase.<sup>15</sup>

B. Food and Agriculture Act of 1977

Title XIV of the Food and Agriculture Act of 1977 transferred the administration of Bankhead-Jones Act from the United States Office of Education to the Department of Agriculture. It also instructed the Secretary to "...undertake the coordination of State-Federal cooperative agricultural research, extension, and teaching programs funded in whole or in part by the Department of Agriculture in each State, through the administrative heads of land-grant colleges and universities...."

C. Department of Education Organization Act

The Department of Education Organization Act specifically transferred the authority to administer the Second Morrill Act from the Secretary of Health, Education, and Welfare to the Secretary of Education.

D. Agriculture and Food Act of 1981

The Agriculture and Food Act of 1981 transferred the administration of Morrill-Nelson grants to the Department of Agriculture.

c. Other Federal Laws Related to Land Grant

The direct financing of land-grant colleges was only one aspect of an overall program to develop agriculture. Besides campus instruction, experiment stations and extension education were part of that plan.

1. The Hatch Act of 1887

The Hatch Act of 1887 dealt with the experiment stations. In Section 1 the Act, as amended, it is provided that "the term 'State agricultural station' means a department which shall have been established, under direction of the college or university or agricultural departments of the college or university in each

State in accordance with an Act approved July 2, 1862..., entitled...; or such other substantially equivalent arrangements as any State shall determine." This seems not to require that an experiment station has to be attached to a land-grant college.

In the Act to assist the states to provide additional facilities for research at the state agricultural experiment stations it is provided: "...or a department otherwise pursuant to standards prescribed by the State the purpose of which is to conduct agricultural research;...." Therefore, it appears that an agricultural experiment station is entitled to receive Hatch funds when it is part of a land-grant college, or when established separately by state authority.<sup>16</sup> When a state has more than one eligible experiment station the division of the federal allocation is made by the legislature of that state, but the U.S. Secretary of Agriculture is required to devise procedures to ensure that the facility proposals of the eligible institutions in a state provide for a coordinated food and agricultural research program among eligible institutions in such state.

## 2. The Smith-Lever Act of 1914

Another form of federal aid for the states was the Cooperative Extension Service. This legislation is called the Smith-Lever Act, which was enacted 1914. The idea of Congress was to have in each county at least one agent of the United States Department of Agriculture and the state college. The agent would help people test new ideas on the farm or in the home.<sup>17</sup>

The Act, as amended, provides: "In order to aid in diffusing among the people of the United States useful and practical information on subjects relating to agriculture, uses of solar energy with respect to agriculture, home economics, and rural energy, and to encourage the application of the same, there may be continued or inaugurated in connection with the college or colleges in each State.... Provided, That in any State ...in which two or more colleges have been or hereafter may be established, the appropriations ...shall be administered by such college or colleges as the legislature of such State ....may direct...."

The extension work shall consist of the giving of instruction and practical demonstrations in agriculture, uses of solar energy with respect to agriculture, and home economics and subjects related thereto.

It seems that in contrast to the Hatch legislation there is a closer link between universities and the extension work, because the Act to assist does not apply to the extension work.



d. Rulings and Instructions

The conditions, on which a grant is made, are enacted in Section 5 of the First Morrill Act, slightly modified by the Second Morrill Act and the Nelson Amendment.

These are in substance:

1. Investment of money (derived from the sale of land) at a fair and reasonable rate of return (First Morrill Act).
2. Endowment, support, and maintenance of at least one college teaching agriculture and the mechanic arts (including military tactics), without excluding other objects.
3. The institutions receiving annual income are required to submit a statement.
4. The income may not be expended for the purchase, erection, preservation, or repair of any building or buildings, nor may this income be used for the purchase of land.<sup>18</sup>

e. Cases and Opinions

Several cases addressing the land-grant statutes should be discussed.

The states have the power to regulate and control the funds. This also implies the power of state legislature to elect the college or colleges, which benefit from the funds: "The Legislature has the power to prescribe what college or colleges shall be the recipient ..., having the power to withdraw the interest from any institution which has been the recipient of it, and found another institution at any time it may elect so to do...."<sup>19</sup> The funds are paid to the states, not to the institutions established by the states, and the states become trustees of the funds.<sup>20</sup> The state legislature also determines, what stocks are safe.<sup>21</sup>

The institutions on the other hand have no title or right to the money under the statutes, because the appropriations are the property of the state and not of any institution within it.<sup>22</sup> The board in control of a system of higher education in a state does not have the authority to change the designation of the land-grant college from one institution under its jurisdiction to another,<sup>23</sup> and it is for the state legislature to decide.

IV. The Hawaiian Situation

a. The History of the University of Hawaii

The College of Agriculture and Mechanic Arts of the Territory of Hawaii was established on the island of Oahu in 1907. In 1911, it became the College of Hawaii, and in 1920, the University of Hawaii. In 1964, the University was authorized by the state

legislature to operate a statewide community college system, and other campuses were consequently established.

In 1970, the University of Hawaii at Hilo system, subsidiary to the University of Hawaii, was established on the island of Hawaii. Under its jurisdiction was the four-year Hilo College, and three other institutions. In 1972, a reorganization of the University of Hawaii took place in which a statewide central administration was established to oversee the multi-island system. At that time, the main campus in Honolulu became known as the University of Hawaii at Manoa.

In 1947 the University of Hawaii, Hilo Center was established by the University of Hawaii as an extension division on the island of Hawaii. In 1951, it became known as the University of Hawaii, Hilo Branch, and in 1959, its name was changed to University of Hawaii, Hilo Campus.

In 1970, the University of Hawaii at Hilo system was organized. Its jurisdiction included the four-year Hilo College, the College of Agriculture, the Hawaii Community College, and the Continuing Education and Community Service Center.

b. Applicability of Land Grant System in Hawaii

1. Establishment of the College of Agriculture and Mechanic Arts of the Territory of Hawaii

In 1907 the First Morrill Act did not apply to Hawaii for two reasons.<sup>24</sup> In the first place it did not mention territories to receive funds. Secondly, the Territory of Hawaii had no members to Congress. The College of Hawaii therefore never received grants of public land.

The Second Morrill Act did apply to Hawaii in 1907: "That there shall be, and hereby is, annually appropriated, out of any money in the Treasury not otherwise appropriated, arising from the sale of public lands, to be paid as... provided, to each State and Territory..." (emphasis added).

The Nelson-Amendment of 1907 also applied to Hawaii (to each state and territory).

2. Federal and Hawaiian Statutory Law

In 1959 Hawaii became the 50th State of the United States of America. After statehood in 1959 the First Morrill Act then applied to Hawaii, too. The Hawaii Omnibus Act authorized an appropriation of \$6 million to the State of Hawaii subject to the provisions of the First Morrill Act.<sup>25</sup> This was the first instance in which a direct cash appropriation was made as a Morrill Act endowment rather than land or land scrip.<sup>26</sup> This was because a liberal application of First Morrill Act was not feasible. The federal government did not have public land

appropriate for the purposes of the Morrill Act (30,000 acres).<sup>27</sup>

In 1961 the United States Congress appropriated \$2,225,000 to the State of Hawaii to carry out the purpose of Section 14e of Hawaii Omnibus Act.<sup>28</sup>

The legislature of the State of Hawaii passed an act "Accepting the Land-Grant Colleges Aid and Designating the University of Hawaii the Beneficiary".<sup>29</sup>

In 1962 the United States Congress appropriated \$3,775,000, the balance of the amount authorized in the Hawaii Omnibus Act to complete permanent endowment fund in lieu of land grant under First Morrill Act.<sup>30</sup>

- c. University of Hawaii's Federal Aid Income in Recent Years (see Tables 14 and 15).

#### V. Effects of the Establishment of a Separate State University

- a. The Ability of Hawaii to Establish Several Land-Grant Colleges

In Section 4 of First Morrill Act it is provided: "...maintenance of at least one college..." (emphasis added).

Several courts<sup>31</sup> have stated that the states have the power to establish several land-grant colleges. Some states have established more than one land-grant college. These states were in 1979:

Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Massachusetts, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, and Virginia.<sup>32</sup>

The establishment of several land-grant institutions is not contrary to the Hatch Act and the Smith-Lever Act.

- b. The Effect on the Federal Aid in General

The federal aid is paid to the states. The legislature of each state determines which institution receives appropriations. The creation of a new state university seems to have an effect on the federal aid within the third option (see option three below).

- c. The Effect on the Existing University of Hawaii

- 1. Option 1: Dissolving of Agricultural and Mechanic Arts Faculties

The dissolving of the faculties of the University of Hawaii would imply the abolishment of the land-grant status of the University of Hawaii. The legislature of Hawaii however would then have to distribute the appropriations to a newly

Table 14

AMOUNT OF BANKHEAD-JONES AND MORRILL-NEELSON FUNDS REPORTED BY LAND-GRANT INSTITUTIONS  
FISCAL YEAR 1979

State	Institution	Bankhead-Jones	Morrill-Nelson	Total
	<b>Total*</b>	<b>11,500,312</b>	<b>2,699,779</b>	<b>14,200,091</b>
AL	Alabama A & M University	70,604	15,902	86,506
	Auburn University	136,229	34,098	170,327
AK	University of Alaska	154,986	50,000	204,986
AZ	University of Arizona	179,248	50,000	229,248
AR	University of Arkansas-Fayetteville	132,172	36,364	168,536
	University of Arkansas-Pine Bluff	49,565	13,636	63,201
CA	University of California	479,253	50,000	529,253
CO	Colorado State University	186,423	50,000	236,423
CT	University of Connecticut	200,036	50,000	250,036
DE	Delaware State University	31,809	10,000	41,809
	University of Delaware	127,235	40,000	167,235
DC	University of the District of Columbia	162,483	50,000	212,483
FL	University of Florida	184,149	25,000	209,149
	Florida A & M University	77,886	25,000	102,886
GA	Fort Valley State	59,120	13,095	72,215
	University of Georgia	166,614	36,905	203,519
GU	University of Guam	151,403	50,000	201,403
HI	University of Hawaii	162,705	50,000	212,705
ID	University of Idaho	161,766	50,000	211,766
IL	University of Illinois	333,395	50,000	383,395
IN	Purdue University	235,702	50,000	285,702
IA	Iowa State University	196,617	50,000	246,617
KS	Kansas State University	187,113	50,000	237,113
KY	Kentucky State University	29,453	7,250	36,703
	University of Kentucky	173,760	42,750	216,510
LA	Louisiana State University	147,292	35,050	182,342
	Southern University and A & M College	62,825	14,950	77,775
ME	University of Maine at Orono	166,397	50,000	216,397
MD	University of Maryland-College Park	188,958	44,000	232,958
	University of Maryland-Eastern Shore	25,767	6,000	31,767
MA	Massachusetts Institute of Technology	16,666	3,650	20,316
	University of Massachusetts Amherst	227,213	46,350	273,563
MI	Michigan State University	296,450	50,000	346,450
MN	University of Minnesota	212,789	50,000	262,789
MS	Alcorn State University	81,899	18,804	100,703
	Mississippi State University	104,683	31,196	135,879
MO	Lincoln University	14,199	3,125	17,324
	University of Missouri	212,984	46,875	259,859
MT	Montana State University	161,459	50,000	211,459
NE	University of Nebraska	174,484	50,000	224,484
NV	University of Nevada	158,065	50,000	208,065
NH	University of New Hampshire	162,173	50,000	212,173
NJ	Rutgers State University	268,284	50,000	318,284
NM	New Mexico State	166,765	50,000	216,765
NY	Cornell University	450,171	50,000	500,171
NC	North Carolina A & T State University	77,395	16,279	93,674
	North Carolina State University	156,687	33,500	190,187
ND	North Dakota State University	160,194	50,000	210,194
OH	Ohio State University	325,772	50,000	375,772
OK	Langston University	19,223	5,000	24,223
	Oklahoma State University	173,008	45,000	218,008
OR	Oregon State University	184,511	50,000	234,511
PA	Pennsylvania State University	344,614	50,000	394,614
PR	University of Puerto Rico	194,752	50,000	244,752
RI	University of Rhode Island	165,672	50,000	215,672
SC	Clemson University	96,374	25,000	121,374
	South Carolina State College	96,374	25,000	121,374
SD	South Dakota State University	160,994	50,000	210,994
TN	Tennessee State University	38,849	9,045	47,894
	University of Tennessee	175,905	40,955	216,860
TX	Prairie View Agricultural and Mechanical University	83,690	12,500	96,190
	Texas A & M University	251,070	37,500	288,570
UT	Utah State University	167,479	50,000	217,479
VT	University of Vermont	157,339	50,000	207,339
VA	Virginia Polytechnic Institution	151,137	33,333	184,470
	Virginia State University	75,568	16,667	92,235
VI	College of the Virgin Islands	151,031	50,000	201,031
WA	Washington State University	206,256	50,000	256,256
WV	West Virginia University	178,782	50,000	228,782
WI	University of Wisconsin-Madison	222,902	50,000	272,902
WY	University of Wyoming	155,485	50,000	205,485

Source: 1979 mail survey conducted by the National Association of State Universities and Land-Grant Colleges in cooperation with the U.S. Department of Agriculture.

\*The total amount reported by institutions was slightly greater than that appropriated for fiscal year 1979. In that year appropriations for Bankhead-Jones were \$11,500,000; Morrill-Nelson, \$2,700,000; for a combined total of \$14,200,000. This represents a reporting error of less than 1/100 of one per cent and does not significantly affect the study's findings.

Table 15

MORRILL ACT LAND GRANT COLLEGE AID\*

<u>Year</u>	<u>Income</u>
1966-1967	235,024
1967-1968	224,186
1968-1969	287,571
1969-1970	288,000
1970-1971	288,000
1971-1972	252,561
1972-1973	201,522
1973-1974	313,118
1974-1975	387,778
1975-1976	280,065
1976-1977	355,277
1977-1978	227,492
1978-1979	343,396
1979-1980	733,731
1980-1981	466,474
1981-1982	626,925
1982-1983	508,232
1983-1984	477,918
1984-1985	351,243

Source: University of Hawaii.

\*Interest

established University on Big Island. The University of Hawaii at Manoa would thereafter not fulfil the conditions of the Morrill-Nelson and Bankhead-Jones legislation. There would be no federal aid out of the mentioned funds available for this University. It seems that this would have no direct effect on the experiment stations (Hatch Act), because a state is entitled to establish experiment stations separately of land-grant colleges. It would, however, affect the extension work, because it is more closely linked to the university as a land-grant college. The extension work would have to be installed with the newly established land-grant college on Big Island. Again, federal aid to the State of Hawaii would not change, because the Smith-Lever funds are appropriations to the States.

Result: The federal aid to the State of Hawaii would not be affected. The University of Hawaii however would not be eligible to receive funds. The state legislature would have to distribute the federal funds to the newly established University.

2. Option 2: Maintenance of the Departments

The State of Hawaii is entitled to establish several land-grant institutions, which are eligible for the federal funds. Under all acts the state legislature, however, would have to distribute the appropriations to the two land-grant institutions. The experiment stations and the extension work could stay at the University of Hawaii or be transferred to the new University on Big Island. If both universities would have experiment stations the U.S. Secretary of Agriculture would devise procedures to ensure a coordinated program. Distribution of the appropriations between University of Hawaii, Manoa and a new University on Big Island would need to be made. There are no special conditions in the enabling legislation as to the manner the states have to distribute the appropriations to their different land-grant institutions. This distribution is to be made by the state legislature. It is, however, evident that there are some guidelines. The most important is that in absolute dollar amounts, institutions with larger enrollment on the average received more Bankhead-Jones and Morrill-Nelson funds than the smaller institutions.<sup>33</sup>

Result: Both universities are eligible to the appropriations. The funds of the universities could depend on the enrollment-number.

3. Option 3: Moving Parts of the Faculties

Within this option there are two major possibilities. The first would be the transfer of the agricultural faculty to the new State University. Although the mechanic art faculties would remain at the University of Hawaii, it seems that both

universities would not fulfil the conditions of land-grant colleges.

Section 4 of the First Morrill Act provides:

"...to the endowment, support, and maintenance of at least one college where the leading object shall be, without excluding other scientific and classical studies and including military tactics, to teach such branches of learning as are related to agriculture and the mechanic arts,...."

The wording "agriculture and the mechanic arts" indicates, that it is not meant in the alternative but should be considered together (emphasis added).

The Supreme Court found in Hamilton et al. v. Regents of the University of California et. al. that "[a] State, by accepting the benefits of the Act of July 2, 1862, for the endowment, maintenance and support of a 'land-grant' college, becomes bound, as one of the conditions of the grant, to offer the students at such college instruction in military tactics, but remains free to determine the branches of military training to be offered, the content of the instruction, and the objects to be attained."<sup>34</sup> The Court included military tactics to be compulsory, although the leading objects are agriculture and the mechanic arts. This interpretation of the Court is also underlined by the legislative history of the First Morrill Act. The leading object was to develop both fields of education, agriculture and the mechanic arts.

A second possibility would be a transfer of parts of both faculties towards a new State University. It seems that both Universities could be established as land grant colleges by the state legislature. The Supreme Court held in the cited case, that the states are bound to teach agriculture and the mechanic arts and even military tactics, but are free to determine the branches. The different branches of agriculture and the mechanic arts are put forward in the rulings and instructions.

It appears, however, that the appropriations must be used in the fields of agriculture and the mechanic arts.

## VI. Aspects of Sea Grant

House Resolution No. 119, Regular Session of 1985, does not explicitly mention the establishment of a sea-grant college on Big Island, which would perform marine research.

The basic principles, similarities, and differences of sea grant in comparison to land grant are, however, mentioned subsequently; therefore the formation of a sea-grant college cannot be discounted.

Athelstan Spilhaus first introduced the term of sea grant in 1960.<sup>35</sup>

In 1966 the National Sea Grant College and Program Act (P.L. 89-688) was enacted and provided federal aid for marine research institutions.

In 1976 the Sea-Grant Program Improvement Act rewrote the Sea-Grant Act in entirely new language. Since then minor amendments have been made.

The objective of the sea-grant program is to "...increase the understanding, assessment, development, utilization, and conservation of the Nation's ocean and coastal resources by providing assistance to promote a strong educational base, responsive research and training activities, and broad and prompt dissemination of knowledge and techniques."<sup>36</sup>

"The Secretary of Commerce may make grants and enter into contracts ...to assist any sea grant program" (emphasis added).<sup>37</sup>

Any person may apply to the Secretary for a grant (sea-grant college, sea-grant regional, consortium and any institution of higher education, laboratory, or institute).<sup>38</sup>

Whereas in the land-grant system the state legislature was responsible to establish land-grant colleges and to distribute the appropriations, the main responsibility within the sea-grant program<sup>39</sup> rests upon the Secretary of Commerce. The Secretary is responsible for appointing the director of the national sea-grant program and to designate under certain conditions any institution of higher education as a sea grant college.<sup>40</sup>

In contrast to the land-grant system any institution may apply for a sea-grant serving the objectives of the statute.<sup>41</sup>

It appears the establishment of a new State University would not affect the sea-grant system in Hawaii.

Would the establishment of a new State University on Big Island, however, affect the University of Hawaii?

In the first place the distributions are not made to the state but to the single institutions.

Applying the sea-grant law the Secretary of Commerce could designate the new University as a sea-grant college. Some states, for example, California, have two or more sea-grant institutions receiving sea-grant funds.

The general opportunity to designate more than one sea-grant institution in one state does not give a right to the state to claim more than one.



## LAND GRANT SYSTEM

The decision is up to the United States Secretary of Commerce who could refuse to designate the newly established University under the following reasons:

- a. Hawaii as a relatively small state has one distinguished sea-grant college and it would not be cost effective to promote the activities within another institution.<sup>42</sup>
- b. As part of the "continuing partnership with State and local governments" the Secretary would have to make equitable appropriations to all states with eligible institutions.<sup>43</sup>
- c. The Secretary could reject appropriations because the program or project within the new University would not be "responsive to the needs or problems of individual States or regions."<sup>44</sup>

Finally, as a practical matter an additional sea-grant college designated by the Secretary of Commerce would receive relatively small appropriations which also could lessen the appropriations to the University of Hawaii, Manoa campus.

Result: The establishment of a new University does not necessarily affect the sea-grant system in Hawaii. It is up to the United States Secretary of Commerce to designate the newly established University as a sea-grant college. However, in doing so, the Secretary could reduce the funds of University of Hawaii at Manoa.

## VII. Summary

This memorandum has analyzed the effects of the establishment of a separate State University in Hawaii on the land-grant and sea-grant college programs.

- a. The state legislature has the power to establish several land-grant institutions.
- b. Transferring the agricultural and mechanic arts (i.e., mechanical, civil, mining engineering) faculties from the University of Hawaii, Manoa Campus to a new university, would not change the federal appropriations to the State of Hawaii. The state legislature would have to distribute the money to the new University established as a land-grant college.

The University of Hawaii would not be eligible to receive funds.

- c. Moving only the faculty of agriculture to a new University would endanger federal funds, because within a land-grant institution agriculture and the mechanic arts have to be taught together. However, parts of the faculties could be transferred to the new University without endangering federal funds.
- d. Should the State of Hawaii establish experiment stations within several land-grant institutions, the U.S. Secretary of Agriculture

would devise procedures to ensure a coordinated program. Other effects are not apparent.

- e. The extension work has to be established within the land-grant institutions. The partial transfer of the agricultural faculties would therefore affect the extension work.
- f. The establishment of a new University does not necessarily alter the sea-grant system in Hawaii. It is up to the U.S. Secretary of Commerce to designate the new University as a sea-grant college. However, in doing so, the Secretary could reduce the funds of the University of Hawaii.

## FOOTNOTES

1. Allan Nevins, The Origins of the Land Grant Colleges and State Universities (Washington: 1962), p. 3.
2. Henry S. Brunner, Land-Grant Colleges and Universities 1862-1962 (Washington: Government Printing Office, 1962), p. 1.
3. Nevins, p. 21.
4. Ibid., p. 21.
5. Act of July 2, 1862, sec. 4, ch. 130, 12 Stat. 503.
6. Nevins, p. 8.
7. Brunner, p. 3.
8. Christian K. Arnold, "Land-Grant Colleges", The Encyclopedia of Education, vol. 5 (New York: Crowell-Collier Educational Corporation, 1977), p. 319.
9. Ibid.
10. Act of July 2, 1862, sec. 4, ch. 130, 12 Stat. 503.
11. Review of the Bankhead Jones Program, Final Report, United States Department of Agriculture (Washington: U.S. Government Printing Office, 1980), p. 52 (hereinafter Final Report).
12. Ibid.
13. See Final Report, p. 53; for the amended wording see: Compilation of Statutes Related to Agriculture and Forestry Research and Extension Activities, and Related Matters (Washington: U.S. Governmental Printing Office, 1983), p. 18.
14. Ibid.
15. Final Report, p. 56. The 1972 amendment added references to the Virgin Islands and Guam.
16. Administrative Manual for the Hatch Act, United States Department of Agriculture (Washington: U.S. Government Printing Office, 1970), p. 3; Administrative Manual for Research Facilities at State Agricultural Experiment Stations, Agriculture Handbook No. 369 (Washington: U.S. Government Printing Office, 1969), p. 3.
17. The Cooperative Extension Service in Hawaii, 1928-1981, George Alstad/Jan Everly Friedson, Hawaii Institute of Tropical Agriculture and Human Resources, University of Hawaii, p. 3.
18. For further information, see Final Report, p. 115.
19. State v. Bryan, 50 Fla. 293, 39 So. 929 (1905).

20. State v. Brian, 84 Neb. 30, 120 N.W. 916. (1909).
21. State v. Vickburgh & N.R. Co., 51 Miss. 361 (1875).
22. Wyoming Agricultural College v. Irvine, 206 U.S. 278, 284 (1907).
23. Opinion of General Counsel, Federal Security Agency, January 3, 1949, cited: see footnote 2, p. 64.
24. David James Kittelson, The History of the College of Hawaii (unpublished master's thesis, University of Hawaii, 1966), p. 21.
25. Hawaii Omnibus Bill, 74 Stat. 821 (1961).
26. Brunner, p. 15.
27. U.S. Congress, Senate, Committee on Interior and Insular Affairs, Report to accompany H.R. 11062, 86th Cong., 2d. Sess., 1960, p. 3.
28. Brunner, p. 15.
29. Ibid., L 1961, c 158, secs. 1 to 3; am L 1963, c 114, sec. 7.
30. Ibid.
31. State v. Irvine, 84 P. 90, 14 Wyo. 318 (1906); 206 U.S. 278 (1907); State v. Bryan, 50 Fla. 295, 39 So. 929 (1905).
32. See Final Report, p. 10 seq.
33. Ibid., p. 24.
34. 293 U.S. 245, 258 (1934).
35. The National Sea Grant Program, National Advisory Committee on Oceans and Atmosphere (Washington: U.S. Government Printing Office, 1976), p. 7.
36. 33 U.S.C.A, sec. 1121b.
37. 33 U.S.C.A. sec. 1124a.
38. 33 U.S.C.A. sec. 1124a.
39. 33 U.S.C.A. sec. 1123b1.
40. 33 U.S.C.A. sec. 1126a1A.
41. 33 U.S.C.A. sec. 1124c.
42. 33 U.S.C.A. sec. 1127a3.
43. 33 U.S.C.A. sec. 1127a2.
44. 33 U.S.C.A. sec. 1124a2.

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P A R T   III

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Chapter 7

by the

Department of Planning and Economic Development

## Chapter 7

### ECONOMIC ASSESSMENT AND IMPACT

#### The Magnitude of Current Economic Impact

##### University of Hawaii at Hilo

The fundamental responsibility of the University of Hawaii system has been stated as "teaching, research, and learning".<sup>1</sup> Therefore, the role of the University as a catalyst for economic development has been largely considered only as one of the secondary missions, although the importance of the University of Hawaii in fostering economic development has been recognized in the State Higher Education Functional Plan and its progress report on the implementation of the plan.<sup>2</sup>

Although the primary function of the university may not be economic development, the economic impact of the University of Hawaii at Hilo, however, is considerable to the Big Island's economy. The operating budget of the University of Hawaii at Hilo for 1984-85 is close to \$14 million, which consists of \$10.8 million payroll, \$2.3 million for materials and supplies, and \$0.7 million for equipment funds (excluding federal and special funds). The University of Hawaii at Hilo provides 385 jobs: 201 full-time faculty; 53 lecturers; 11 executive/managerial; 29 administrative, professional, and technical positions; and 91 civil service jobs. It has also been pointed out that the size of the population at the University of Hawaii at Hilo, including the student, faculty, and staff of 4,000 persons, would rank as the third largest community on the Big Island behind Hilo and Kailua. It would be larger than the entire districts of North Hilo, North Kohala, and Ka'u.

In addition to direct expenditures, the University affects the economy through purchases made by students and by attracting visitors to the community to attend athletic and cultural events.

##### Other Major Research Facilities

The Big Island also hosts a significant astronomical research community. The summit of Mauna Kea has become the home of six telescopes ranging in size from the two University of Hawaii 24-inch optical telescopes to the 150-inch United Kingdom infrared telescope.

In addition to the economic boost to the construction industry on the Big Island, the Mauna Kea Observatory contributes to the economy through operating expenditures and employment. The estimated operating expenditures for 1984 were \$8 million. Direct employment at the facility was 95, with an estimated 114 other jobs in the community supported by these expenditures. Additional telescopes and support facilities planned for completion by 1990 would mean additional dollars to be spent in Hawaii on construction and operating expenses. As the number of facilities grows, the demand for technical services will increase. The potential exists for new businesses to provide maintenance and repair for the astronomy facilities.

Another major research facility on the Island is the Natural Energy Laboratory of Hawaii, located on 328 acres of shorefront state land adjacent to Keahole Airport. It is the only research facility in the world offering both warm and deep cold ocean water for Ocean Thermal Energy Conversion research. The Natural Energy Laboratory of Hawaii has a core staff of about 11 and operating expenses of approximately \$500,000. Research is conducted at the Natural Energy Laboratory of Hawaii on Ocean Thermal Energy Conversion biofouling and corrosion, Ocean Thermal Energy Conversion aquaculture, and Ocean Thermal Energy Conversion enhanced solar salt ponds.

Other research and education programs on the Big Island include the Cloud Physics Laboratory at the University of Hawaii at Hilo, the Mauna Loa Observatory operated by the National Oceanic and Atmospheric Administration to monitor constituents in the atmosphere that could cause climatic change, the Hawaiian Volcano Observatory operated by the U.S. Geological Survey to conduct both long-range scientific studies and practical research related to predicting eruptions and the course of lava flows, and programs conducted by the College of Tropical Agriculture and Human Resources.

#### **The Future Growth of the University of Hawaii at Hilo and Its Expected Impacts**

According to the Academic Development Plan of the University of Hawaii at Hilo,<sup>3</sup> the University of Hawaii at Hilo is expected to show a modest growth during the 1985-1990 period. The combined student enrollment is expected to increase approximately 20 per cent from 3,237 students in 1984 to around 3,800 in 1990. The largest enrollment increase is expected to occur in Hawaii Community College, from 1,715 students in 1984-85 to 2,125 students in 1990-91.<sup>4</sup>

The largest percentage growth is, however, expected at the College of Agriculture, from 129 students to 212 students, or about an 80 per cent increase during the same time period. The total number of students at the College of Arts and Sciences is expected to increase from 1,115 students to 1,297 students, or slightly over 10 per cent during the same time period. Reflecting the increase in the student enrollment, the total personnel costs of the University of Hawaii at Hilo is expected to increase from around \$11 million in 1984-85 to \$14.7 million in 1990-91<sup>5</sup> The total position counts of faculty and staff (excluding lecturers) is expected to increase from 331.88 to 366.95 during the same time period.

Thus, the University of Hawaii at Hilo will generally remain as "a small residential" college as envisioned in the University of Hawaii strategic plan.<sup>6</sup>

The continued development and strengthening of some of the unique programs, however, will be attempted in such areas as Geosciences, Astronomy, Agriculture, and other selected areas.

Specifically, the following programs are planned in order to achieve such a goal:<sup>7</sup>

- (1) Start the B.A. degree in Geology.
- (2) Enhance basic course offerings in Astronomy.
- (3) Aquaculture specialization in B.S. in Agriculture.
- (4) Agribusiness specialization in B.S. in Agriculture.
- (5) Food Processing Technology specialization in B.S. in Agriculture.

The University of Hawaii at Hilo is expected to serve a student clientele consisting predominantly of persons from the Island of Hawaii.<sup>8</sup> Recognizing the unique position to serve the people of the Pacific and East Asian countries, the University of Hawaii at Hilo, however, will attempt to develop programs to involve in interactions with people in those countries. For example, the College of Agriculture has developed a specialized program (Agriculture Development Program) for students from Hawaii, the Pacific, and other countries who possess both interest and the potential for successfully completing a degree in agriculture, but who do not qualify for admission to the college on a regular basis.

Such students are offered special and highly personalized advisory assistance and participation in student service programs. This is analogous to the University of Hawaii at Manoa's programs in medicine and law for similar types of students.<sup>9</sup>

Strengthening existing programs and the development of new programs has been severely limited since 1981 due to the operating budget reduction of \$900,000 during the 1981-84 period. The budget reduction resulted in curtailment of equipment and supply purchases, travel, and services.<sup>10</sup>

The recent accreditation report by Western Association of Senior Colleges and Universities (April 1984) points out the deficiencies in instructional, academic, and staff support levels.<sup>11</sup> In addition, the repair and maintenance of existing buildings and construction of new facilities, such as expanded student housing, is urgently needed to realize the continued growth of the University of Hawaii at Hilo.

In summary, both the strategic plan of the University of Hawaii and the Academic Development Plan of the University of Hawaii at Hilo envision a modest and orderly growth of undergraduate education at the University of Hawaii at Hilo, and thus, the University of Hawaii at Hilo will remain as a small undergraduate institution of around 3,800 students in 1990.

#### **Establishment of a Separate Public University at Hilo**

The size and quality of the University of Hawaii at Hilo envisioned by the University of Hawaii strategic plan and the University of Hawaii at Hilo Academic Development Plan, however, are considered to be inadequate by community leaders of the Big Island. They point out that there has been a



steady decline of student enrollment at the University of Hawaii at Hilo in recent years, more than other campuses in the University of Hawaii system.

The 3,800 student enrollment planned by 1990 at the University of Hawaii at Hilo implies that, although the current trend of enrollment decline is expected to be reversed, the size of student count at the University of Hawaii at Hilo in 1990 will be almost same as that in 1982. A more ambitious plan calling for a student enrollment of at least 5,000 by 1990 and perhaps as high as 20,000 thereafter has been proposed by community leaders. The establishment and expansion of selected programs in the area of astronomy, ocean engineering, geothermal energy research, tropical agriculture, and volcanology have also been called for by community leaders.

In view of the fact that there are no announced plans at this time to pursue such an ambitious expansion at the University of Hawaii at Hilo, the State House of Representatives requested the feasibility study of establishing a separate public university at Hilo.<sup>12</sup>

The projected costs and economic impacts of establishing such a proposed separate University of Hilo will therefore be discussed below.

#### A. Projected Costs

The projected costs of the establishment and operation of a separate university in Hilo depends on the size of the school, the academic program mix, and the location of the proposed university. In view of the fact that there will be an infinite number of permutations associated with the three variables and resulting cost estimates, only a few arbitrary alternative levels of the school size and location of the proposed university will be considered for illustration. These cost estimates are speculative at best since the cost of academic programs depends not only on the size of student enrollment but also on the quality of the programs, which includes such factors as class size, instructor's salary, workload distribution, instructional materials, facilities, and other factors.

For illustrative purposes, two alternative arrangements of the proposed separate university in Hilo will be considered, which are:

- A separate Hawaii State University at Hilo on the current UHH campus.
  - A separate Hawaii State University located elsewhere on the Big Island.
- (1) A separate Hawaii State University in Hilo on the current University of Hawaii at Hilo campus.

The first option could be to seek an accelerated growth of the current University of Hawaii at Hilo campus under an alternative management plan. This means, first, doubling or tripling the student enrollment at the University of Hawaii at Hilo to 6,500 or 10,000 students and also the addition and expansion of academic and research programs which will capitalize on the natural resources of the Big Island in such areas as astronomy, alternative energy

research and development, ocean engineering, tropical agriculture, and volcanology. The increase of student enrollment alone without changing academic program mix and quality will obviously increase the cost of operation and maintenance of the University. In the absence of any pronounced economies of scale, it is assumed that the operational cost will be proportional to the size of student enrollment. The operating cost requirement will then be around \$30 million at minimum for the student enrollment of 6,500 students. The proposed student enrollment at the University of Hawaii at Hilo would be slightly less than one-half of the current undergraduate enrollment at the University of Hawaii at Manoa campus of 14,587 in 1984.

The instructional unit cost varies significantly depending on the academic program mix. For example, the instructional unit cost per semester credit hour is around \$140 for the College of Arts and Sciences, \$264 for the College of Agriculture, and \$102 for Hawaii Community College courses.<sup>13</sup> It also varies by each discipline and whether they are lower or upper division courses. Generally, the instructional unit cost for upper division courses is twice as much as the lower division courses, especially for natural science courses.

The cost for facilities for an expanded student enrollment may be less than proportional to the size of student enrollment due to economies of scale for such facilities as library and administrative staff buildings. The cost of capital improvements for doubling of the student enrollment may be, therefore, less than \$26 million, which are the costs of the buildings and other current facilities at the University of Hawaii at Hilo. Given the small population base at the Big Island and the slow growth of college enrollment due to demographic changes,<sup>14</sup> the doubling of student enrollment at the University of Hawaii at Hilo by 1990 would require a massive campaign to recruit new students and faculties from other areas.

In addition to the additional recruitment funds to engage in a massive recruitment drive, additional housing and support facilities will be required to accommodate such a rapid increase in student enrollment.

Establishment and expansion of selected programs such as astronomy, alternate energy development, ocean engineering, agriculture, and volcanology will also considerably add to the estimated cost discussed before. There is a serious question, in the first place, however, whether it is realistic to assume that those programs referred above can be established at the University of Hawaii at Hilo without a critical core of faculties and facilities. As it was pointed out before, instructional unit cost is much higher for upper division than lower division courses.

The graduate division level courses are extremely expensive, especially for natural science courses. For example, the instructional cost for semester credit hour was \$456.46 for the graduate division, whereas it was only \$144.98 for the

undergraduate (lower) division during 1984 at the University of Hawaii at Manoa. The instructional unit costs for selected programs at the University of Hawaii at Manoa are shown below:<sup>15</sup>

	<u>Lower Division</u>	<u>Upper Division</u>	<u>Graduate Division</u>
Oceanography.....	\$ 97.31	\$182.88	\$928.67
Physics & Astronomy...	110.99	475.25	643.37
Chemistry .....	162.63	371.94	568.18
Geology & Geophysics..	181.86	266.70	452.22

In view of the fact that the establishment of new graduate level instructional programs is very expensive, it may be unrealistic to assume that the University of Hawaii at Hilo can develop graduate level instructional programs in the near future, even if a decision is made to start such programs now.

(2) A separate Hawaii State University system not located in Hilo.

House Resolution No. 119, also requests a study of the possibility of establishing a higher education system on the Big Island located somewhere other than Hilo. Currently, there is no active proposal to establish another Hawaii State University system at other areas on the Big Island.

According to the University of Hawaii at Hilo Academic Development Plan: 1984-1990, the University of Hawaii at Hilo will continue to serve a student clientele consisting "predominantly of persons from the Island of Hawaii", and, it is expected, a segment of the student body whose abilities, as measured by standard national tests, is less than adequately prepared for college level work than desired.<sup>16</sup>

Only a limited out-reach program at Kona is, therefore, carried out at this time by the University of Hawaii at Hilo.

There appears to be, however, a growing need to provide the highest level of quality undergraduate education in Hawaii. Traditionally, land grant universities cannot and also, perhaps, should not become elitist institutions which admit only a limited number of academically gifted students as some private colleges do. However, some states such as the State of California maintain different levels of higher education systems based on the academic quality and achievement of students. For example, the admission requirements for the University of California campuses are much more stringent than the California State University system although both systems provide four-year undergraduate education as well as graduate programs.

It is possible, therefore, to consider establishing an alternate Hawaii State University system somewhere in the Big Island not associated with the University of Hawaii at Hilo.

In fact, such a proposal to establish a small four-year undergraduate college at Waimea was made in 1971. According to the proposal, it was envisioned to construct a new campus at Waimea with an initial student enrollment of 3,500. It was estimated to cost \$21 million in 1971 dollars and would take three years to construct.<sup>17</sup> The annual operating costs of the proposed campus was estimated to be \$8.83 million in 1971 dollars. The construction of a new campus would thus require a large initial cost in constructing campus buildings and necessary infrastructures. Because of its large initial expenditures, it also provides a large economic impact to the Big Island and State as a whole.

The total statewide dollar impact of construction was estimated to be \$39.7 million, which includes the initial construction cost of \$21 million plus \$18.7 million in multiplier impacts to the State's economy. In terms of new employment generated, the operation of the new campus would generate 1,400 new jobs, including 450 faculty and staff positions plus 950 new jobs associated with the proposed campus and supporting industries in the economy.

No attempt has been made to update the costs of constructing a similar campus in 1985. In view of the rapid inflation rate experienced after 1971, especially in construction costs, it might, however, cost more than \$60 million to construct such a new campus in 1985 dollars. The operating cost also will be much higher.

Recognizing the fiscal reality of the University and the State of Hawaii, such a large expenditure required to construct a new campus may preclude constructing a new campus at this time.

When the population of the State and the Big Island grow in the future and the expansion of the Hawaii State University system is considered, the establishment of a new Hawaii State University system, however, could be considered as an alternative means of meeting the required higher education delivery system.

## B. Economic Impacts

The magnitude of the economic impact will largely depend on the size of student enrollment and the amount of university-related expenditures. The organizational structure of the University of Hawaii at Hilo, especially, the administrative control of the University of Hawaii at Hilo, either by the centralized University of Hawaii system or by a separate governing body, may not change the economic impact unless the separate administrative control of the University of Hawaii at Hilo results in expanded university activities.

The key issue, therefore, is the size and composition of the University of Hawaii at Hilo rather than structure of governance.

If a realistic plan for the growth of the University of Hawaii at Hilo is formulated and commitments are made to accomplish it, the growth of the University of Hawaii at Hilo will occur and it will have positive economic impacts on the Big Island. If there are no definite academic and financial plans or commitments to follow up the plan, the mere changes in governing

structure alone may not necessarily result in the growth of the University of Hawaii at Hilo. The establishment of a separate campus at some area, other than the current the University of Hawaii at Hilo site, however, will need a large amount of construction costs, and hence, will produce large economic impacts given the size of student enrollment. It may be, however, unrealistic to expect that a large amount of funding can be obtained for building a new campus at this time given the State's financial condition.

As it was pointed out earlier, the start-up cost of new graduate instructional programs will also be very expensive without the available core of faculties and facilities. Some limited form of research activities, however, may be carried out with existing faculty and research facilities already available on the Big Island.

In other words, the University of Hawaii at Hilo could expand the research programs with current faculty and staff in cooperation of other on-going activities on the Big Island with a modest amount of additional funding. There are a number of research and development programs which are either underway or being planned by federal, state, and foreign countries, which are intended to capitalize on the unique natural resources available on the Big Island.

For example, the Natural Energy Laboratory of Hawaii carries out a number of research activities and attracts distinguished visiting scholars and scientists from many countries.

The development of the Hawaii Ocean Science and Technology Park is also currently underway. When fully established, the following activities are envisioned in the Hawaii Ocean Science and Technology Park:

- Commercial mariculture (growing of seafoods), marine biotechnology, and renewable energy projects.
- Industrial uses, including scientific laboratories and educational facilities.

The Legislature has appropriated \$7.9 million for the development of the Hawaii Ocean Science and Technology Park. When fully developed, the Hawaii Ocean Science and Technology Park is expected to create between 1,200 and 3,190 jobs.

A significant expansion of astronomical research and telescope facilities is also planned or is currently underway on top of Mauna Kea.

The United Kingdom/Netherlands 15-m millimeter telescope and Cal Tech 10-m submillimeter telescope are already being constructed and are expected to be completed in 1986. There are a number of other telescope constructions under consideration, such as the Very Long Baseline Array (1989), 10-m Optical/IR (1990), Japanese 7.5-m Optical/IR (1990), and National New Technology Telescope (15-m Optical/IR, 1995).

The construction of these new telescopes not only will provide economic benefits to the Big Island in such areas as construction activities (\$263.9 million by 2000) and new jobs (114 current jobs plus 214 new jobs by 2000),

but also it provides an opportunity for the University of Hawaii at Hilo faculty and students to learn the cutting edges of technology and ideas through an active participation and exposure to these research and development activities. Already some of the University of Hawaii at Hilo faculty members are involved in alternate energy research activities in the Puna Research Center and other program areas. Further active involvement by the University of Hawaii at Hilo faculty and students in other areas of research activities will significantly improve the quality of research and academic programs at the University of Hawaii at Hilo as well as foster economic development of the Big Island.

New policies, therefore, should be formulated and additional funding should be provided to the University of Hawaii at Hilo to encourage such a participation.

Additionally, visiting scholars and scientists at the Big Island research facilities should be invited to the University of Hawaii at Hilo for lectures and workshops or to conduct collaborative research activities with the University of Hawaii at Hilo faculty members.

The increased participation of the University of Hawaii at Hilo as discussed above could be coordinated and facilitated by establishing an interdisciplinary research institute under the University of Hawaii at Hilo chancellor with a permanent director, staff, and an adequate funding.<sup>18</sup>

The proposed University of Hawaii at Hilo interdisciplinary research institute could be located at the proposed University of Hawaii at Hilo research and development park.

As proposed during the recent conference entitled, "University and Community Involvement in the Economic Future of Hawaii Island," October 8-9, 1985, Hilo, Hawaii, a research and technology park can be developed at the University of Hawaii at Hilo on the University of Hawaii at Hilo lands (approximately 200 acres) located immediately mauka of the University of Hawaii at Hilo campus and mauka of Komohana Street (approximately 400 acres).

The Puna Geothermal Project and the base facilities of the Cal Tech Telescope project can be located at the proposed Research and Technology (R & T) Park. The proposed University of Hawaii at Hilo interdisciplinary research institute thus can become a bridge between the University of Hawaii at Hilo and the research facilities located at the proposed park and other research institutes and R & T Parks, such as the Natural Energy Laboratory of Hawaii and the Hawaii Ocean Science and Technology Park.

The proposed interdisciplinary research institute could thus become a catalyst for the growth of academic and research programs at the University of Hawaii at Hilo and will contribute to the economic development of the Big Island.

### Summary

From a purely economic impact standpoint, the key variable is the size of the University. Since the funds necessary to construct a new campus or to

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increase the size of the University of Hawaii at Hilo beyond the currently adopted academic development plans may not be available at this time, actions should be taken to utilize the opportunities and resources already available on the Big Island. This requires that strategies be formulated to interrelate the University of Hawaii at Hilo with on-going activities on the Big Island, which utilize the unique natural resources of the Island--astronomy, geothermal, ocean thermal energy conversion, research, and developments. This *integration of the University of Hawaii at Hilo and on-going activities* by other agencies on the Big Island would benefit both the University of Hawaii at Hilo and the Big Island's economy.

## FOOTNOTES

1. Albert Simone, "University Research and Academic Program Capabilities," in Proceedings of a Symposium/Workshop Exploring the Business/Academic Partnership, May 2-3, 1985, Maui, p. 54.
2. State Higher Education Plan, October 1982 and Progress Report on Implementation of the State Higher Education Functional Plan prepared by the University of Hawaii, December 1984.
3. Academic Development Plan: 1984-1990, University of Hawaii at Hilo, (unofficial copy), October 1985.
4. Ibid. Table IV, Student Enrollment and Resources: 1984-1991.
5. Ibid. This refers to only the state general fund budget and does not include federal funds and other special sources of funds.
6. A Strategy for Academic Quality: 1985-95, University of Hawaii, July 1984, p. 5.
7. Academic Development Plan: 1984-1990, p. iii.
8. Ibid., p. 8.
9. Ibid., p. 14.
10. Ibid., p. 55.
11. Ibid. pp. 54-55.
12. House Resolution No. 119, H.D. 1, Thirteenth Legislature of the State of Hawaii, Regular Session of 1985.
13. University of Hawaii Instructional Unit Cost Study, University of Hawaii at Hilo, for the fiscal year ended June 30, 1984, Contracts and Grants Management Office, Cost Study Section, January 1985.
14. "1984-85 Enrollment at State and Land-Grant Universities," Office of Communications Services, National Association of State Universities and Land-Grant Colleges, Washington, D.C., March 1985.
15. University of Hawaii Instructional Unit Cost Study, Manoa Campus, fiscal year ended June 30, 1984, Contracts and Grants Management Office, Cost Study Section, February 1985.
16. Academic Development Plan: 1984-1990, p. 8.
17. "The Economic Impacts of the Proposed Second Campus," Policy Review Memorandum No. 2, prepared for Governor John A. Burns by the Research and Economic Analysis Division, Department of Planning and Economic Development, 1971.
18. The idea of establishing a similar institute was also proposed by community leaders in Maui. See, Proceedings of a Symposium/Workshop Exploring the Business/Academic Partners, May 2-3, 1985, p. 168.



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P A R T   I V

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## Chapter 8

### CONCLUSIONS

House Resolution No. 119, H.D. 1, requested that the Legislative Reference Bureau and the Department of Planning and Economic Development study the feasibility of establishing the University of Hawaii at Hilo as an independent institution, apart from the University of Hawaii. The primary objective of the proposed separation was to further the economic development of the region. The Resolution also was responding to the perceived frustrations of the University of Hawaii at Hilo as part of the University of Hawaii. The Department of Planning and Economic Development's economic assessment and impact analysis of this proposed university restructuring, which addresses the former issue, is contained in Part III of this report. The portion of this report prepared by the Legislative Reference Bureau primarily examines the issue of the perceived frustrations of the University of Hawaii at Hilo as a result of its association with the University of Hawaii.

### FINDINGS

The Bureau found that it would be constitutional for the State of Hawaii to establish a second state university (see Chapter 5). Moreover, the State of Hawaii is entitled to establish several land-grant institutions and it is the responsibility of the state legislature to distribute the federal moneys (See Chapter 6).

The Bureau further determined that the perceived frustrations of the University of Hawaii at Hilo included the problem of the integration of its College of Agriculture, College of Arts and Sciences, and Hawaii Community College; the want of a clearly understood mission, goal, and reason for existence; the absence of a strong identity; poor faculty morale; faculty perception of isolation from the mainstream; unsatisfactory faculty salaries; low student enrollment; inadequate student housing; cumbersome bureaucracy; exclusion from participation in the federal land-grant; and no permanent chancellor.

On the other hand, it was discovered that the University of Hawaii at Hilo benefitted from being part of the University of Hawaii system in such areas as its budget; physical plant; the potential for effective inter-campus articulation; and access to University of Hawaii research and travel moneys; computer, research, and library facilities; speakers and films; and reputation.

Traditionally, early American colleges had their own board of lay persons who governed the college, selected its president, and operated relatively independently from government and other institutions. However, as higher education in the United States developed, and particularly as it experienced the growth of the 1960's, governance forms developed to control the expansion of institutions. As enrollments declined or leveled off and budgets tightened in the mid-1970s, concerns centered around reducing the growth of higher education. More centralized administration was viewed as a way to further the more effective and efficient management and accountability of resources.

In the last fifty years, the trend of higher education reorganization has been toward a more centralized arrangement. In fact, by 1982 all but three states had an agency that coordinated their public higher education institutions. These structures ranged from having statewide responsibility for the governance of all public higher education institutions in the state, to leaving much authority with the individual institutional lay governing boards.

The State of Hawaii has evolved a centralized pattern of higher education governance. Advantages of more centralized higher education policies include the following: provides for central leadership, policy direction, coordination, and allocation of funds; defines a central plan and the unique missions and roles of institutions; prevents diffuse, fragmented, and confusing administrative structures where funds are dissipated on duplicated and proliferated courses, and where each institution competes for state appropriations regardless of the needs of the State; may offer the prestige and visibility of affiliation with an institution with a valued name; benefits less well-developed units because of their access to services from larger, better endowed units; facilitates academic articulation; and enables better coordination and communication between institutions and government.

Arguments favoring a more decentralized higher education administrative structure include the importance of institutional autonomy; the value of having a local governing board in immediate contact with its particular campus; leadership that is more likely to press for local concerns than to answer to a central administration; a more streamlined bureaucracy; more management and fiscal flexibility; and higher morale, because the destiny of the institution is in the hands of the university community.

There appears to be no ideal structure or preferred model for higher education administration. In the future, however, there may be more attempts to combine both centralized and decentralized modes of governance, for the effective coordination and regulation of public higher education, as well as for institutional autonomy.

## RECOMMENDATIONS

1. Regardless of the issue of independence for the University of Hawaii at Hilo from the University of Hawaii, the University of Hawaii at Hilo needs a leader, in the true sense of the word. A permanent resident chief executive of the University of Hawaii at Hilo, fully committed to the University of Hawaii at Hilo's current frustrations, including dealing with the problem of the integration of the sectors of the institution; formulating an agreed upon and understood mission and goal; mounting an aggressive campaign to recruit students; and facilitating the construction of adequate student housing.

Currently, a search is underway for a permanent resident University of Hawaii at Hilo chancellor, who would continue to be shared with the small West Oahu College. If the University of Hawaii at Hilo is to continue to share a chancellor with West Oahu College, that chancellor should be required to live in Hilo, and, as the University of Hawaii at Hilo is the larger school, devote the majority of the chancellor's time to that school as opposed to West Oahu College.

## CONCLUSIONS

2. If the Legislature were to separate the University of Hawaii at Hilo from the University of Hawaii, there are two basic alternative structures for an independent University of Hawaii at Hilo:

- (A) The Legislature may recommend that the Board of Regents create a separate University of Hawaii at Hilo position of President, to report to the existing University of Hawaii Board of Regents; or
- (B) The Legislature may establish by statute a separate University of Hawaii at Hilo Board of Regents, that would appoint a University of Hawaii at Hilo President.

The latter option would afford the University of Hawaii at Hilo the greatest amount of autonomy, at the cost of statewide coordination of public higher education. Under this alternative, it might be necessary to institute a state agency which oversees both Board of Regents.

Either route of independence from the University of Hawaii at Hilo would enable the University of Hawaii at Hilo to have a leadership that is solely focussed on the University of Hawaii at Hilo, and an advocate devoted totally to its concerns. It would then be able to define its own mission and goals, determine its own policies, and allocate its own funds. Bureaucratic "red tape" would be reduced.

Separation for the University of Hawaii at Hilo, however, would also mean surrendering the advantages of affiliation with the University of Hawaii, such as the University of Hawaii at Hilo's relatively well-subsidized budget; potentially effective inter-campus articulation; and access to the University of Hawaii computer, research, and library facilities; films and speakers; travel and research moneys; and nationally-known reputation.

It is important to emphasize that by severing its association with the University of Hawaii, the University of Hawaii at Hilo would not necessarily be guaranteed the amount of funding which it currently receives from the State as a unit of the University of Hawaii. Since 1974, the University of Hawaii at Hilo as part of the University of Hawaii has not been neglected in its share of the capital improvements project budget. For the last five years, the University of Hawaii at Hilo has obtained about 6 or 7 per cent of the University of Hawaii general funds budget, a percentage which is about equivalent to or slightly less than its percentage of the University of Hawaii student population for the respective years.

As an independent institution, the University of Hawaii at Hilo would no longer be unified with the University of Hawaii "lobbying muscle," but alone would compete with the University of Hawaii and other organizations for state moneys. Not only are there over six times less legislators representing Hawaii county than Oahu (nine and fifty-eight respectively), who presumably would be more specifically concerned with and supportive of the University of Hawaii at Hilo, but in the last decade state fiscal resources, particularly those for higher education, have been constrained.

In the 1970-1971 fiscal year, the State allocated nearly 15.6 per cent of its general fund receipts to the University of Hawaii. This was reduced to

## ESTABLISHMENT OF AN INDEPENDENT UNIVERSITY OF HAWAII AT HILO

11.5 per cent in the 1984-85 fiscal year, amounting to a 60 million dollar loss for higher education. In the 1974-1975 fiscal year, the University of Hawaii requested \$57,025 million for capital improvements, and received \$63,081 million or 111 per cent of the total University of Hawaii request. In the 1985-1986 fiscal year, the University of Hawaii requested \$54,157 million for capital improvements, and received 40 per cent of its total request, \$21,653 million. Mounting inflation further reduced the value of the funding for higher education.

Moreover, since the mid-1970s, student enrollments have leveled off or declined. The shrinking college-age population has caused universities throughout the United States to conduct aggressive campaigns to recruit older adults to the campus.

It has been suggested that an independent University of Hawaii at Hilo would not cost the State much more than what it is currently paying, because the new University would be subsidized largely by out-of-state foreign students who would be charged tuition fees amounting to as much as \$10,000, and by technology contracts with third world countries. Funding to initiate an intensive global student recruitment campaign, to beef up programs and facilities to attract these students, to begin setting up and marketing for a technology business, and for its newly established administration and staff, however, would be drawn from the state budget, which is presently limited. Moreover, it has been impossible to substantiate the proposal that an independent University of Hawaii at Hilo could survive as it does as present, under these projected plans to generate financial resources.

3. Conversely, if the Legislature does not establish the University of Hawaii at Hilo as an independent institution, the University of Hawaii at Hilo would retain the benefits accruing to it as a part of the University of Hawaii, but would not gain the complete management flexibility it would have if it were separate. A more decentralized University of Hawaii internal administrative structure presumably would enable the University of Hawaii at Hilo, as part of the University of Hawaii, to have more of a role in devising policies for the unique context of the University of Hawaii at Hilo and allocating moneys appropriated to it, such as with regard to faculty work load and salaries. According to University of Hawaii President Simone, under the new university reorganization plan, more authority will be delegated to the chancellors.<sup>1</sup>

## FOOTNOTES

### Chapter 1

1. House Resolution No. 119, H.D. 1, Thirteenth Legislature, 1985, State of Hawaii.
2. House Standing Committee Report No. 1036 on House Resolution No. 119, Thirteenth Legislature, 1985, State of Hawaii.

### Chapter 2

1. David M. Ricci, The Tragedy of Political Science: - Politics, Scholarship, and Democracy (New Haven: Yale University Press, 1984), pp. 29-56.
2. John D. Millet, Conflict in Higher Education: State Government Coordination Versus Institutional Independence (San Francisco: Jossey-Bass Publishers, 1984), pp. 2-3.
3. Henry S. Brunner, Land-Grant Colleges and Universities: 1862-1962 (Washington: United States Government Printing Office, 1962).
4. Ricci, The Tragedy of Political Science, pp. 29-56.
5. "Colleges Find Enrollments Hold Steady," The Chronicle of Higher Education, Vol. 31, October 30, 1985, p. 1.
6. David Shribman, "University in Virginia Creates a Niche, Aims to Reach Top Ranks," The Wall Street Journal, Vol. 113, September 30, 1985, p. 1.
7. "Battle for Student Bodies," Hawaii Business, September 1985, p. 82.
8. Millet, Conflict in Higher Education, p. 6.
9. Ibid., pp. 7-8.
10. Ibid., pp. 10-11.
11. Ibid., p. 13.
12. Dartmouth was founded in 1769 under a royal charter that granted its trustees the right to govern the college and hold its property in trust for the original benefactors. Later, the New Hampshire legislature reorganized Dartmouth into a state university. However, in 1819, after four years of dispute and litigation the United States Supreme Court held that the college charter could not be altered by the State, affirming the independence of Dartmouth from the State, and recognizing its board of governors as the corporate body exercising ultimate control. The Carnegie Foundation for the Advancement of Teaching, The Control of the Campus: A Report on the Governance of Higher Education (Washington: The Carnegie Foundation for the Advancement of Teaching, 1982), pp. 9-10.

13. Eugene C. Lee and Frank M. Bowen, The Multicampus University: A Study of Academic Governance (New York: McGraw Hill Book Company, 1971).
14. Carnegie Foundation, Control of the Campus, pp. 40-41.
15. For example, R. O. Berdahl, Statewide Coordination of Higher Education (Washington: American Council on Education, 1971); Education Commission of the States, Challenge, Coordination, and Governance in the 1980's (Denver: Education Commission of the States, 1980); Lyman A. Glenny, State Coordination of Higher Education: The Modern Concept (Denver: State Higher Education Executive Officers, 1985); and R. M. Millard, State Boards of Higher Education, AAHE-ERIC/Higher Education Research Report, No. 4. (Washington: American Association for Higher Education, 1976).
16. Millet, Conflict in Higher Education, pp. 99-127.
17. Aims C. McGuinness, "State Coordination and Governance of Higher Education: Implications for Governors", State Government, Vol. 58, 1985, p. 78.

### Chapter 3

1. Information about the restructuring of higher education in Colorado is from a telephone conversation with Dr. Ray Kieff, Board of Trustees, Colorado Consortium of State Colleges, Denver, Colorado; a telephone conversation with Mr. Richard Novak, Assistant Director, Government Relations, American Association of State Colleges and Universities, Washington, D.C.; Richard Novak, "Efforts Underway to Revise and Restructure State Governance of Higher Education", October 1984, pp. 4-7, unpublished paper; Richard Novak, "Efforts to Restructure State Higher Education Governance Continue", July 1985, p. 2, unpublished paper; materials provided by Dr. Charles W. Manning, Deputy Executive Director, Colorado Commission on Higher Education, Denver, Colorado; Higher Education Committee, Report to the Colorado General Assembly: Higher Education (Colorado Legislative Council Research Publication No. 293, January 1985); Stan Elofson, "Colorado Reorganizes Higher Education", State Education Leader, Vol. 4, No. 4, 1985, pp. 4-5.
2. Education Commission of the States, National Center for Higher Education Management Systems, State Higher Education Executive Officers Association, State Postsecondary Education Profiles Handbook: 1982-83 Edition, Report No. 88 (Colorado: Education Commission of the States, 1982), p. 26.

3. Book of the States 1984-1985 (Kentucky: The Council of State Governments, 1984) p. 372.
4. John D. Millet, Conflict in Higher Education, State Government Coordination Versus Institutional Independence (San Francisco: Jossey - Bass Publishers, 1984) pp. 99-102, 112-118, 124-127.
5. Ibid., pp. 99-112, 124-127.
6. Information about the proposed restructuring of higher education in New Jersey is from a telephone conversation with Mr. Richard Novak; Novak, "Efforts Underway", pp. 10-15; a telephone conversation with and materials provided by Dr. Laurence R. Marcus, Director, Office for State Colleges, New Jersey Department of Higher Education, Trenton, New Jersey; Commission on the Future of the State Colleges, Toward a University of New Jersey, February 1984.
7. Education Commission of the States, State Postsecondary Education, p. 150.
8. Book of the States, p. 372.
9. For a report of a similar situation in New York, see Independent Commission on the Future of the State University: The State University of New York, The Challenge and the Choices, January 16, 1985.
10. Information about the restructuring of higher education in Texas is from a telephone conversation with and materials provided by Mr. W. S. "Bud" Leonard, Assistant Chancellor for Development and Vice President for University Relations, Lamar University System, Beaumont, Texas.
11. Education Commission of the States, State Postsecondary Education, p. 223.
12. Book of the States, p. 372.
13. Information about higher education restructuring in Georgia is from a telephone conversation with and materials provided by Mr. Sam J. Baker, Assistant to the President, Southern Technical Institute, Marietta, Georgia.
14. Education Commission of the States, State Postsecondary Education, p. 51.
15. Articulation refers to the facilitation of student transfers.
2. Former President Harlan Cleveland headed the University of Hawaii from 1969-1974.
3. A Strategy for Academic Quality, 1985-1995, University of Hawaii, July 27, 1984, p. 1.
4. Ibid.
5. Ibid., p. 2.
6. Ibid.; University of Hawaii at Hilo Academic Development Plan 1984-1990, p. 1.
7. Western Association of Schools and Colleges: Accrediting Commission for Senior Colleges and Universities, University of Hawaii at Hilo, WASC Evaluation Team Report, April 3-6, 1984, p. 15.
8. Semester Tuition Schedules for 1985-90, Office of the Vice President for Academic Affairs, University of Hawaii.
9. Facts about UH-Hilo (Based on 1983-1985 data), University of Hawaii, Office of the Vice President for Academic Affairs, p. 3.
10. Ibid.
11. Accrediting Commission for Senior Colleges and Universities, pp. 5, 59-60.
12. University of Hawaii at Hilo, 1985-87 General Catalogue; Accrediting Commission for Senior Colleges and Universities, p. 57.
13. Academic Development Plan, p. 95.
14. Interview with Mr. Edgar Torigoe, Director of Administrative Affairs, University of Hawaii at Hilo; August 21, 1985; Academic Development Plan, pp. 95-96.
15. Academic Development Plan, p. 33.
16. This problem may be ameliorated by the Governor's directive to transfer a number of administrative responsibilities from the Departments of Budget and Finance, Accounting and General Services, and Personnel Services to the University of Hawaii. Letter from Governor Ariyoshi to President Simone, September 24, 1985.
17. "The Annual Report on the Economic Status of the Profession 1983-84: Special Issue", Academe: Bulletin of the American Association of University Professors, Volume 70, July-August 1984, p. 28.
18. The institutional categories of the American Association of University Professors are defined as follows:

Category I (Doctoral-Level Institutions). These are institutions characterized by a significant level and breadth of activity in and commitment to doctoral-level education as

#### Chapter 4

1. The Regents' Operating Budget for the Fiscal Biennium 1985-87, p. 26.

measured by the number of doctorate recipients and the diversity of doctoral-level program offerings. Included in this category are those institutions that are not considered specialized schools (see Category IIC below) and which grant a minimum of thirty doctoral-level degrees. These degrees must be granted in three or more doctoral-level programs.

Category IIA (Comprehensive Institutions). These institutions are characterized by diverse post-baccalaureate programs (including first-professional), but do not engage in significant doctoral-level education. Specifically, this category includes institutions not considered specialized schools in which the number of doctoral-level degrees granted is fewer than thirty or in which fewer than three doctoral-level programs are offered. In addition, these institutions must grant a minimum of thirty post-baccalaureate degrees and either grant degrees in three or more post-baccalaureate programs or, alternatively, have an interdisciplinary program at the post-baccalaureate level.

Category IIB (General Baccalaureate Institutions). These institutions are characterized by their primary emphasis on generally undergraduate baccalaureate-level education. They are not significantly engaged in post-baccalaureate education. Included are institutions which are not considered as specialized and in which the number of post-baccalaureate degrees granted is fewer than thirty or in which fewer than three post-baccalaureate-level programs are offered and which either (a) grant baccalaureate degrees in three or more program areas, or (b) offer a baccalaureate program in interdisciplinary studies.

Category IIC (Specialized Institutions). These are baccalaureate or post-baccalaureate institutions that are characterized by a programmatic emphasis in one area (plus closely related specialties), such as business or engineering. The programmatic emphasis is measured by the percentage of degrees granted in the program area. An institution granting over 60 per cent of its degrees in one program area and granting degrees in fewer than five baccalaureate program areas is considered to be a specialized institution.

Category III (Two-year Institutions with Academic Ranks). These are institutions that confer at least 75 per cent of their degrees and awards for work below bachelor's degree.

Category IV. These institutions do not utilize the standard academic ranks. With the exception of a few liberal arts institutions, the majority of these are two-year colleges. *Ibid.*, p.18.

19. *Ibid.*, p. 28.
20. According to the listing of faculty in the University of Hawaii at Hilo 1985-1987 General Catalogue, pp. 104-110, all College of Agriculture and about 80 per cent of College of Arts and Sciences faculty have doctorate level degrees.
21. Telephone conversation with Dr. David E. Yount, Acting Assistant Vice President for Academic Affairs, University of Hawaii; "Special Salary Adjustment for BU 07 Faculty", From the Office of the President to the Board of Regents, University of Hawaii, August 19, 1985.
22. Telephone conversation with Dr. David E. Yount.
23. "Special Salary Adjustment for BU 07 Faculty", From the Office of the President to the Board of Regents, University of Hawaii, August 19, 1985.
24. Telephone conversation with Dr. David E. Yount; "Special Salary Adjustment for BU 07 Faculty".
25. Telephone conversation with Mr. Takaaki Izumi, Director of Management Services, University of Hawaii College of Tropical Agriculture and Human Resources.
26. Executive Policy E5.207, Small Undergraduate Classes, University of Hawaii. Executive Policy, Administration, April 1985.
27. Interview with Mr. Edgar Torigoe, Director of Administrative Affairs, University of Hawaii at Hilo, August 21, 1985.
28. See footnote 16 of chapter 3.

## Chapter 8

1. Interview with Dr. Albert Simone, President, University of Hawaii, December 11, 1985.



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P A R T   V

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HOUSE OF REPRESENTATIVES  
THIRTEENTH LEGISLATURE, 1985  
STATE OF HAWAII

H. R. NO.

119  
H.D. 1

## HOUSE RESOLUTION

REQUESTING A FEASIBILITY STUDY ON THE ESTABLISHMENT OF A SEPARATE  
PUBLIC UNIVERSITY ENCOMPASSING THE UNIVERSITY OF HAWAII AT  
HILO.

WHEREAS, the University of Hawaii at Hilo, organized in  
1970, is currently a part of Hawaii's nine-campus statewide  
system of higher education; and

WHEREAS, located in Hawaii County, it uniquely incorporates  
the two-year Hawaii Community College with a traditional  
four-year College of Arts and Sciences, a four-year College of  
Agriculture, and an expanding Center for Continuing Education and  
Community Service and overall enrolls approximately 3,700  
students; and

WHEREAS, the island of Hawaii, the largest in the Hawaiian  
Archipelago, encompasses a great diversity of physical features  
suitable for economic research including pasture and agricultural  
lands, high peaks which facilitate meteorological research and  
observation, and volcanic areas for geothermal energy  
developments; and

WHEREAS, because of this tremendous physical variety, the  
"Big Island" has often been described as a tropical minicontinent  
presenting ideal conditions for research and experimentation; and

WHEREAS, the Legislature is convinced that the island of  
Hawaii has yet to fully utilize, for the purpose of economic  
development, its great natural gifts; and

WHEREAS, the support of a well-managed and innovative  
university, separate from the University of Hawaii system, and  
composed of a first-class teaching and research faculty  
specifically focused on taking advantage of the special and  
unique qualities that exist on the "Big Island", might better  
enable Hawaii County to create a new and stable economic base and  
develop methods of agricultural high technology, to replace the  
more traditional agrarian base that has been, along with tourism,  
a large part of its economy for the past century; now, therefore,

BE IT RESOLVED by the House of Representatives of the  
Thirteenth Legislature of the State of Hawaii, Regular Session of  
1985, that the Legislative Reference Bureau and the Department of

Planning and Economic Development with the cooperation of the University of Hawaii, are requested to jointly conduct a study in the following manner: the Legislative Reference Bureau shall be responsible for the overall management of the study and shall specifically study the future of higher education on the Big Island, including the possibility of establishing somewhere on the island a separate public university encompassing what is now the University of Hawaii at Hilo, including all aspects of the transfer of functions from the University of Hawaii to a separate public university; and the Department of Planning and Economic Development shall conduct an economic assessment and impact of the establishment of a separate public university in Hilo or elsewhere on the Big Island, as well as other ways in which the delivery of higher education in the County of Hawaii can better complement the County's economic needs; and

BE IT FURTHER RESOLVED that the Legislative Reference Bureau, and the Department of Planning and Economic Development shall jointly report their findings and recommendations to this body at least twenty days prior to the convening of the Regular Session of 1986; and

BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the Director of the Legislative Reference Bureau, the Director of Planning and Economic Development, and the Chair of the Board of Regents of the University of Hawaii.

STAND. COM. REP. NO. 1036

Honolulu, Hawaii

*April 10*, 1985

RE: H.R. 119  
H.D. 1

Honorable Henry Haalilio Peters  
Speaker, House of Representatives  
Thirteenth State Legislature  
Regular Session of 1985  
State of Hawaii

Sir:

Your Committee on Higher Education and the Arts to which was referred H.R. No. 119 entitled: "HOUSE RESOLUTION REQUESTING A FEASIBILITY STUDY ON THE ESTABLISHMENT OF A SEPARATE PUBLIC UNIVERSITY ENCOMPASSING THE UNIVERSITY OF HAWAII AT HILO" begs leave to report as follows:

The purpose of this resolution is to request that the Legislative Reference Bureau and the Department of Planning and Economic Development jointly conduct a study to determine the feasibility of establishing a separate public university system that encompasses the present UH at Hilo system. The Legislative Reference Bureau shall examine all aspects of the transfer of functions from the University to another public university in Hilo, and the DPED shall assess the economic impact of a separate university system in Hilo.

The University administration testified in opposition to this measure, expressing concerns that having two university systems would be inefficient, wasteful, and would lower the quality of education.

The DPED testified in favor of the measure, and stated that a dynamic college campus can stimulate growth in relatively unpopulated areas, and that the Big Island is a good choice, as it appears to have growth potential in spite of economic problems.

The Hawaii County Research and Development Director also supports this resolution, and believes that educational opportunities can be enhanced to the benefit of the Big Island's economy.

Your Committee feels that the Big Island may possess attributes that uniquely qualify it as a site for a separate university system. The physical features include astronomical observation sites, geothermal and ocean thermal resources,

diverse climatic conditions, and an abundance of space. The nature of the island's agriculture industry lends itself to study and research, and the city of Hilo has the potential to develop into a thriving "college town". It is also possible that higher education on the Big Island should be located somewhere other than Hilo.

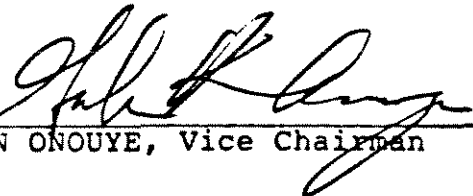
Your Committee is also informed of the frustration experienced by the UH Hilo as a result of perceived domination within the University system by the Manoa campus.


Your Committee has inserted language to assure that the study look at all options for higher education on the Big Island, including all geographic options.

Your Committee on Higher Education and the Arts concurs with the intent and purpose of H.R. No. 119, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 119, H.D. 1.

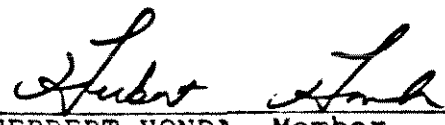
Respectfully submitted,

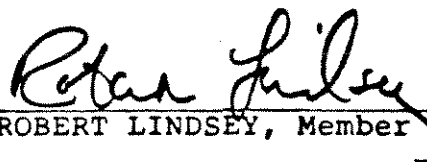
  
ANDREW LEVIN, Chairman

  
GALEN ONOUE, Vice Chairman


  
REYNALDO GRAULTY, Member


  
DAVID HAGINO, Member


  
HERBERT HONDA, Member

  
ROBERT LINDSEY, Member


1036

  
ARNOLD MORGADO, Member

  
DENNIS NAKASATO, Member

  
CALVIN SAY, Member

  
JAMES SHON, Member

  
ROD TAM, Member

  
DWIGHT YOSHIMURA, Member

  
CAM CAVASSO, Member

  
FRED HEMMINGS, Member

  
BILL PFEIL, Member

# Appendix B-1

## TOTAL ENROLLMENTS IN HIGHER EDUCATION: 1982 (Including degree credit and non-degree credit students)

State or other jurisdiction	Total enrollment		Public institutions		Private institutions	
	Number of students, 1982	Percentage change, 1980-82	Number of students, 1982	Percentage change, 1980-82	Number of students, 1982	Percentage change, 1980-82
<b>Total</b>	<b>12,588,520</b>	<b>2.9</b>	<b>9,762,245</b>	<b>2.6</b>	<b>2,826,275</b>	<b>4.0</b>
Alabama	167,753	2.1	147,032	2.3	20,721	0.4
Alaska	24,556	15.3	23,479	14.2	1,077	46.5
Arizona	210,683	3.9	200,599	3.4	10,084	16.2
Arkansas	76,972	-0.8	65,895	-0.3	11,077	-4.2
California	1,842,963	2.9	1,646,116	2.9	196,847	3.0
Colorado	171,821	5.5	151,666	4.2	20,155	16.4
Connecticut	162,194	1.6	101,268	3.6	60,926	-1.5
Delaware	32,454	-1.5	28,314	-0.04	4,140	-11.5
Florida	436,606	6.0	353,639	5.8	82,967	7.0
Georgia	198,367	7.7	152,333	8.7	46,034	4.6
Hawaii	51,788	9.8	47,210	9.1	4,578	17.0
Idaho	42,975	-0.1	34,519	0.08	8,456	-0.8
Illinois	683,969	6.2	528,675	7.6	155,294	1.5
Indiana	253,529	2.5	194,977	3.0	58,552	0.9
Iowa	147,862	5.3	104,757	7.5	43,105	0.3
Kansas	141,661	3.7	126,573	3.8	15,088	3.2
Kentucky	144,159	0.8	114,963	0.07	29,196	3.6
Louisiana	176,505	10.3	152,599	11.6	23,906	2.4
Maine	47,719	10.3	32,654	2.4	15,065	32.3
Maryland	234,585	4.0	202,445	3.8	32,140	5.5
Massachusetts	407,557	-2.7	177,969	-3.3	229,588	-2.2
Michigan	508,240	-2.3	439,961	-3.2	68,279	3.5
Minnesota	214,133	3.6	168,532	3.8	45,601	2.9
Mississippi	105,932	3.5	94,701	4.5	11,231	-4.2
Missouri	244,238	4.2	173,990	5.3	70,248	1.5
Montana	36,811	4.7	32,860	5.4	3,951	-1.2
Nebraska	94,390	5.5	77,526	5.5	16,864	5.5
Nevada	42,212	4.4	41,849	3.9	363	107.4
New Hampshire	52,208	11.6	26,018	7.9	26,190	15.5
New Jersey	322,284	0.2	256,099	3.7	66,185	-12.7
New Mexico	63,483	8.9	60,493	9.8	2,990	-7.2
New York	1,012,421	2.0	573,113	1.8	439,308	2.4
North Carolina	300,910	4.7	241,736	6.0	59,174	-0.4
North Dakota	36,224	6.3	33,551	5.8	2,673	13.3
Ohio	532,361	8.8	389,432	2.0	142,929	33.11
Oklahoma	168,186	4.9	145,047	5.7	23,139	0.1
Oregon	141,312	-11.4	124,052	-12.9	17,260	-0.6
Pennsylvania	529,341	4.3	299,838	2.5	229,503	6.6
Rhode Island	68,351	2.2	34,707	-1.0	33,644	5.8
South Carolina	136,727	3.2	108,802	1.0	27,925	12.6
South Dakota	35,074	7.1	26,284	8.0	8,790	4.2
Tennessee	201,806	-1.4	154,796	-1.3	47,010	-1.6
Texas	758,839	8.2	667,306	8.8	91,533	4.2
Utah	99,431	5.9	65,231	9.5	34,200	-0.6
Vermont	30,648	0.07	18,266	1.6	12,382	-2.1
Virginia	281,026	0.2	245,179	-0.5	35,847	5.4
Washington	227,812	-33.3	198,071	-39.4	29,741	7.9
West Virginia	82,891	1.1	71,612	0.5	11,279	5.0
Wisconsin	276,176	2.6	241,950	2.9	34,226	0.9
Wyoming	22,713	7.4	22,713	7.4	0	-100.0
Dist. of Col.	82,793	-4.7	14,561	4.8	68,232	-6.7
U.S. Service Schools	60,129	20.7	60,129	20.7	0	0
Territories(a)	162,740	18.15	66,158	9.0	96,582	25.34

Source: Book of the States 1984-1985 (Kentucky: The Council of State Governments, 1984), p. 369.

## Appendix B-2

### PUBLIC INSTITUTIONS OF HIGHER EDUCATION BY STATES AND TYPE, 1979

	Major Doctoral- Granting	Comprehensive	Baccalaureate	Health Professional	Other Specialized	Two-year	Total
Alabama	3	10	3	0	0	20	36
Alaska	0	2	0	0	1	9	12
Arizona	2	1	0	0	0	14	17
Arkansas	1	4	4	1	0	9	19
California	8	19	0	1	3	106	137
Colorado	3	4	4	1	1	14	27
Connecticut	1	4	0	1	0	16	22
Delaware	1	0	1	0	0	4	6
Florida	3	6	0	0	0	28	37
Georgia	3	10	2	1	1	17	34
Hawaii	1	0	2	0	0	6	9
Idaho	1	2	1	0	0	2	6
Illinois	4	8	0	1	0	50	63
Indiana	3	6	1	0	3	11	24
Iowa	2	1	0	0	0	19	22
Kansas	2	4	1	1	0	21	29
Kentucky	2	4	2	0	0	1	9
Louisiana	1	10	2	1	0	6	20
Maine	1	1	2	0	4	2	10
Maryland	1	6	4	1	1	19	32
Massachusetts	1	8	2	1	3	18	33
Michigan	4	5	6	0	0	30	45
Minnesota	1	6	3	0	0	20	30
Mississippi	3	3	1	1	1	18	27
Missouri	2	7	2	0	2	15	28
Montana	1	1	1	0	3	3	9
Nebraska	1	4	1	1	0	10	17
Nevada	0	2	0	0	0	3	5
New Hampshire	1	2	0	0	0	7	10
New Jersey	1	7	4	1	1	17	31
New Mexico	2	4	0	0	0	10	16
New York	6	18	8	4	3	43	82
North Carolina	3	6	6	0	1	57	73
North Dakota	1	1	2	0	2	5	11
Ohio	8	3	1	2	0	48	62
Oklahoma	2	2	8	2	0	15	29
Oregon	2	2	1	1	2	13	21
Pennsylvania	3	12	5	1	2	38	61
Rhode Island	1	1	0	0	0	1	3
South Carolina	2	2	7	1	0	21	33
South Dakota	1	1	3	0	2	0	7
Tennessee	2	6	2	1	0	13	24
Texas	7	20	1	5	4	57	94
Utah	2	0	2	0	0	5	9
Vermont	1	0	3	0	0	2	6
Virginia	3	6	6	0	0	24	39
Washington	2	3	1	0	0	27	33
West Virginia	1	1	8	1	1	5	17
Wisconsin	2	9	2	0	0	17	30
Wyoming	1	0	0	0	0	7	8
Total	110	244	115	31	41	923	1,464

Source: John D. Millet, Conflict in Higher Education: State Government Coordination Versus Institutional Independence (San Francisco: Jossey Bass Publishers, 1984), pp. 10-11.



# Appendix B-3

## APPROPRIATIONS OF STATE TAX FUNDS FOR OPERATING EXPENSES OF HIGHER EDUCATION

(In thousands)

State	1973-74	1981-82	1983-84	2-year change	Percentage	10-year gain	Percentage
All states	\$9,797,005	\$22,954,495	\$25,476,649	\$2,522,154	11.0	\$15,679,644	160.1
Alabama	165,996	376,591	410,038	33,447	8.9	244,042	147.0
Alaska	23,399	122,439	150,752	28,313	23.1	127,353	544.3
Arizona	135,998	306,801	336,080	29,279	9.6	200,082	147.1
Arkansas	73,411	183,980	197,321	13,341	7.3	123,910	168.8
California	1,156,254	3,328,706	3,150,376	-178,330	-5.7	1,994,122	172.5
Colorado	140,315	305,791	366,747	60,956	19.9	226,432	161.4
Connecticut	119,918	229,406	273,706	44,300	19.3	153,788	128.3
Delaware	33,573	72,125	77,792	5,667	7.9	44,219	131.7
Florida	346,056	802,316	956,258	153,942	19.2	610,202	176.3
Georgia	218,660	498,919	570,170	71,251	14.3	351,510	160.8
Hawaii	57,295	154,755	181,560	26,805	17.3	124,265	216.9
Idaho	40,737	95,100	101,107	6,007	6.3	60,370	148.2
Illinois	550,904	1,025,211	1,106,007	80,796	7.9	555,103	100.8
Indiana	233,379	482,494	503,484	20,990	4.4	270,105	115.7
Iowa	144,476	321,494	372,128	50,634	15.8	227,652	157.6
Kansas	108,927	278,662	306,473	27,811	10.0	197,546	181.4
Kentucky	131,118	339,632	400,329	60,697	17.9	269,211	205.5
Louisiana	158,655	453,422	503,086	49,664	11.0	344,431	216.7
Maine	39,828	66,940	76,653	9,713	14.5	36,825	92.5
Maryland	172,826	385,949	437,028	51,079	13.2	264,202	152.9
Massachusetts	176,707	417,938	537,263	119,325	28.6	360,556	204.1
Michigan	464,029	848,532	847,471	38,939	4.6	423,442	91.3
Minnesota	230,604	545,503	612,209	66,706	12.2	381,605	165.5
Mississippi	112,868	300,524	363,689	63,165	14.9	232,502	206.0
Missouri	180,719	323,860	363,689	39,829	12.3	182,970	101.3
Montana	36,792	83,693	103,617	19,924	23.8	66,825	181.6
Nebraska	68,000	181,645	193,925	12,280	6.8	125,925	185.2
Nevada	26,632	65,851	75,360	9,509	14.4	48,728	183.0
New Hampshire	17,403	39,323	41,141	1,818	4.6	23,738	136.4
New Jersey	257,708	464,787	531,891	67,104	14.4	274,183	106.4
New Mexico	54,902	171,576	187,600	16,024	9.3	132,698	241.7
New York	983,941	1,855,429	2,166,908	311,479	16.8	1,182,967	120.2
North Carolina	287,115	758,466	864,658	106,192	14.0	577,543	201.2
North Dakota	31,730	108,539	126,725	18,186	0.2	76,995	242.7
Ohio	345,759	739,309	883,761	144,452	19.5	538,002	155.6
Oklahoma	96,038	325,553	389,167	63,614	19.5	293,129	305.2
Oregon	123,476	820,477	902,233	81,756	10.0	472,887	121.1
Pennsylvania	429,366	831,588	971,651	14,063	16.8	55,212	130.1
Rhode Island	42,439	97,651	104,053	6,402	6.8	61,614	145.9
South Carolina	147,612	360,902	392,471	31,569	8.8	244,859	165.9
South Dakota	26,964	57,106	53,070	-4,036	-7.6	26,106	96.8
Tennessee	150,799	357,016	387,738	30,722	8.6	236,939	157.1
Texas	500,095	1,905,007	2,282,342	377,335	19.8	1,782,247	356.4
Utah	66,373	174,139	198,060	23,921	13.7	131,687	198.4
Vermont	18,453	33,876	40,343	6,467	19.1	21,890	118.6
Virginia	206,458	543,961	617,283	73,322	13.5	410,825	199.0
Washington	252,224	497,822	566,477	68,655	13.8	314,253	124.6
West Virginia	81,796	192,092	199,319	7,227	3.8	117,523	143.7
Wisconsin	304,546	532,002	595,843	63,841	12.0	291,297	95.7
Wyoming	23,532	82,644	100,780	18,136	22.0	77,248	328.3

Source: Book of the States 1984-1985 (Kentucky: The Council of State Governments, 1984), p. 370.

## Appendix B-4

### Tax Revenues Allocated to Higher Education Percentage 1982-83

Alabama	14.6
Alaska	5.9
Arizona	13.6
Arkansas	12.3
California	12.5
Colorado	12.5
Connecticut	6.8
Delaware	13.0
Florida	10.9
Georgia	11.8
Hawaii	13.9
Idaho	12.8
Illinois	8.5
Indiana	10.8
Iowa	12.1
Kansas	14.7
Kentucky	13.3
Louisiana	12.1
Maine	6.9
Maryland	10.2
Massachusetts	4.5
Michigan	8.6
Minnesota	9.2
Mississippi	16.4
Missouri	9.3
Montana	11.4
Nebraska	13.9
Nevada	9.5
New Hampshire	5.2
New Jersey	7.1
New Mexico	14.1
New York	6.9
North Carolina	17.2
North Dakota	16.9
Ohio	8.2
Oklahoma	13.1
Oregon	11.2
Pennsylvania	7.5
Rhode Island	8.3
South Carolina	15.4
South Dakota	9.5
Tennessee	11.8
Texas	16.2
Utah	15.0
Vermont	7.0
Virginia	12.7
Washington	11.2
West Virginia	12.1
Wisconsin	11.4
Wyoming	14.3
District of Columbia	5.8
U.S.	10.4

Source: John D. Millet, Conflict in Higher Education: State Government Coordination Versus Institutional Independence (San Francisco: Jossey Bass Publishers, 1984), pp. 18-19.

## Appendix C

### COMMENTS TO THE PRELIMINARY DRAFT OF THIS STUDY

A preliminary draft of this study was sent to the following persons for comment and review of factual information:

Dr. Albert J. Simone, President  
University of Hawaii

Mr. Takaaki Izumi  
Director of Management Services  
University of Hawaii, Manoa  
College of Tropical Agriculture  
and Human Resources

Dr. Ralph Miwa, Acting Chancellor  
University of Hawaii, Hilo

Mr. Edgar Torigoe, Director  
University of Hawaii, Hilo  
Office of Administrative Affairs

Attached in this Appendix is the response from the University of Hawaii College of Tropical Agriculture and Human Resources Management Services Office, which was the only response received.



JAN 27 3 17 PM '86

## University of Hawaii at Manoa

LEG REF BUREAU  
STATE OF HAWAII  
Tropical Agriculture and Human Resources  
3050 Maile Way  
Honolulu, Hawaii 96822

JAN 27 1986

January 27, 1986

Mr. Samuel B. K. Chang  
Director, Legislative Reference Bureau  
State of Hawaii  
State Capitol  
Honolulu, HI 96813

Dear Mr. Chang:

I have reviewed the confidential draft report on the establishment of an independent University of Hawaii at Hilo with particular attention to Chapter 6.

I do not have sufficient knowledge of the applicable laws and their judicial interpretations to agree or disagree with the statements made by Mr. Karl-Reinhard Titcsk concerning the agricultural experiment stations and agricultural extension services in relation to the land-grant colleges in the several states. However, I take strong exceptions to Chapter 6 in the following respect:

1. A narrow statutory view is taken of the status and role of agricultural research and extension in the land-grant context.
2. I disagree very strongly with the statement in paragraph d. on page 94, which implies that experiments stations could be subdivided into several land-grant institutions in the State of Hawaii without any apparent adverse effects or without endangering federal funds (Hatch, McIntire-Stennis and Regional Research funds). I strongly emphasized to Mr. Titcsk that such changes would seriously affect the University's capacity to effectively carry out the programs for which federal funds are provided, and could result in audit disallowances which would require the University to reimburse federal funds for non-compliance with statutory and other regulatory requirements.
3. The highly complex, technical, multi-disciplinary research necessary to meet the needs of the agricultural industries in the State of Hawaii cannot be carried out by a small, undergraduate institution such as the University of Hawaii at Hilo. It takes strong graduate and research programs in all of the natural sciences to provide the knowledge base required for modern agricultural research.

AN EQUAL OPPORTUNITY EMPLOYER

Mr. Samuel B. K. Chang

Page 2

January 27, 1986

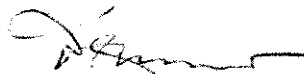
4. The prohibitive cost of relocating faculty and facilities to Hilo is not even mentioned in the report, except as an off-hand remark that the fiscal reality of the University and the State of Hawaii would preclude the additional cost of constructing a new campus at this time.

A copy of Acting President Simone's testimony to the Legislature on this topic, which was provided to Mr. Titcsk is enclosed.

I will be glad to discuss this matter further with you or with Ms. Joyce Kahane.

I am sorry for the delay in responding since I was out-of-state January 12-26, 1986.

Sincerely,



Takaaki Izumi  
Director of Management Services

jsw

encl.