University of Hawai‘i System Structure Study

Prepared for the University of Hawai‘i System

Aug. 14, 2025

Table of Contents

List of Tables

List of Figures

Executive Summary

State higher education systems throughout the country are facing fresh and unprecedented challenges that will demand bold responses. Upheaval in the industry originating out of Washington D.C. continues to grab headlines and divert the attention and priorities of leaders, present new financial challenges, and create uncertainty. But the future facing higher education institutions was already full of adversity, even in the absence of recent federal activities. Demographic shifts, thin financial margins, growing demand for programs better aligned to rapidly shifting workforce demands, and cratering confidence in colleges and universities are all long-term trends that will test higher education institutions and governance structures going forward.

The University of Hawai‘i System (UH) will be no exception. In fact, given Hawai‘i’s unique circumstances as an island state populated by a large and underserved indigenous population, it is reasonable to suggest that the future presents even more acute challenges than the System’s counterparts on the mainland. After all, UH must find ways to deliver high-quality, relevant programs to residents often separated by expanses of ocean from the faculty, staff, and resources best equipped to deliver those programs, and do it as affordably and efficiently as possible. This fundamental challenge is not new, but the pressure to succeed in doing so is growing more acute.

To help address these challenges, UH contracted with the National Center for Higher Education Management Systems (NCHEMS) to conduct a study examining structural and governance options for UH. NCHEMS’ charge was to “assess the challenges facing the University of Hawai'i System in matching its organization and structure to evolving needs for postsecondary education throughout the state.” Specifically, NCHEMS was asked to offer answers to key questions such as: What is the best way for the System to provide relevant and high-quality programs everywhere in the state, including the neighbor islands? “How can we make sure we effectively prepare local residents for local jobs in areas of high need and with living wage jobs? And finally, how can the System meet these strategic goals amidst changing enrollment patterns in the most effective and efficient way possible?

To do so, NCHEMS conducted an analysis of publicly available data augmented by data provided by UH in response to an extensive request. These analyses were followed by stakeholder engagement activities on site at each of the UH institutions in April 2024. Further informed by a document and literature review, NCHEMS developed this report including a set of recommendations. The timing of this work coincided with the search for the new UH president. In order to give the new president time to settle into her role enough so that she could offer insights based on her own still-fresh experiences at the helm of the System, this final report underwent multiple drafts between the fall of 2024 and the summer of 2025.

Findings and Observations

As one of the few systems in the country that encompasses all of a state’s public higher education institutions from its research universities to its community colleges, the UH System not only must manage its 10 member institutions to deliver educational programs leading to credentials at all levels—from the doctorate to sub-baccalaureate degrees and certificates—it must also carry out the functions that amplify the efforts of those institutions in service to the varied needs of the

state, the communities that are scattered across its islands, and its students. Like other systems, the UH System must continually address perceptions that one institution's interests outweigh the others' as well as perceptions that particular locations are favored. These challenges are compounded in Hawai'i, given the difficulty of moving between the islands, the concentration of the population on O'ahu, and the fraught history of colonialism and its lingering effects across the state. These realities create challenges for the leadership of the System that are unlikely to be resolved by even the most well-designed organizational structure alone.

Notwithstanding this fundamental truth, our review of the current structure of higher education in Hawai'i has led to observations concerning governance, structure, enrollment, and finance that are described below. First, state-level governance issues include:

- The lack of a mechanism to regularly assess conditions that point to the health of the state in terms of its population, economy, and civic society. (Note this is not equivalent to the UH's strategic plan, but is a wider one that focuses on the state's needs more broadly and serves to give direction to the strategy to be implemented by all state agencies including UH.)
- The presence of dual and conflicting responsibilities created by vesting responsibility for leading both the System as a whole and the flagship university in a single position has led to persistent frustration within the System and inadequate attention to the broader system- and state-level functions and to the specific, narrower demands of the Mānoa campus.
- An environment in which regents are challenged to make bold but necessary and often controversial decisions despite being volunteers with limited orientation or consistent training in their roles. (This is a common and growing problem nationally given the challenges to higher education already discussed, but it comes with additional challenges specific to the Hawai'i context.)

Second, the System's current structure struggles to leverage the collective power of its institutions to meet the state's needs fully—limits and barriers exist that hamper the System's ability to bring its assets to bear on the state's goals. This creates confusion and incoherence leading to ongoing strife over institutional missions that stands in the way of clear mission differentiation among the System's institutions. This has two significant, direct drawbacks: creating and sustaining a non-complementary distribution of programs that does not always align with the most effective use of limited state resources through appropriate specialization, as well as fueling the risk that important student audiences—defined by geography, age, race/ethnicity, and other characteristics—are not effectively served. These problems have consequences such as:

- Disputes over specific programs.
- Blurring around the authority to offer bachelor's degrees in the community colleges, and sub-baccalaureate workforce-oriented/vocational programs in the four-year institutions.
- Unproductive competition among the four-year institutions; in particular, there is little or no clarity about what activities or programs Mānoa might responsibly cede to its sister

institutions because they can do it at least as well but less expensively and because doing so would focus Mānoa's mission on being an elite research university.

- Missed opportunities for institutions in the System to offer programmatic access to students outside of their local community, with rare exceptions and despite the presence of University Centers and Education Centers expressly created for this purpose.

Third, falling enrollment (on a system-wide basis) has been a troubling trend, one that will likely worsen given demographic shifts. As an island state, Hawai'i has fewer options than others to feasibly respond without sharply curtailing educational access for some populations in need. Related issues include:

- The failure to enact a systemwide view of enrollment that identifies what populations are not being served and how best to address their needs with the mix of institutions in the System.
- Broken, or at least suboptimal, transfer pathways.
- Infrequent program-sharing among institutions and limited effectiveness of University and Education Centers.

Fourth, the policy environment concerning finance in Hawai'i hinders UH's ability to function as a system in which the component parts are able to both anticipate and respond nimbly to evolving needs and opportunities. This manifests itself as:

- An outdated approach to determining appropriations levels which, while still common among states in the country, fails to link funding to actual costs or to state goals or provide a constructive, evidence-based framework for rationing scarce state funding in ways that support state priorities. The current approach provides no clear incentives that support continuous improvement or responsiveness to changing conditions in the external environment and therefore undermines accountability.
- The unusual practice (among states) by the legislature of allocating positions to individual institutions in the System. This puts the legislature in the untenable position of assuming the responsibility for deploying human resources across the state's institutions and programs in ways that most effectively achieve state, system, or institutional goals, while forcing the System and its institutions to develop time-consuming workarounds. Moreover, the practice sharply curtails the System's ability to use what should be one of its most powerful tools—the distribution of resources (funds and positions)—to steer institutional behaviors in ways that are much more common among systems elsewhere in the nation and that future conditions will require.

Having provided substantial quantitative and qualitative evidence to support these findings, the report addresses several options for structural and organizational reform and associated arguments for and against each one.

Recommendations

Finally, the report presents NCHEMS' recommendations for the future UH System structure and organization, as well as resource allocation policies and practices that would serve to improve the alignment between investment and state, community and student needs. Recommendations are addressed separately to the Regents, the System President, and the State.

Regents

1. Increase attention to the role of the System Office as an entity that must perform a series of functions in addition to, and often distinct from, those involving oversight of the constituent institutions.
2. Split the roles of System President and Mānoa Chancellor.
3. Consider the important signals being sent to the public, state leaders, and System and 98oi789institutional stakeholders (chiefly institutional leaders, faculty, staff, students, and 098ytgalumni) by the co-location of the System Office on Mānoa's campus, and undertake a fresh study about the potential value and cost-benefits of relocating the System Office.
4. Develop/Refine clearer missions for the four-year institutions, including by:
    a. Regularly reviewing each institution's "operational mission"[1] so that each institution has distinct and complementary roles in fulfilling all of the state's needs in a manner that is efficient and centered on students.
    b. Most specifically reviewing and clarifying UH West O'ahu's operational mission and establishing a focused planning effort to bring that mission into reality.
    c. Ensuring that the focus of activities at Mānoa capitalizes on its strengths and do not include functions that can be done either better or more efficiently by another system institution.
    d. Considering the relocation of the pharmacy program at UH Hilo to UH Medical School.
    e. Requiring UH Hilo to deliver programs in partnership with Hawai'i CC at Pālamanui and other locations in Kona and providing the necessary support for this expansion.

[1] An operational mission is different from a mission statement, which has to be inspirational, aspirational, and inclusive. In contrast, an operational mission clearly establishes who the institution serves, with what programs, and how it does so, plus any particularly important historic or other special characteristics (such as land-grant status).

f. Utilizing operational missions to streamline and rationalize program review and approval processes.

g. Creating greater clarity surrounding each UH institution's mission towards international students, specifically those from around the Pacific.

5. Remove barriers to student success by mandating the development of systemwide, program-level articulation agreements and provide a reasonable timeline for implementation, and by invigorating the System's imperative to fulfill Kuleana by incorporating metrics on participation and student success in annual performance reports.

6. Ensure that the Board members benefit from regular orientation, training, and performance evaluation utilizing an independent third party with expertise in systems, not just institutions.

System President

7. Create genuine role clarity regarding the functions the System Office must perform and articulate how they differ from institutional functions.

8. Review and revise the vision and goals for leveraging UH's capacity for online delivery and related infrastructure, as well as a strategy for effectively deploying resources from throughout the System.

9. Create a new cabinet-level position at the System Office with a title like Vice President for Workforce Development and Initiatives or Vice President of Labor Market Solutions. Such a role would better ensure sufficient attention on needs assessment and evaluation of services for regions and communities throughout the state, which are then linked to systemwide strategies for meeting those needs, as opposed to an institution-by-institution approach that will no longer be possible under demographic and other conditions emerging now and in the years ahead. This position would also create a visible point of contact for employers, the state Department of Labor, and other stakeholders for whom workforce issues are paramount. Last, it would elevate the voice of the neighbor islands' needs to the executive leadership team, creating policies and practices that ensure more widespread sharing of programs, routinely conducting needs assessments and maintaining regular contact with the employer communities on each island, and consolidating access points (University Centers, Education Centers, Learning Centers, etc.) under a single policy to make better use of these structures by all System institutions in ways that more effectively meet students' needs.

10. Augment incentives for collaboration among institutions by providing specified funding to institutions for needs assessment, surveying available options for acquiring an existing program, and identifying a cohort of interested students, as well as by reviewing and revising the current policy for revenue sharing among institutions to promote greater collaboration.

11. Make effective use of the Chancellors Council.

State Policy

12. Put in place an inclusive process for developing a set of goals and priorities for the state and identifying contributions to be made by higher education to meet these needs, with this process being managed by the UH System on behalf of the governor and the legislature.

13. Totally revise the state approach to funding the UH System by providing a lump sum appropriation to the Board of Regents, to be distributed under the Regents' oversight to the institutions according to a model that uses empirical data to fund the varied missions of the different institutions adequately, meets the student support requirements of the varied student bodies of the institutions, and creates incentives for making contributions to state goals.

14. Ensure that regents are selected in a way that ensures broad representation of the different constituencies served by the University of Hawai‘i—geographic (with attention to assuring representation from the neighbor islands), demographic characteristics (with special emphasis on assuring Native Hawaiian representation), as well as skills necessary to provide oversight of a large and complex organization—legal, financial, etc. Additionally, state policy should specify a requirement for regular training and performance evaluation of the board that is described in the section above that directs recommendations to the regents' attention and provide adequate funding to support that training. This funding should also include support for an independent staff member or small team to support the board, a person who reports to the chair of the board, not the UH President, but who is empowered to work with the President and members of her team to ensure that the Board members have the data and information needed for them to be most effective.

Conclusion

A new president has taken over leadership of the System. She brings fresh energy and new perspectives to the role. Yet her early tenure has been marked by uncertainty and unprecedented challenges emerging out of Washington, D.C. The necessity of responding to new controversies and creating contingency plans for financial impacts caused by the federal government's policies inevitably disrupts and distracts from the process of crafting and implementing a vision for the changes the UH System can make to serve its statewide mission more effectively. Thus, the timing of this report is auspicious: we hope that the authentic, evidence-based observations linked to recommendations provide a helpful resource that accelerates action to unlock the combined resources of the System in new, forward-looking ways.

While the strains created by the federal government's actions since the beginning of the year demand attention, Hawai‘i and its university system must grapple with challenges of a far longer-term nature. Recognizing that the future demographic and economic needs of the state for higher education are changing dramatically and rapidly, an effective response must abandon habits formed over decades of relatively predictable enrollment growth and funding stability. Instead, the System must adjust to ensure that it can most effectively draw on its institutional resources to respond to state needs and those of its diverse, often isolated communities. Doing so will require

a renewed commitment to prioritizing those varied goals over those of the institutions; this will, in turn, require new processes, procedures, and habits of work.

The state itself can facilitate the System's success in fulfilling this heightened role by setting forth priority goals for higher education to pursue, by reforming its approach to appropriating funds to the System and its institutions so that the whole system can become more nimble and responsive to needs, by realigning how it ensures accountability through a consistent focus on outcomes rather than inputs, and by empowering the System's regents to carry out their roles appropriately and without undue interference.

Introduction

In early 2024, the University of Hawai‘i System (UH) contracted with the National Center for Higher Education Management Systems (NCHEMS) to conduct a study examining structural and governance options for UH. NCHEMS' charge was to "assess the challenges facing the University of Hawai'i System in matching its organization and structure to evolving needs for postsecondary education throughout the state."

Postsecondary educational needs across Hawai‘i have been evolving for some time. In line with national trends, enrollment has been decreasing for more than 10 years. Demographic projections paint a bleak picture for the stability of future enrollment as well. Nearly all coursework moved online during the COVID-19 pandemic, and in-person enrollment has still not returned to pre-pandemic proportions. In these changing conditions, the UH System wanted to consider key questions, such as: What is the best way for the System to provide relevant and high-quality programs everywhere in the state, including the neighbor islands? How can we make sure we effectively prepare local residents for local jobs in areas of high need and with living wage jobs? And finally, how can the System meet these strategic goals amidst changing enrollment patterns in the most effective and efficient way possible?

These questions are increasingly common among states, yet they are not easy to answer, and Hawai‘i's geography further complicates them. The challenge of responding effectively is enormously complex for a system with UH's uniquely expansive mission and reach. However, those qualities also mean that it has substantial authority to do so. The System encompasses all of the state's public postsecondary institutions, from small community colleges to a large research university, and takes its responsibility to Native Hawaiians seriously. UH must provide relevant education at multiple levels to communities of all sizes that are literally oceans apart and culturally distinct. It must do so through the responsible use of state resources in a location where the cost of living is high and the rest of the country is far away. Additionally, this study began as David Lassner, UH's president for over a decade, announced his retirement. Therefore, the project also necessitated finding solutions that are tailored to UH's particular context and that would continue to make sense under new leadership.

UH selected NCHEMS as its partner in examining these questions due to our track record of relevant experience. NCHEMS is a nonprofit postsecondary education research and advising organization that has experience conducting related studies and an earned reputation for rigorous and independent work. Since 1969, we have focused on using data and evidence to drive strategic decision-making in higher education, and we have conducted multiple projects in Hawai‘i over the years. These experiences, complemented by similar projects elsewhere in the country, put NCHEMS in a prime position to be helpful to the University of Hawai‘i as it considers next steps.

Method

Underlying our understanding of and recommendations for the University of Hawai‘i System was an extensive process of engaging with stakeholders, analyzing data, reviewing documents, and regularly communicating with UH leadership across two system presidents. Shortly after receiving the contract, NCHEMS conducted a virtual meeting to launch the work with UH leadership, during

which we discussed the background for the project, addressed what data and other relevant information UH would provide, and agreed to a preliminary timeline for the work to take place.

NCHEMS subsequently prepared an extensive data request to UH, which was promptly fulfilled. The data gathered included detailed information on student enrollment — headcount and credit hours — at each UH institution over multiple years, disaggregated along several dimensions of interest. It also included details on transfer and, especially, the locations at which students were accessing courses and programs from all institutions around the state.

In addition, NCHEMS used publicly available data sources to inform the analysis. These included the U.S. Census Bureau to describe characteristics of Hawai‘i’s population; Hawai‘i state sources and the Western Interstate Commission for Higher Education (WICHE) to describe future projections of potential enrollment demand; SHEEO’s State Higher Education Finance data to compare state-level funding; and from the National Center for Education Statistics’ Integrated Postsecondary Education Data System (IPEDS) to identify other systems that resemble UH along important dimensions. NCHEMS used this peer group for general comparisons of finances and staffing. Additionally, NCHEMS consulted proprietary data sources it maintains access to gather information about Hawai‘i residents’ interest in attending a postsecondary institution and details about the kinds of job openings that will exist throughout the state.

To gather input from stakeholders across the islands, two teams of NCHEMS staff members traveled to Hawai‘i, visiting each of UH’s institutions over a period of a week in April 2024. At each site, the NCHEMS team met with institutional leaders, faculty, staff, students, and local community leaders and employers. The purpose of these meetings was to understand what makes each institution distinct and valuable to its surrounding community, how it was responding to the various challenges it faces, and how well its efforts to serve students and employers were dovetailing with those of other institutions in the System and the System Office.

Additionally, NCHEMS reviewed relevant documents, most notably documents that describe the history of UH’s governance and structure over time and across leadership changes. Throughout the project, NCHEMS maintained regular contact with UH leadership, providing and receiving updates on project progress and other events, and using these opportunities to ask clarifying questions or seek additional information or data. While the project was initially scheduled to be completed in the fall of 2024, the timeline was extended due to the presidential transition. This enabled NCHEMS to make sure the report was as relevant as possible to current and future UH leaders. NCHEMS synthesized observations drawn from these data into a set of structural options for UH to consider. We also offer a set of recommendations reflecting our best judgment on how UH should move forward.

Data Analyses

This section provides an overview of the quantitative data that informed our findings. It addresses characteristics of the population of Hawai‘i, projections of the future population, enrollment in the UH System institutions, and indicators of industry and workforce demand. It is important to include regional perspectives in an environmental analysis in every state. But is especially so in Hawai‘i, where demographic and economic factors differ substantially from island to island and

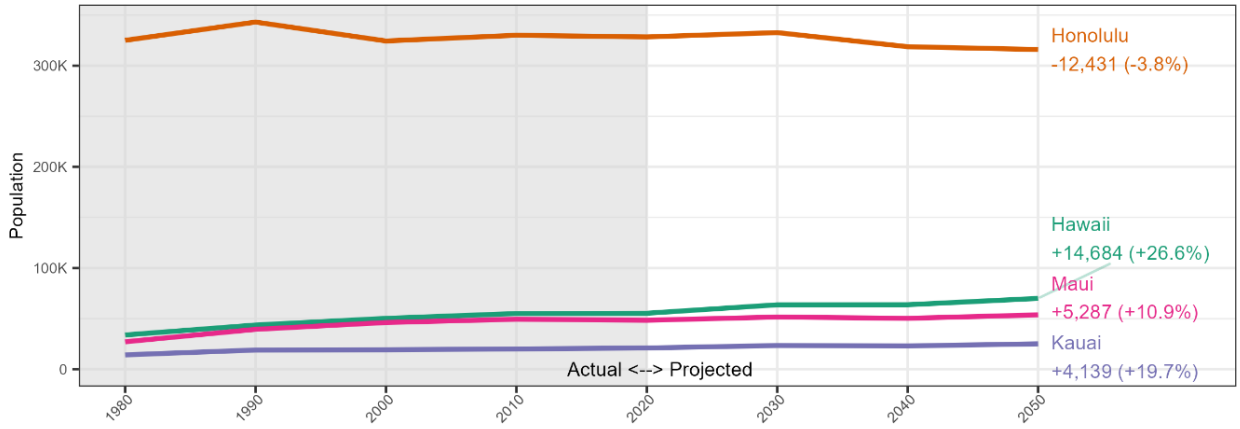
from the mainland United States. These analyses describe the magnitude and shape of demand from students for higher education and from employers for graduates. Additional analyses that follow describe the supply of higher education, namely, the kind of programs that are being offered. Together, the demand and supply data indicate gaps to be addressed. It is important to note that these gaps vary by location; some islands or parts of islands are underserved. Additionally, and especially given the island geography of Hawai‘i and its population distribution, filling these gaps efficiently requires that the System be able to leverage its collective assets to meet the needs of students on one island who are seeking access to a program offered by an institution on another island. Enrollment patterns indicating various kinds of mobility address the extent to which this sharing of educational resources is occurring. The presence of gaps in supply and demand and the mobility of students are important factors in thinking about the structure of the UH System. Finally, this section reports on analyses of institutional and system finance. Such indicators are critical to assessing the sustainability of UH's organization and in offering insights into what might need to change if the state intends to ensure that access to relevant programs is preserved (or provided) to all of the state's residents, no matter where they live.

Population Characteristics and Projections

Hawai‘i's total population of 1.44 million is heavily concentrated on O‘ahu. The neighbor islands collectively are home to just 30 percent of the state's population. Even among the largest of the neighbor islands, Hawai‘i has a population that is about equivalent to a mid-size American city such as Little Rock, Arkansas, albeit spread over a much larger landmass. All the islands have geographically isolated areas with small concentrations of residents (such as Hana on Maui), and two of the smallest populated islands together have just about 10,000 residents. This creates significant challenges for the state and the UH System in providing access to relevant postsecondary education to all citizens of the state, particularly as the System confronts enrollment decreases. Over the past four decades, Honolulu County's population of 15–44-year-olds (the population most likely to benefit from postsecondary education and training) has remained relatively constant. But that population is expected to decline by 3.8% by 2050 (Figure 1). By contrast, 15–44-year-olds are expected to increase in number on the three largest neighbor islands, with Hawai‘i Island anticipating the largest number of new residents. Statewide, this age group is expected to grow about 3% by 2050. Statewide, population trends suggest further enrollment challenges ahead for the UH System. In its April 2024 population projections report, Hawai‘i's Department of Business, Economic Development and Tourism notes that the birth rate is declining in the state, the population is aging, and future population growth will be reliant on migration from out of state.[2] Their projections show a consistent decline in the number of 15–19-year-olds, which began in 2010 and will extend through 2050, while 20-24-year-olds are expected to rise through 2030 before dipping. (Figure 2). Increases among 35–44-year-olds offset some of these increases, and many of these individuals are likely to benefit from postsecondary education or upskilling/reskilling programs.

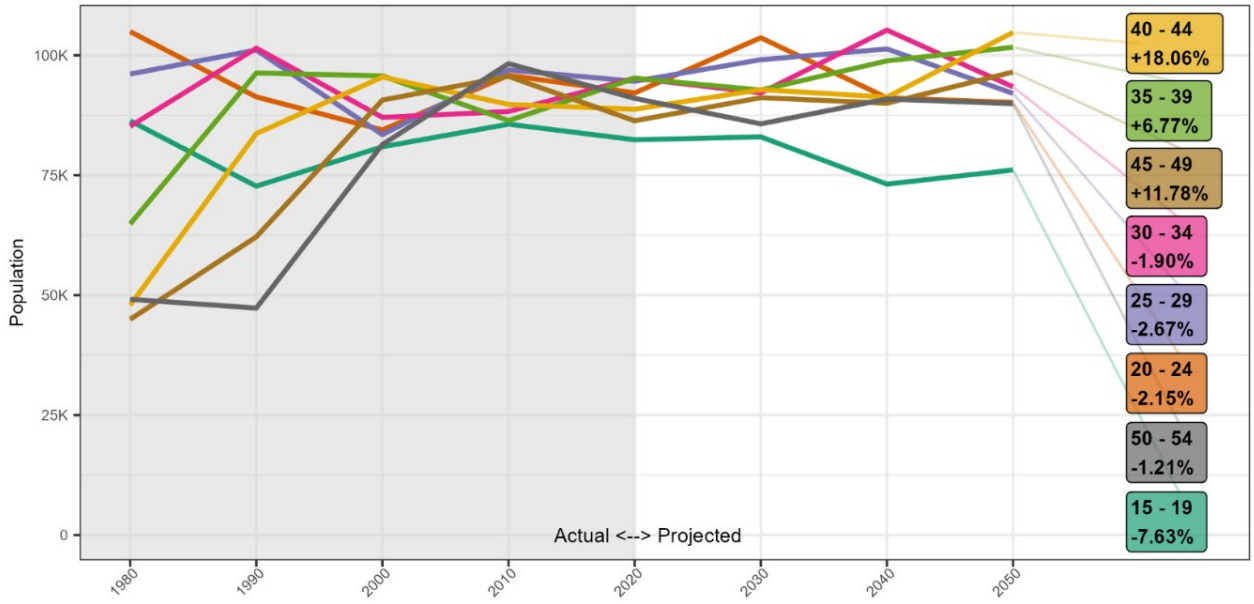
[2] https://files.hawaii.gov/dbedt/economic/data_reports/LRF/2050-long-range-projections.pdf

Figure 1. Projected 2020-2050 Change in Hawai‘i Population by County, Ages 15-44



Source: Hawaii Department of Business, Economic Development & Tourism. Note: Projected percentage change is from 2020 to 2050.

Figure 2. Projected 2020-2050 Change in Hawai‘i Population, Selected Age Groups



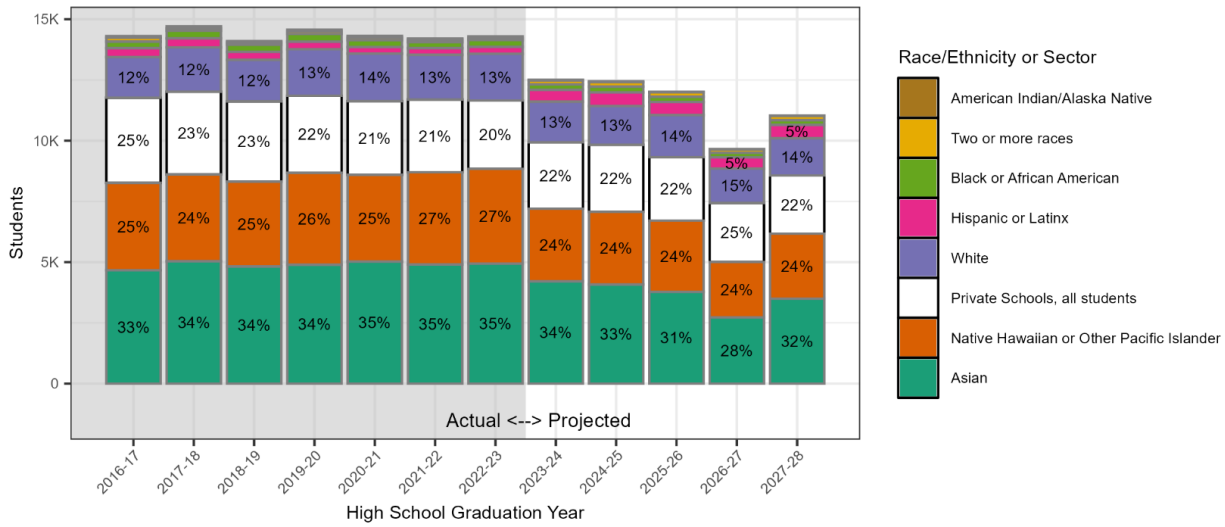
Source: Hawai‘i Department of Business, Economic Development & Tourism. Note: Projected percentage change is from 2020 to 2050.

These observations are complemented by projections of high school graduates produced by the Western Interstate Commission for Higher Education (WICHE),[3] which forecasts that the number of Hawai‘i high school graduates will fall significantly in the coming years. Public high school graduates in Hawai‘i are already a diverse group, and the composition will continue to have large

[3] https://www.wiche.edu/knocking/

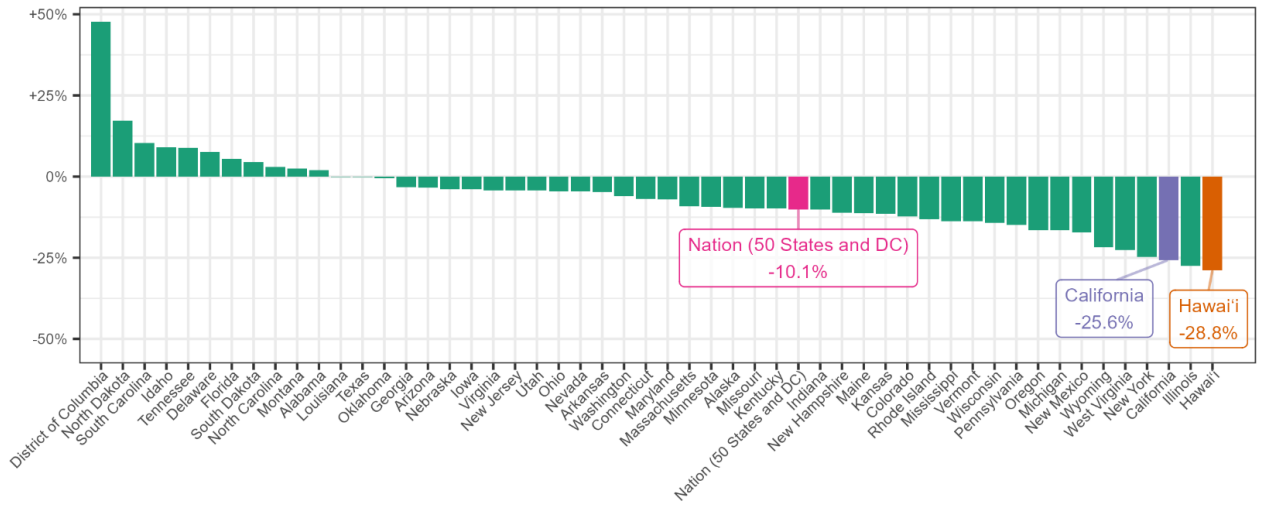
proportions of Native Hawaiians and, like other parts of the country, a growing share of Hispanic/Latinx (Figure 3). WICHE's forecasted declines suggest dramatic decreases in the pipeline of prospective students, with a drop of nearly 29% between 2023 and 2041 (Figure 4). This decline is steeper than any other state's over the same period. Further, Hawai'i attracts most of its non-resident college students from California, for which the forecasted decline in high school graduates is almost as great at 26%. All of these forecasts portend enrollment challenges in the UH System that are likely to persist, and possibly worsen, over the next decade. Even if WICHE's projections represent a worst-case scenario, there is little doubt that the demographic future for college enrollments from traditionally aged students is gloomy. On the other hand, the System has an opportunity to enhance its service to the older, working-age populations, which are still increasing. These individuals tend to be more sensitive to economic conditions than those of traditional college age in terms of their willingness to enroll in college. In general, they are also seeking a different product than their younger counterparts. Serving these older populations effectively will require different strategies and services than what most institutions have provided during the era of consistent growth in traditional-age populations.

Figure 3. Hawai'i High School Graduates by Race/Ethnicity Over Time



Source: Western Interstate Commission for Higher Education, Knocking at the College Door: Projections of High School Graduates, 2024. https://www.wiche.edu/knocking. Note: Years after 22-23 are projections.

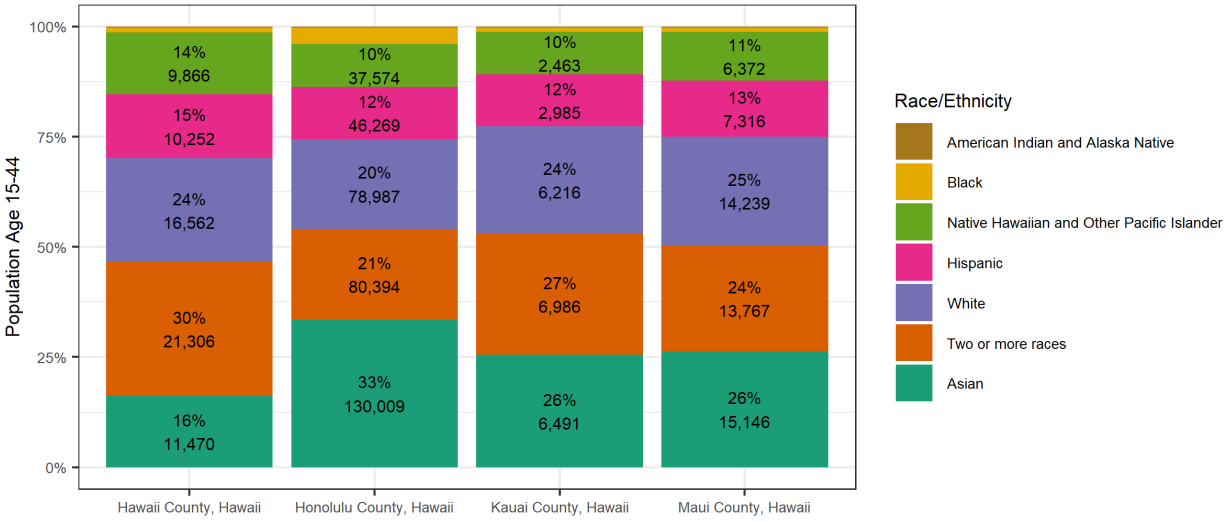
Figure 4. Projected 15-year Percent Change in High School Graduates by State, 2023-2038



Source: Western Interstate Commission for Higher Education, Knocking at the College Door: Projections of High School Graduates, 2024. https://www.wiche.edu/knocking

Additionally, shifts in the makeup of the UH System's enrollment will have significant financial implications. Traditionally aged students are the most reliable and predictable source of enrollment, and therefore revenue, because they tend to be most likely to enroll full-time and express the strongest demand for auxiliary services like housing and athletics. Serving larger shares of adults attending part-time or dually enrolled students will have implications for both sides of the general ledger that require careful planning and continuous monitoring. Compositionally, the racial/ethnic population of the state is extremely diverse and varies substantially by island (Figure 5). In particular, while O'ahu is home to the most residents of all races/ethnicities, Asians comprise a substantially larger share of them. Hawai'i Island has the largest proportion of Native Hawaiians and other Pacific Islanders, as well as residents of two or more races, a group which also includes a substantial number of Native Hawaiians as one of those races. These proportions have remained steady from the 2010s to the 2020s.

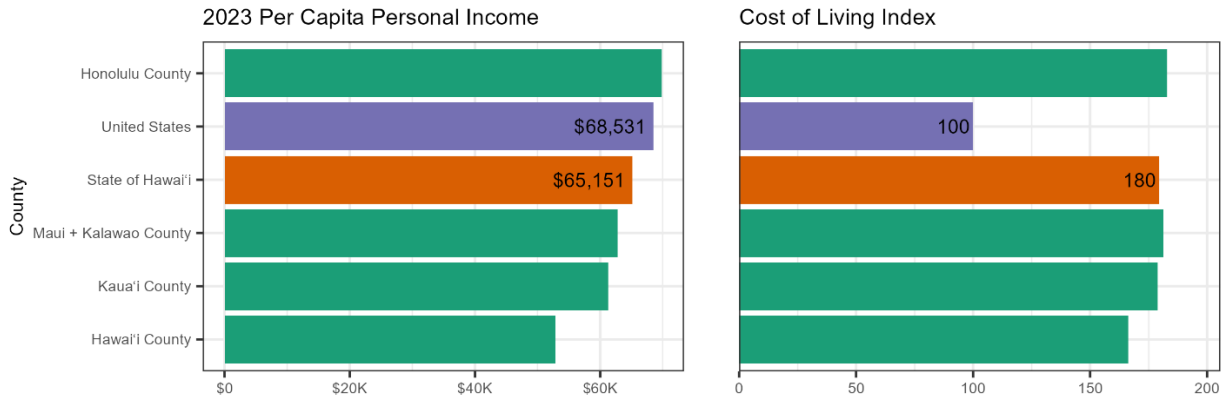
Figure 5. Hawai‘i Population Age 15-44 by County and Race/Ethnicity, 2020-2023



Source: U.S. Census Bureau Population Estimates Program (PEP), vintage 2023.

A major challenge in Hawai‘i is livable wages. Hawai‘i’s per capita income was just 95% of the national median in 2023, yet the cost of living in the state was 80% higher (Figure 6). Thus, an individual earning the median amount of money has substantially more trouble making financial ends meet than the average person nationally. This has been getting worse: in 2011, the median income in Hawai‘i was slightly higher than the nation’s. And it is uneven across the state; while O‘ahu had a per capita income slightly above the nation’s, income on the other islands was lower, substantially so on Kaua‘i and the Big Island, without much of a reduction (or no reduction at all) in the indexed cost of living.

Figure 6. Hawai‘i Per Capita Personal Income and Cost of Living by County, 2023



Source: US Department of Commerce, Bureau of Economic Analysis, Tables SAINC4 and CAINC1.

Source: JobsEQ. Notes: Cost of Living per C2ER COLI, data as of 2024Q1, imputed by Chmura where necessary.

Given that educational attainment and income tend to covary throughout the islands, just as they do across the nation, it is obvious how critical the UH System is for helping to improve these conditions. O‘ahu has the highest educational attainment as measured by the share of the

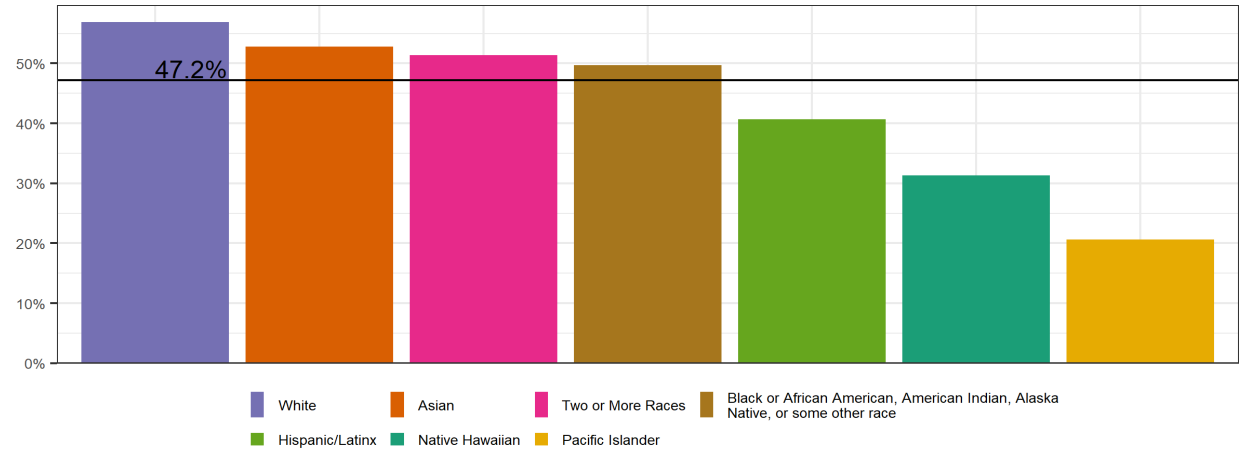
population with at least an associate degree, but there are significant gaps for those who live on the western side of the island (Figure 7). There are similar gaps on Kauaʻi, with Līhuʻe and the western side showing lower levels of educational attainment than the area surrounding Princeville, and on the Big Island, where Hilo and Kohala residents are more well educated than those elsewhere. On Maui, Kahului, Kīhei, and Wailea outperformed the west side of the island according to 2022 data. But the devastating fires that destroyed Lahaina may have had an impact on educational attainment there.

Figure 7. Percent of Population Age 25-64 With an Associate Degree or Higher, 2019-2023, by County Subdivision

Source: U.S. Census Bureau, 2023 American Community Survey Five-Year Estimates; Table B15001. Note: Represents the estimated percentage of the populat age 25-64 with a Bachelor's or higher. Data is by census county subdivision. Values are not displayed if the 90% margin of error is greater than 1/3 of the estimate. Hawaii's attainment goal is for 55% of Hawai'i's working age population (25-64) to have a two-or four-year degree by 2025.

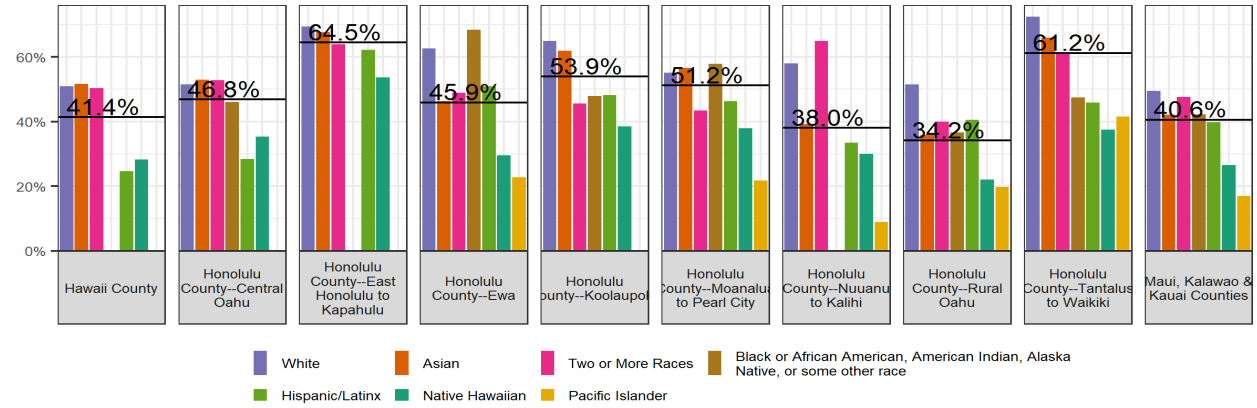
Differences in educational attainment by race/ethnicity are also extreme in the state (Figure 8). White residents are more than twice as likely to have at least an associate degree than Pacific Islanders, and nearly twice as likely as Native Hawaiians. Those two groups, together with Hispanic/Latinx residents, have attainment levels well below the state average. These patterns of racial/ethnic gaps in educational attainment repeat themselves in all parts of the state where attainment can be reliably measured (Figure 9).

Figure 8. Percent of Population Age 25-64 With an Associate Degree or Higher, by Race/Ethnicity



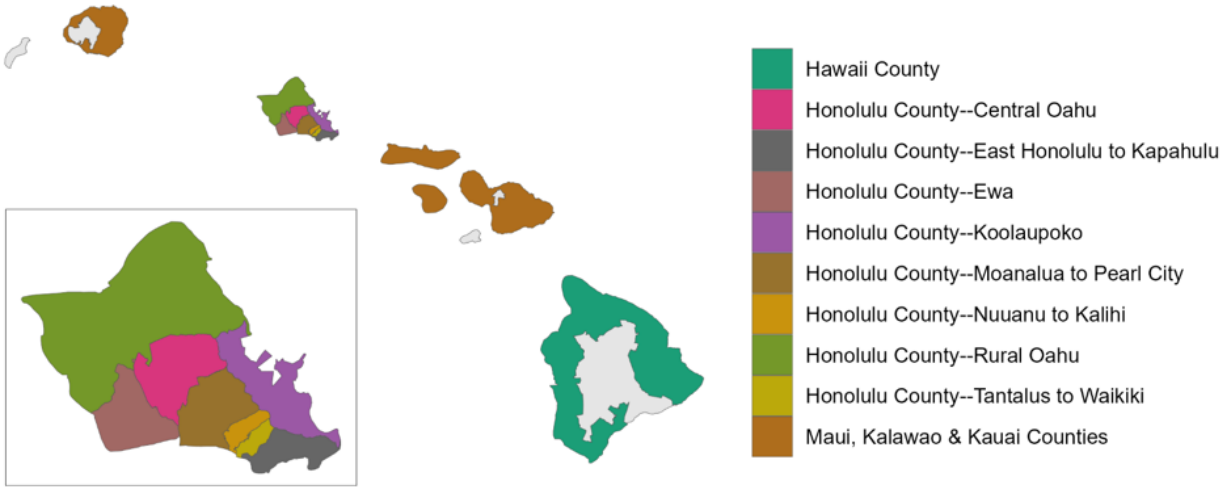
Source: U.S. Census Bureau; American Community Survey (ACS), 2018-2022 5-year ACS Public Use Microdata Sample (PUMS). The Native Hawaiian category includes those who identify as Native Hawaiian plus one or more additional races/ethnicities.

Figure 9. Percent of Population Age 25-64 With an Associate Degree or Higher, by Race/Ethnicity and PUMA



Source: U.S. Census Bureau; American Community Survey (ACS), 2018-2022 5-year ACS Public Use Microdata Sample (PUMS). Notes: Groups with margins of error larger than 30% of their population estimates have been removed. The Native Hawaiian category includes those who identify as Native Hawaiian plus one or more additional races/ethnicities.

Figure 10. Map of Hawai‘i Public Use Microdata Areas



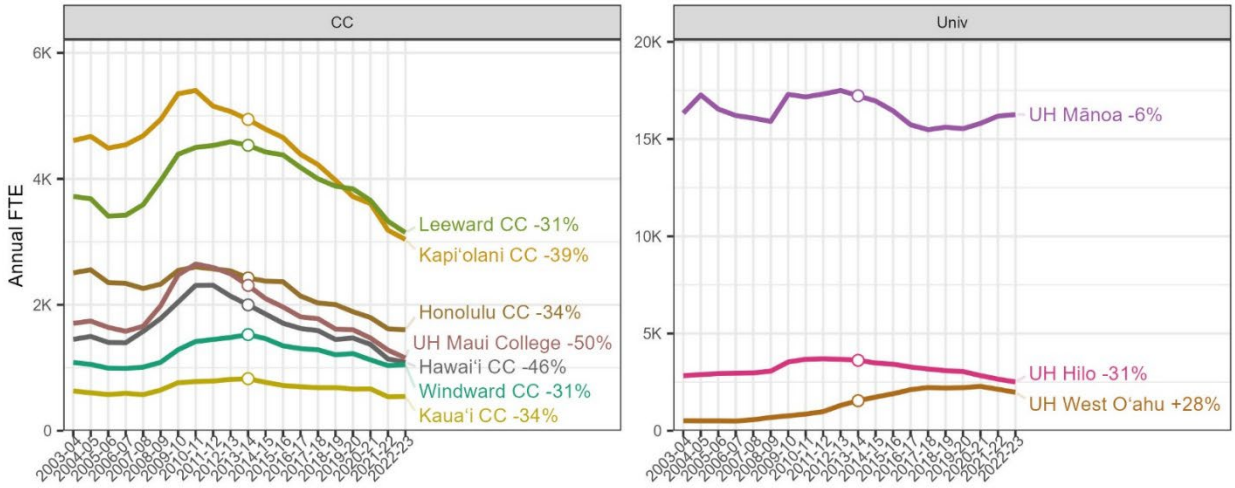
Demand for Higher Education

This section describes data about the demand for higher education in Hawai‘i. It begins with data about enrollment trends and patterns within the UH System, followed by participation rates that vary across Hawai‘i’s geography and racial/ethnic groups. Evidence about the System’s ability to attract resident and nonresident students is next. Finally, data about how Hawai‘i’s economy has evolved in recent years and about occupational demand and job postings provide information about the demand for graduates of the UH System’s programs.

Enrollment

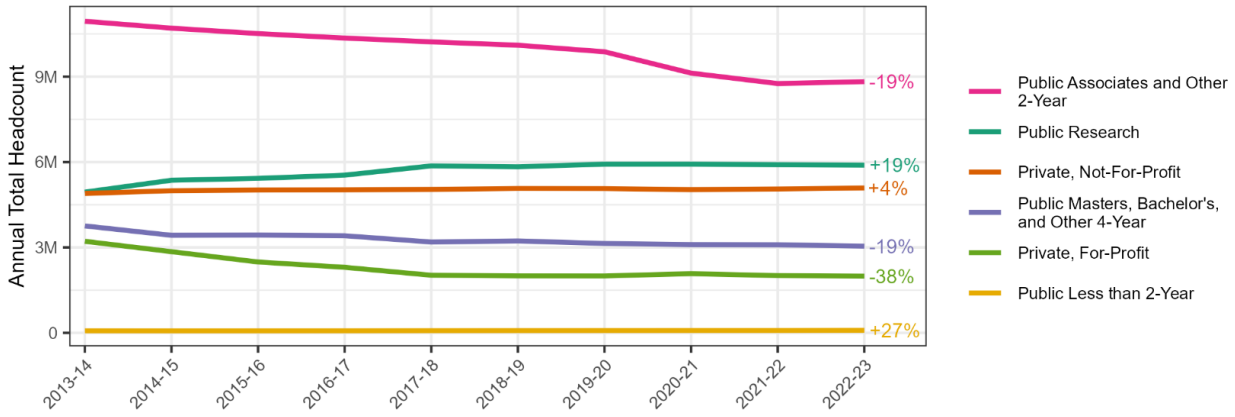
Over the decade between 2012-13 and 2022-23, enrollment in the UH System fell dramatically (Figure 11). These overall declines were driven by the community colleges, where all seven institutions saw large decreases ranging from 28 to 49 percent since 2012-13. Yet enrollment also fell in the four-year institutions: UH Hilo’s enrollment dropped steadily over this period while Mānoa saw its enrollment slip between 2012-13 and 2017-18 before a modest recovery. UH West O‘ahu has been an exception with increases at least through 2020-21. It must be noted that community college enrollment nationally also dropped sharply over this period, with decreases largely attributable to the sustained period of strong economic performance in the wake of the Great Recession (Figure 12). Nevertheless, Hawai‘i’s declines have been steeper than those of the nation as a whole. Furthermore, the System grew substantially in the years preceding 2012-13 during the Great Recession as individuals sought to skill up during the poor economy. Public open-access institutions, once facing the challenge of meeting significant increases in enrollment, suddenly started seeing demand dry up. To the extent that institutions responded to pre-2012 demand by adding capacity, the downturn has been even more challenging. In any case, the larger point is that the recent enrollment declines combined with the dim demographic picture indicate that the System cannot depend on growth going forward. In fact, as Figure 11 shows, all but two of the UH institutions lost FTE over a longer 20-year period from 2003-04 to 2022-23. (Mānoa’s enrollment was flat and West O‘ahu’s grew during this timeframe.)

Figure 11. UH System FTE Enrollment Over Time



Source: NCES IPEDS 12-Month Enrollment Survey, files efiaYYYY. Note: The two graphs are on separate y-axis scales. Percentage changes represent change from 2013-14 to 2022-23.

Figure 12. Annual Headcount by Sector, U.S. Total



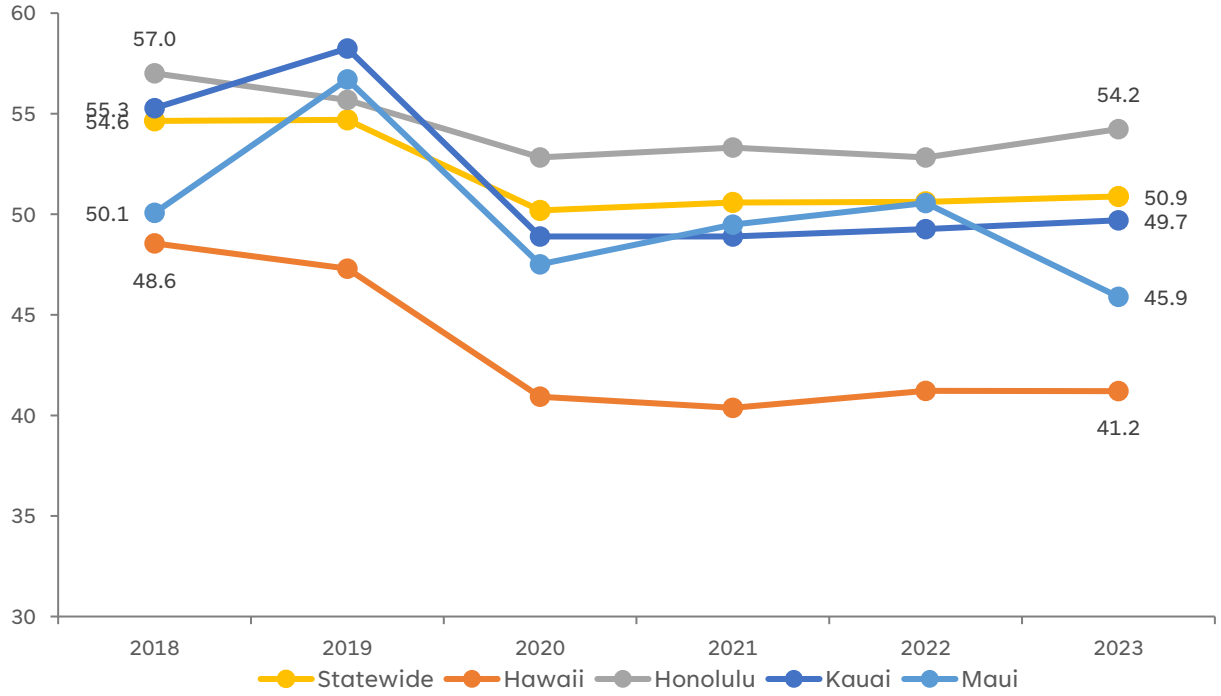
Source: NCES IPEDS 12-Month Enrollment Survey, effyYYYY files 2014-2022 final release; 2023 provisional release. Includes all Title IV eligible institutions in the 50 states plus DC.

Participation

These overall declines in enrollment are partly due to a significant drop in the college-going behavior of recent high school graduates. Statewide in 2018, 54.6% of high school graduates went on to college somewhere in the U.S., but that rate sank to 50.9% by 2023 (Figure 13). The big step down in these rates coincided with the pandemic, but it is troubling that the numbers have barely recovered. The differences by county are substantial, with college-going among residents of Hawaiʻi island being consistently lower than the other islands. Looking just at the rate at which Hawaiʻi residents enroll at UH, it is possible to see the same trends, but with more gradual declines. In fact, college-going in Honolulu County appeared to be largely unaffected by the pandemic, although that is not so with the neighbor islands (Figure 14). Although these data are

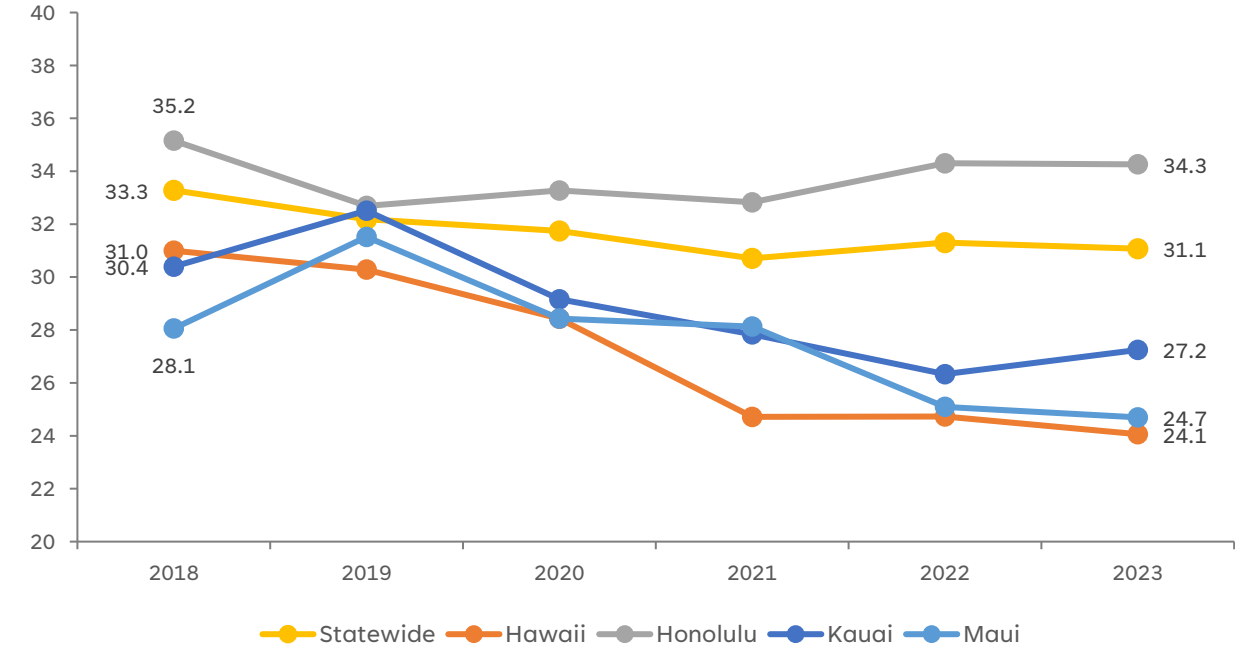
troubling, they are similar to what we are seeing nationally: after a long period of mostly constant rises in college-going rates, those rates began slipping in 2015 (Figure 15).

Figure 13. First-Time Undergraduates Enrolling Directly from High School Anywhere in the U.S. as a Percent of High School Graduates, by County



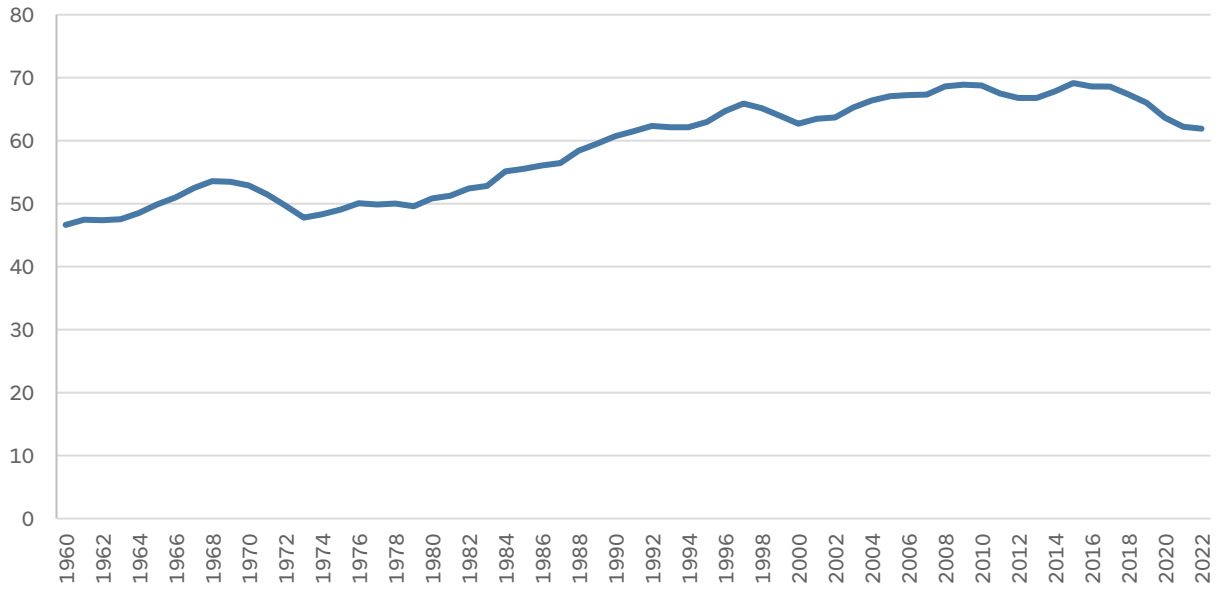
Source: Hawai'i Data Exchange Project.

Figure 14. First-Time Undergraduates Directly from High School Attending UH System as a Percent of High School Graduates by County, 2018-2023



Source: Hawai'i Data Exchange Project.

Figure 15. Percent of Recent High School Graduates Enrolled in College, U.S., 1960-2022



Source: Digest of Education Statistics (2023), Table 302.20.

A closer look at college-going rates across the state shows that rates have slumped in nearly all of the state's educational complexes (Figure 16) between 2018 and 2023, falling on a statewide basis from 33.3% to 31.1% (Figure 17). Some of this may be related to the pandemic, and while

providing a possible partial explanation, it is no less troubling. Exceptions to the overall pattern occurred in a few locations on O'ahu and among charter schools on Maui. It is also possible to see the substantial variation across the state in this figure, illustrating that by 2023, college-going among residents of Nanakuli-Waianae was less than a third of the rate of graduates from the Kaimuki-McKinley-Roosevelt complex.

Figure 16. Map of Hawai'i School Complexes

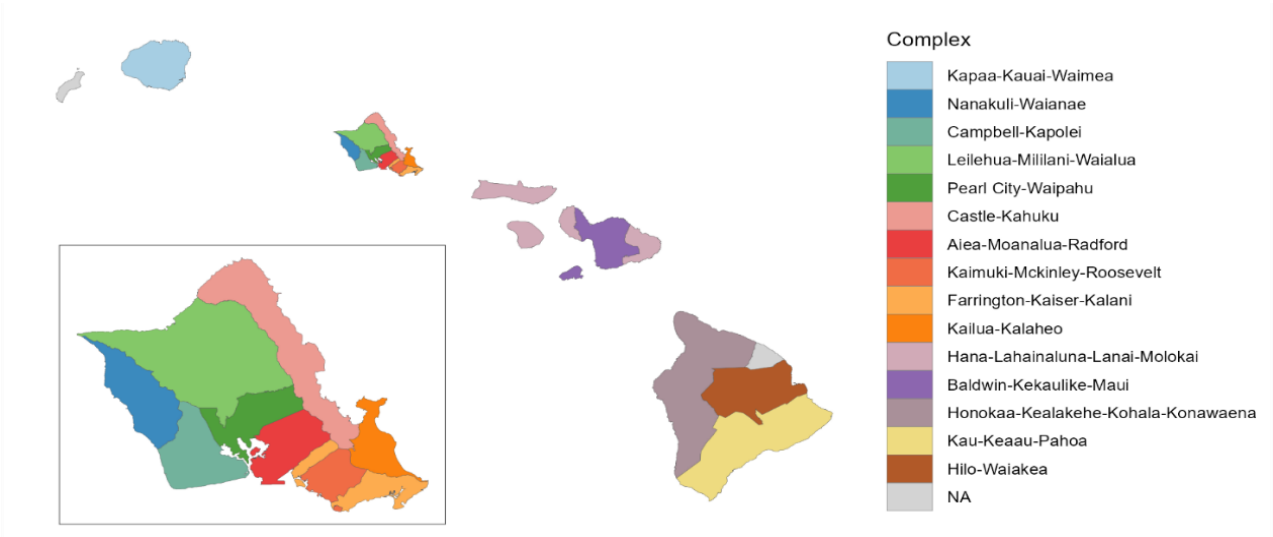
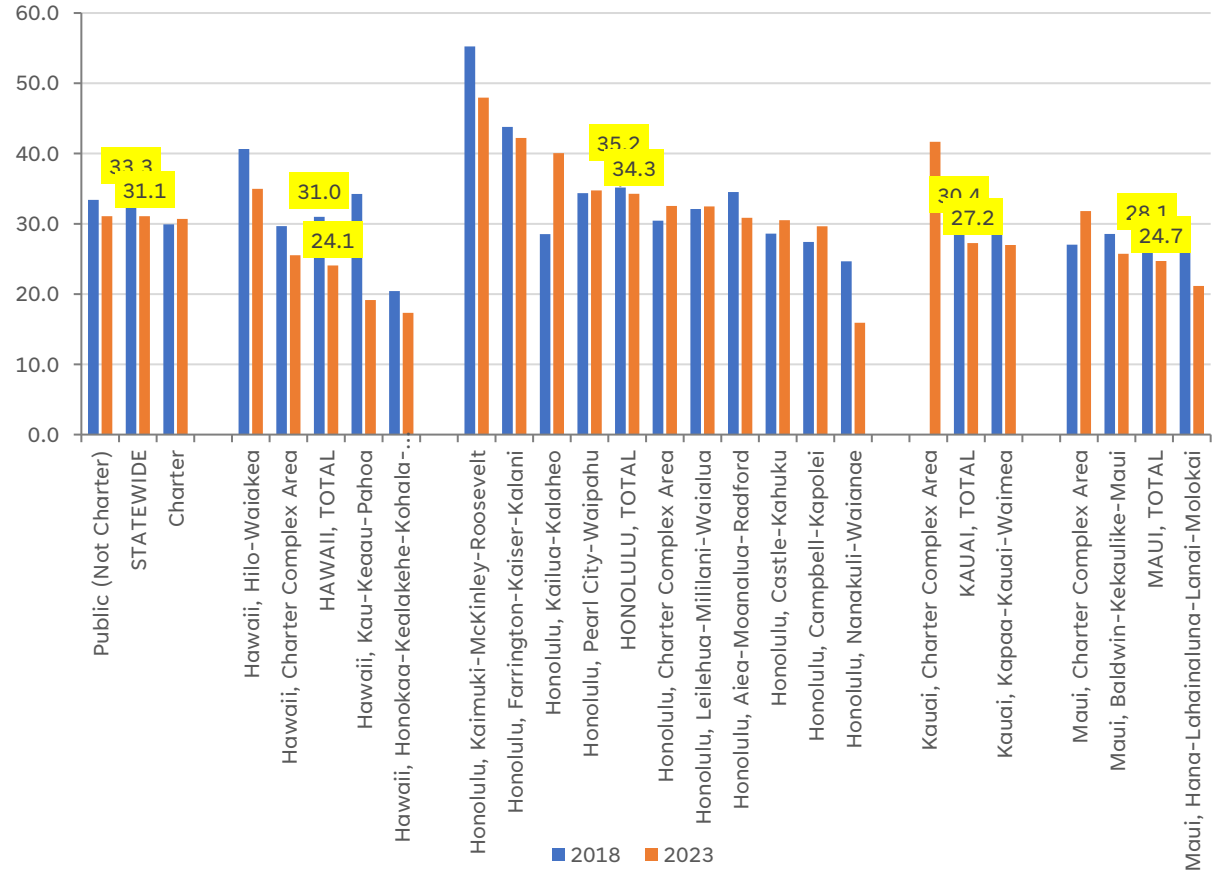


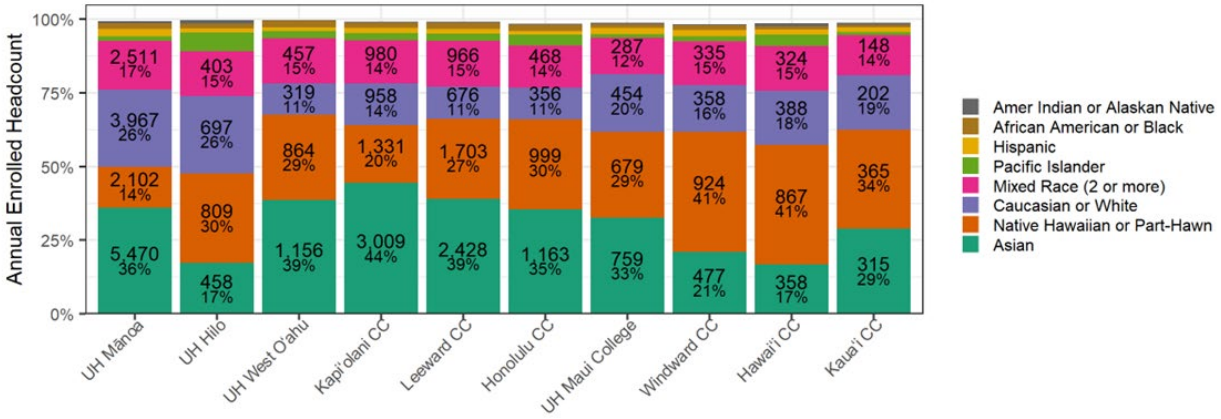
Figure 17. First-Time Undergraduates Directly from High School Attending UH System as a Percent of High School Graduates by County and Associated Complex, 2018-2023



Note: Counties and associated Complexes sorted on 2023 figures.
Source: Hawai‘i Data Exchange Project.

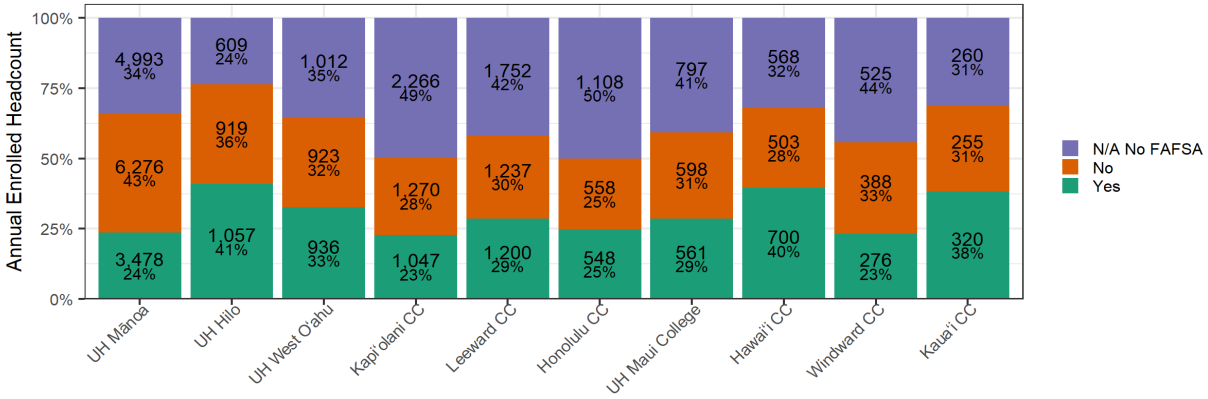
The racial/ethnic composition of the UH institutions shows considerable variation, with Native Hawaiians far less represented at Mānoa than the other institutions, especially the community colleges on the neighbor islands and at Windward (Figure 18). There is a dearth of usable data about income levels among Hawai‘i’s institutions; as many as half of Honolulu CC’s students did not complete the FAFSA, for example (Figure 19). Of those for whom income data are available, UH Hilo and Hawai‘i CC enroll the largest share of Pell-eligible students at 41% and 40% respectively. The share of enrollment that is Pell-eligible is lowest among the other campuses on O‘ahu (except UH West O‘ahu), hovering between 23% and 29%.

Figure 18. UH Undergraduate Enrollment by Race/Ethnicity, 2022-23



Source: UH System Office. Notes: Excludes Graduate and Early Admit students. Bars may not total 100% due to students with missing data.

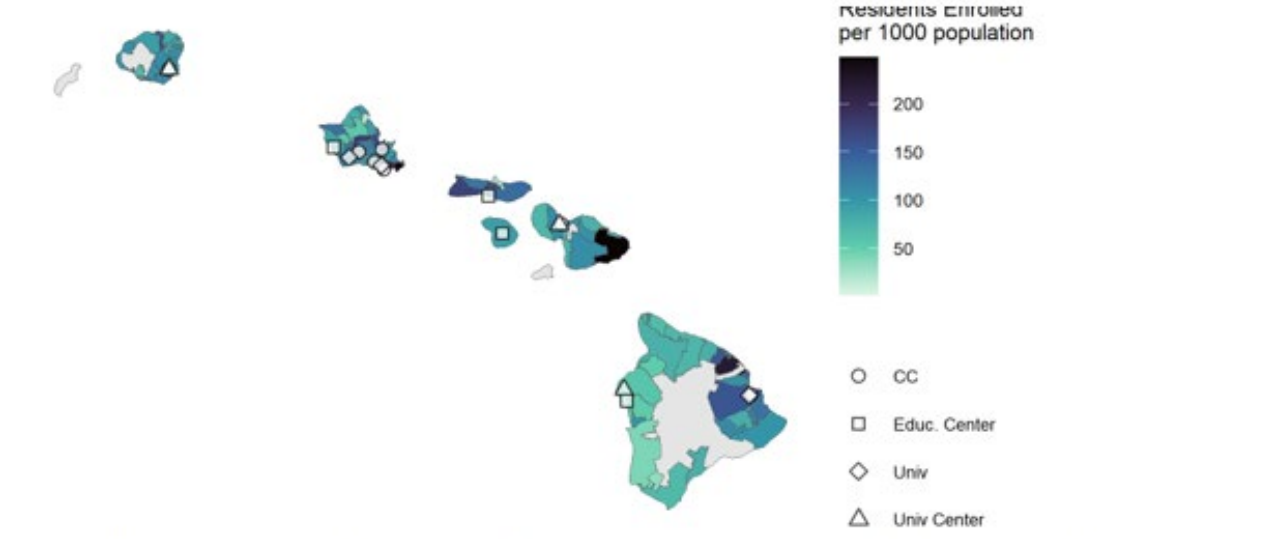
Figure 19. UH Classified (Degree-Seeking) Undergraduate Enrollment by Pell Eligibility, 2022-23



Source: UH System Office. Notes: Includes only classified undergraduates at their home campus.

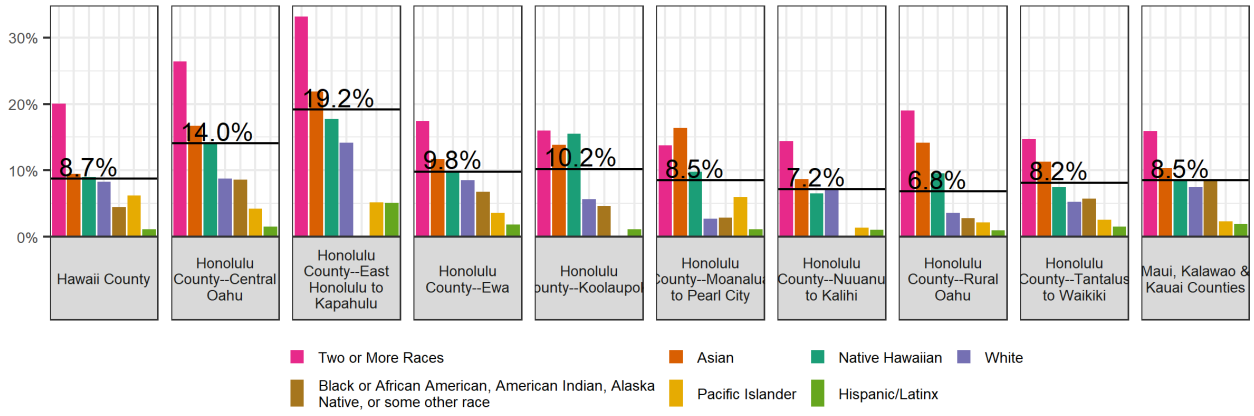
Rates of participation in higher education among Hawai‘i residents are largely consistent with how educational attainment rates are distributed throughout the islands: areas with higher levels of educational attainment are typically the same areas with high participation rates (Figure 20). Participation rates among residents who identify as being of two or more races are almost uniformly higher than the rates for other race/ethnicities across the state (Figure 21). Looking at the educational complexes across the state, East Honolulu to Kapahulu and Central O‘ahu boast the highest participation rates among residents without a bachelor’s degree. Participation rates for rural O‘ahu and Nuuanu to Kalihi are lowest, with the remaining complexes having participation rates of between 8% and 10%.

Figure 20. System Participation: UH Undergraduate Enrollment as a Percent of the Population Age 18-44 with Less Than a Bachelor's Degree, by Zip Code



Sources: UH System Office; U.S. Census Bureau, 2022 American Community Survey Five-Year Estimates; Table B15001. Notes: Data is by zip code. Enrollment is average annual undergraduates at all UH institutions from 2018-19 through 2022-23, excluding early admit high school students. Not all areas are covered by a zip code, and some rates are not calculated where enrollment and/or population data were not available.

Figure 21. System Participation: UH Undergraduate Enrollment as a Percent of the Population Age 18-44 with Less Than a Bachelor's Degree, by Area and Race/Ethnicity



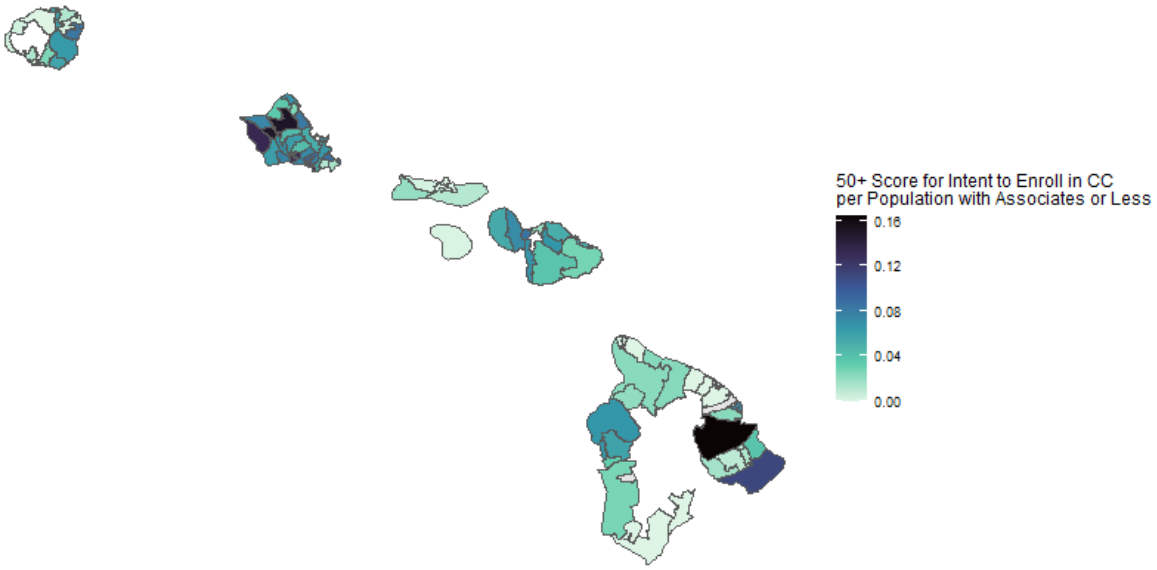
Sources: UH System Office; U.S. Census Bureau; American Community Survey (ACS), 2018-2022 5-year ACS Public Use Microdata Sample (PUMS). Notes: Excludes enrollment of high school students and students who are home-based at a different UH institution. The Native Hawaiian category includes those who identify as Native Hawaiian plus one or more additional races/ethnicities. Groups with margins of error larger than 30% of their population estimates have been removed. Students of unspecified race are included in the overall rates (black lines), but excluded from the individual race/ethnicity columns.

As the System looks for indications about where its students will originate, there are pockets of good news amidst these challenges. First is the presence of large and growing numbers of potential adult learners who could benefit from relevant programs leading to certifications, certificates, and degrees that add value. Second is the possibility that the troubling decline in college-going rates has left or threatens to leave traditional-aged students on the sidelines at a critical time in their education-to-career pathways. Efforts to better identify the students most at risk of bypassing college and address their needs may restore some of the enrollment losses the System has experienced.

Moreover, an analysis of data that captures individuals' "intent to enroll" in a college or university suggests that the appetite for getting a college education remains very strong throughout the state. This analysis uses proprietary data from CollegeAPP that estimates the intent of populations without a college degree to enroll in a two-year community (Figure 22) college or a four-year university (Figure 23).[4] It suggests there may be substantial interest in postsecondary education among individuals located in some of the more underserved areas of the state, including communities in West O'ahu, much of Maui, Kohala, and the communities near Volcanoes National Park on the Big Island. In some of these instances, the intent-to-enroll data contrast sharply with actual participation rates. For instance, interest in enrolling among residents of Waianae and the surrounding area appears to be considerably greater than actual participation rates. CollegeAPP also asks about intention to enroll online (Figure 24). Interestingly, and counter to some of the patterns of enrollment we see among actual students, there seems to be less enthusiasm for online course-taking, especially on the neighbor islands. If students from low-income backgrounds are more likely to prefer traditional forms of delivery, that might help explain this variance.

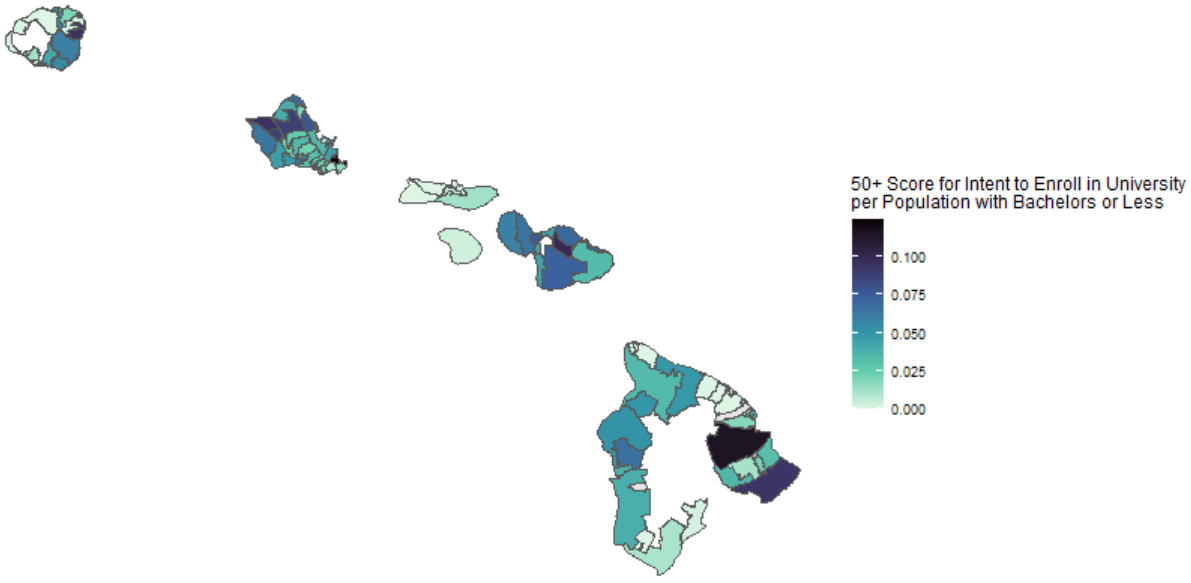
[4] CollegeAPP uses voter registration data and combines them with its own surveys to generate their datasets. Although these data offer an unusually rich source of information about the characteristics and locations of prospective college students, some caution must be exercised in interpreting the precision of the results due to limits in the coverage of their data in Hawai'i.

Figure 22. Intent to Enroll in a Community College



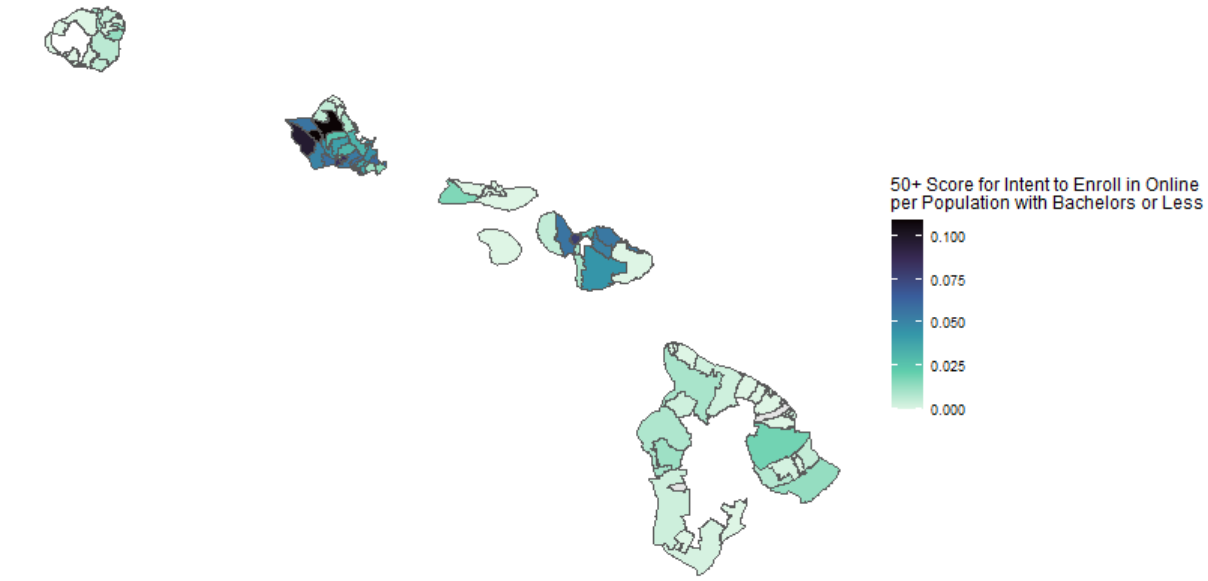
Sources: CollegeAPP; U.S. Census Bureau, 2022 American Community Survey Five-Year Estimates; Table B15001. Notes: Data is by zip code. CollegeAPP intent to enroll in community college score is for July 2024. Some rates are not calculated where CollegeAPP and/or population data were not available.

Figure 23. Intent to Enroll in a University



Sources: CollegeAPP; U.S. Census Bureau, 2022 American Community Survey Five-Year Estimates; Table B15001. Notes: Data is by zip code. CollegeAPP intent to enroll in university score is for July 2024. Some rates are not calculated where CollegeAPP and/or population data were not available.

Figure 24. Intent to Enroll in Online Education



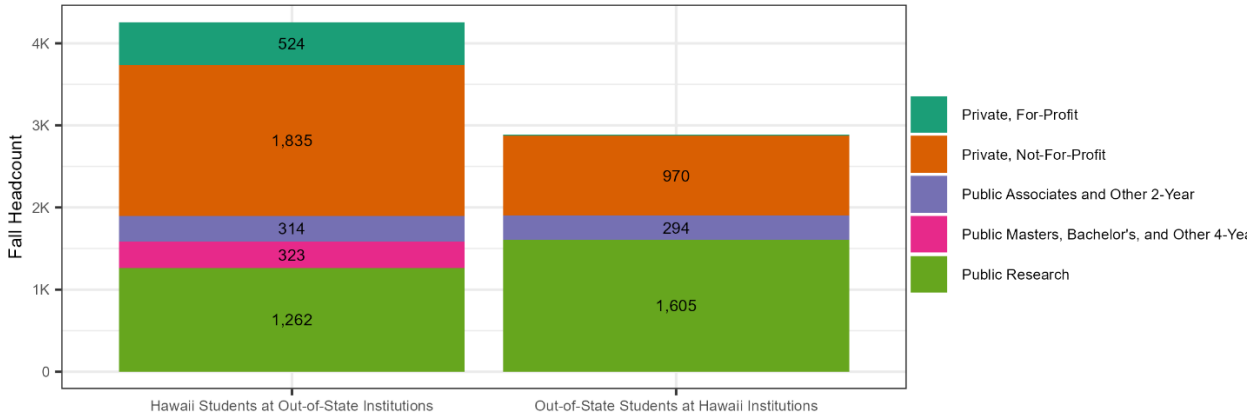
Sources: CollegeAPP; U.S. Census Bureau, 2022 American Community Survey Five-Year Estimates; Table B15001. Notes: Data is by zip code. CollegeAPP intent to enroll in online ed. score is for July 2024. Some rates are not calculated where CollegeAPP and/or population data were not available.

The divergence between these intent data and actual participation rates reinforces the observation that it is unlikely that the System can attract or effectively serve these populations of potential students by conducting business as usual. Doing so will require a renewed emphasis on the priority of reaching these populations and much greater flexibility and nimbleness in how the System operates.

Migration

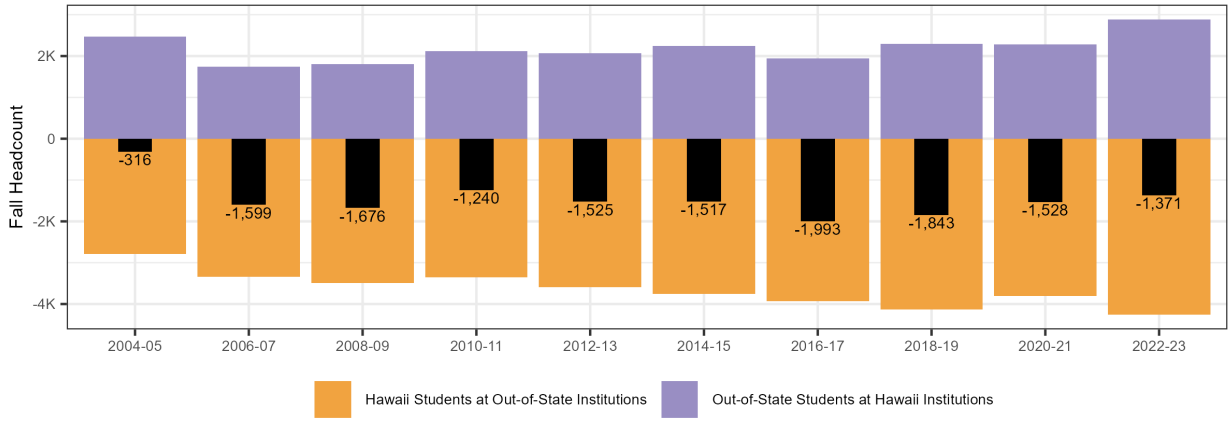
Hawai‘i is a net exporter of college students: more Hawai‘i residents leave to attend an out-of-state college than non-residents that come to Hawai‘i for college (Figure 25). In 2022, in-migration to UH institutions cancelled out out-migration to public institutions elsewhere, but many more Hawai‘i residents left the islands for private institutions than were attracted to similar institutions in Hawai‘i. Between 2004-05 and 2018-19, Hawai‘i’s net exports of students to other states has generally increased (Figure 26). The two more recent reported years have seen declines in net exports, one of which was likely affected by the pandemic, and 2022-23 topped all other years in this series of data for the total number of students coming and going.

Figure 25. Fall 2022 First-time Undergraduate Flows into and out of Hawai‘i, by Sector



Source: NCES IPEDS Fall Enrollment Residency and Migration Survey, ef2022c provisional release file. Note: Includes only First-time degree/certificate-seeking undergraduate students enrolled in Fall 2022. Includes all Title IV institutions in the U.S.

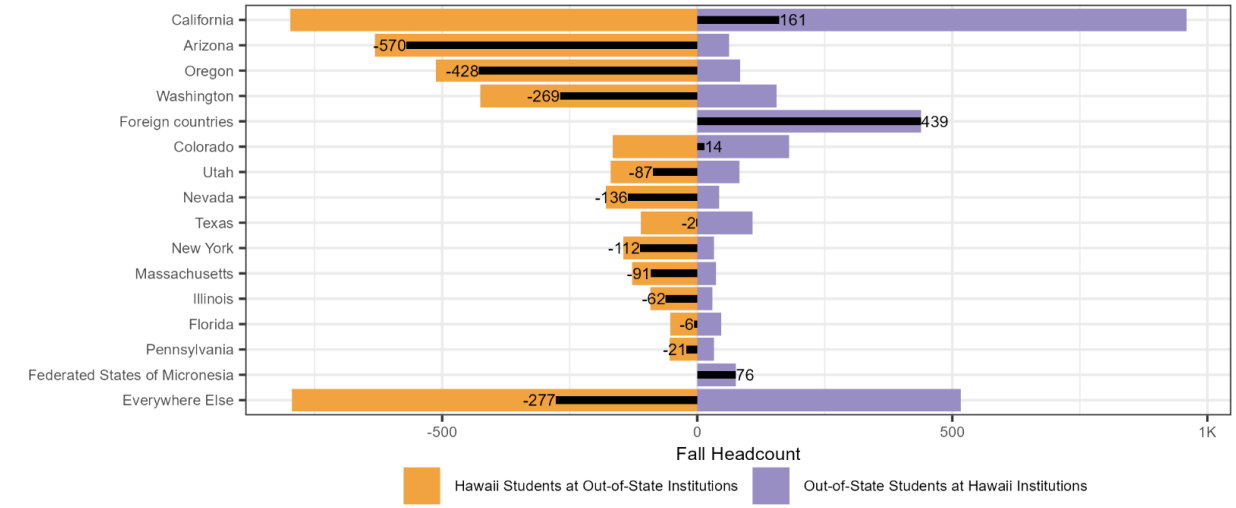
Figure 26. First-time Undergraduate Flows into and out of Hawai‘i, Over Time



Source: NCES IPEDS Fall Enrollment Residency and Migration Survey, efyyyyc, 2004-2020 final release files, 2022 provisional release. Note: Includes only First-time degree/certificate-seeking undergraduate students enrolled in fall semesters of even years. Includes all Title IV institutions in the U.S. Black bars and numbers indicate net flows.

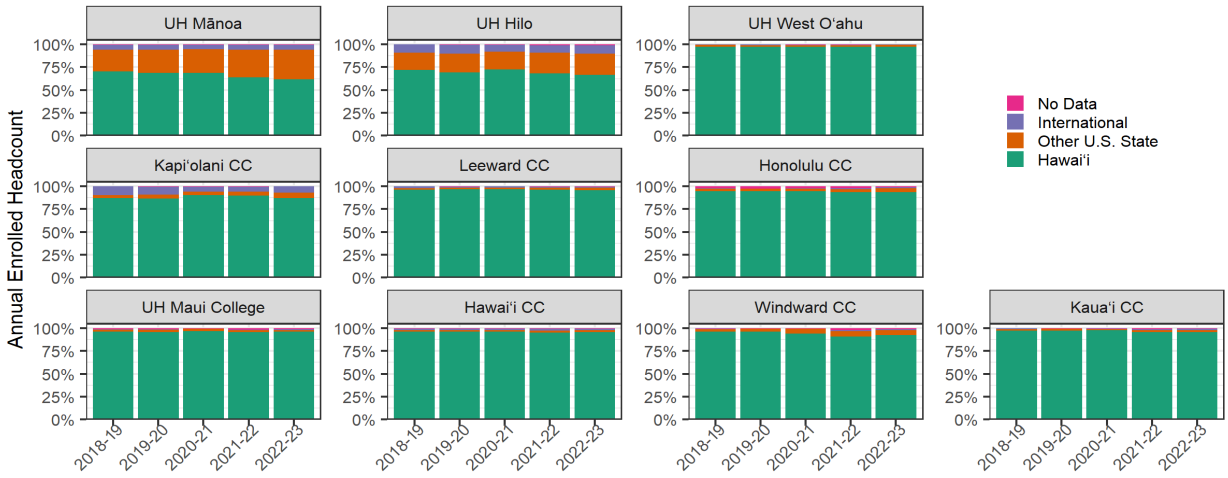
Net migration among states indicates that in 2022, Hawai‘i was particularly dependent on international student recruitment (though there are no reliable data for the number of students who leave Hawai‘i for institutions in foreign countries) and on students from Micronesia and California (Figure 27). As the flagship, Mānoa attracts the most international students, followed by UH Hilo (Figure 28). Roughly 10% of Kapi‘olani CC’s students are international. The Trump administration’s actions have likely complicated the ability to attract and serve international students.

Figure 27. Migration of First-Time Undergraduates Into and Out of Hawai‘i by State



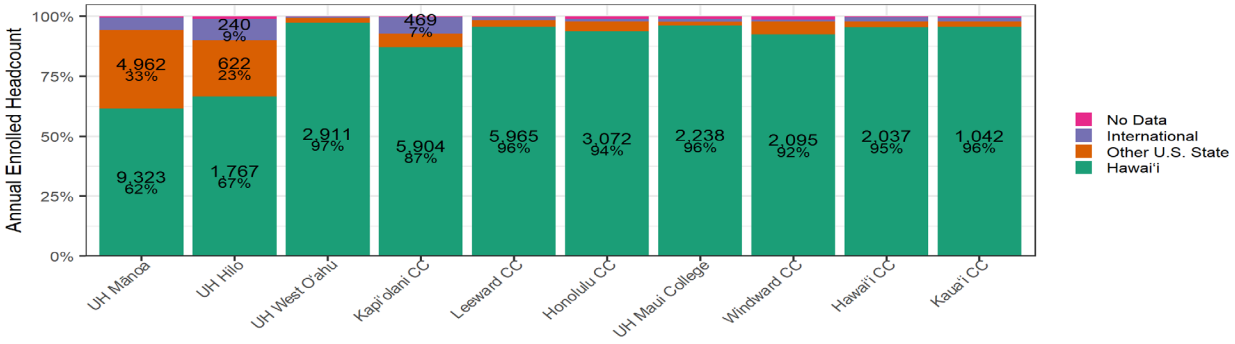
Source: NCES IPEDS Fall Enrollment Residency and Migration Survey, ef2022c provisional release file. Note: Includes only First-time degree/certificate-seeking undergraduate students enrolled in Fall 2022. Includes all Title IV institutions in the U.S. Black bars and numbers indicate net flows.

Figure 28. UH Undergraduate Enrollment Over Time by Residency



Source: UH System Office. Notes: Excludes Graduate and Early Admit students.

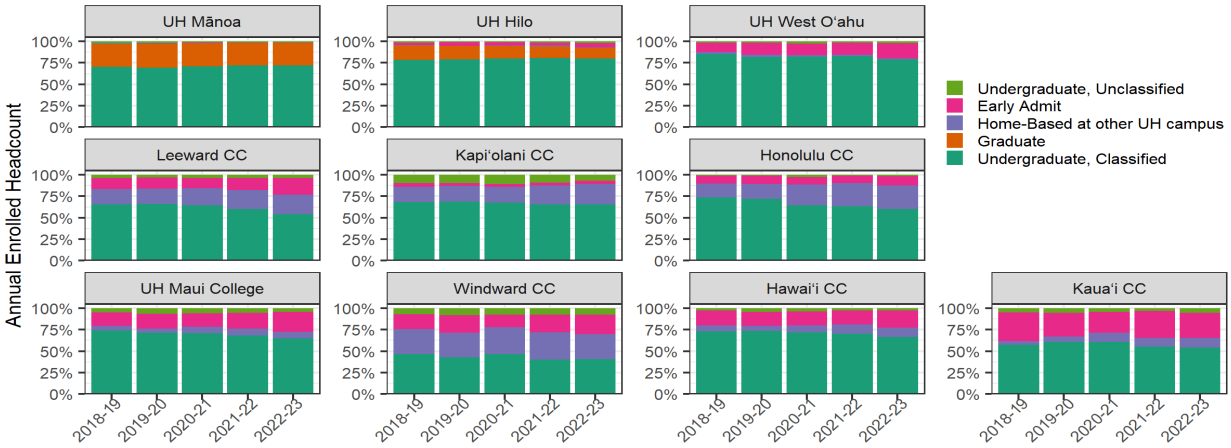
Figure 29. UH Undergraduate Enrollment by Residency, 2022-23



Source: UH System Office. Notes: Excludes Graduate and Early Admit students.

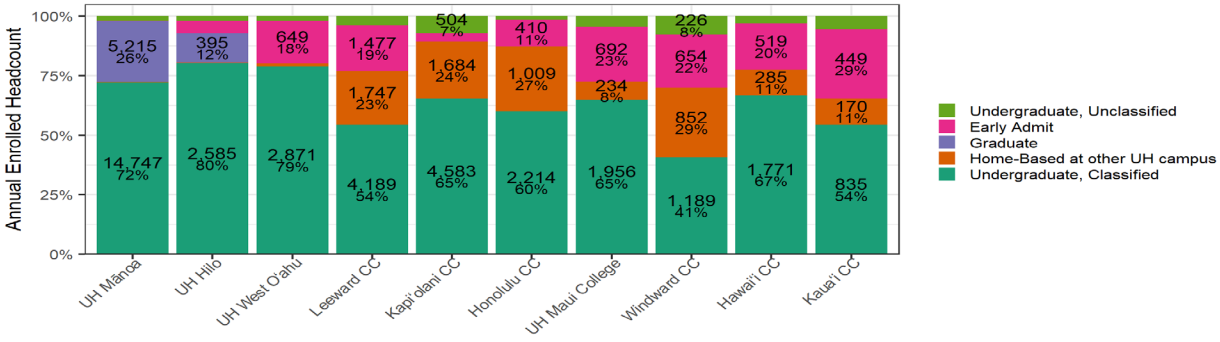
UH's community colleges have seen increased activity in dual credit, called "Early Admit" in Hawai'i, as measured by enrollment shares. The three community colleges on neighbor islands, and Windward CC, are more dependent on dually enrolled students. Of the four-year institutions, only UH West O'ahu has a substantial share of Early Admit students.

Figure 30. UH Enrollment Over Time by Student Status



Source: UH System Office.

Figure 31. UH Enrollment by Student Status, 2022-23



Source: UH System Office.

Workforce Demand

The following tables list top occupations, by average annual openings over ten years, that typically require a postsecondary certificate/training or above. Overall state projections are presented first, followed by projections for each of the larger neighbor islands.

Table 1. Top Occupations and Average Annual Openings, 2020-2030, State of Hawai‘i

Occupation	Average Annual Openings
General and Operations Managers	910
Teachers and Instructors, All Other, Except Substitute Teachers	790
Registered Nurses	740
Medical Assistants	640
Bookkeeping, Accounting, and Auditing Clerks	640
Teaching Assistants, Except Postsecondary	560
Nursing Assistants	550
Heavy and Tractor-Trailer Truck Drivers	540
Accountants and Auditors	500
Project Mgmt & Business Operations Specialists, All Other	490

Source: https://www.hirenethawaii.com

Table 2. Top Occupations and Average Annual Openings, 2018-2028, Hawai'i County

Occupation	Average Annual Openings
Teachers and Instructors, All Other, Except Substitute Teachers	130
General and Operations Managers	110
Teacher Assistants	100
Bookkeeping, Accounting, and Auditing Clerks	100
Registered Nurses	80
Nursing Assistants	80
Substitute Teachers	70
Elementary School Teachers, Except Special Education	70
Medical Assistants	70
Heavy and Tractor-Trailer Truck Drivers	60

Source: https://www.hirenethawaii.com

Table 3. Top Occupations and Average Annual Openings, 2018-2028, Honolulu County

Occupation	Average Annual Openings
Teachers and Instructors, All Other, Except Substitute Teachers	800
General and Operations Managers	660
Registered Nurses	590
Bookkeeping, Accounting, and Auditing Clerks	510
Business Operations Specialists, All Other	510
Teacher Assistants	500
Accountants and Auditors	440
Nursing Assistants	440
Medical Assistants	400
Elementary School Teachers, Except Special Education	350

Source: https://www.hirenethawaii.com

Table 4. Top Occupations and Average Annual Openings, 2018-2028, Kaua'i County

Occupation	Average Annual Openings
General and Operations Managers	60
Bookkeeping, Accounting, and Auditing Clerks	40
Heavy and Tractor-Trailer Truck Drivers	40
Nursing Assistants	30
Registered Nurses	30
Teachers and Instructors, All Other, Except Substitute Teachers	30
Massage Therapists	20
Substitute Teachers	20
Accountants and Auditors	20
Coaches and Scouts	20
Market Research Analysts and Marketing Specialists	20
Elementary School Teachers, Except Special Education	20
Secondary School Teachers, Except Special and Career/Technical Education	20
Automotive Service Technicians and Mechanics	20
Teacher Assistants	20

Note: Italics denote occupations tied with 20 average annual openings.
Source: https://www.hirenethawaii.com

Table 5. Top Occupations and Average Annual Openings, 2018-2028, Maui County

Occupation	Average Annual Openings
General and Operations Managers	100
Bookkeeping, Accounting, and Auditing Clerks	90
Registered Nurses	80
Teachers and Instructors, All Other, Except Substitute Teachers	70
Massage Therapists	60
Teacher Assistants	60
Nursing Assistants	60
Substitute Teachers	50
Elementary School Teachers, Except Special Education	50
Heavy and Tractor-Trailer Truck Drivers	50

Source: https://www.hirenethawaii.com

There is a lot of overlap in the top occupations across the islands. This overlap highlights the importance of providing access across the islands to programs leading to these in-demand occupations, the promise of course sharing and effective online delivery to provide access, and the importance of effective transfer policies between the two-year and four-year institutions, since many of these occupations require a bachelor's degree. In addition to this overlap, there are distinct differences in occupational needs. For example, in Honolulu County, there is a unique demand for Business Operations Specialists. Degrees typically associated with this occupation are in business administration and business operations.

Complementing occupational projections, which indicate long-term trends in hiring needs, are data about job advertisements drawn from proprietary sources that scrape the internet's job posting sites for information about what positions are being hired for over a more recent period. The following tables provide summary data based on job ads that were active at one point during the 12 months between June 23, 2023 and June 23, 2024. The following criteria were used to include a job ad in this analysis: requires an education level of associate degree, bachelor's degree, master's degree, or doctoral or professional degree, and is for a full-time position.

Of the 19,807 full-time job advertisements requiring an associate degree or above, 77% required a minimum education level of a bachelor's degree.

Table 6. Top Occupations by Number of Job Ads, June 2023–June 2024, State of Hawai'i

Occupation	Number of Job Ads
Elementary School Teachers, Except Special Education	1,336
Social and Human Service Assistants	1,115
Medical and Health Services Managers	998
Business Operations Specialists, All Other	752
Human Resources Specialists	576
Secondary School Teachers, Except Special and Career/Technical Education	528
Computer and Information Systems Managers	471
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	463
Accountants and Auditors	448
Middle School Teachers, Except Special and Career/Technical Education	430

Source: JobsEQ.

What follows are county-specific highlights of job ads data. There are two tables included for each county—the first table has the list of top occupations by number of job ads, and the second has a list of the top academic program names listed in the job ads. The following occupations are on the top five list for each of the counties in Hawai'i: Medical and Health Services Managers, and Social and Human Service Assistants.

Table 7. Occupations by Number of Job Ads, June 2023–June 2024, Hawai‘i County

Occupation	Number of Job Ads
Social and Human Service Assistants	1,336
Medical and Health Services Managers	1,115
Software Developers	998
Human Resources Specialists	752
Registered Nurses	576
Business Operations Specialists, All Other	38
Mental Health and Substance Abuse Social Workers	37
Elementary School Teachers, Except Special Education	36
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	31
Education Administrators, Postsecondary	28

Source: JobsEQ.

Software Developers and Registered Nurses appear among Hawai‘i County’s top five occupations and not among the top five of any of the other counties in Hawai‘i, demonstrating a potential need to focus on these two areas to meet workforce needs in Hawai‘i County.

The following table contains the top ten program names listed in the job ads.

Table 8. Top 10 Programs Listed in Job Ads, June 2023–June 2024, Hawai‘i County

Program Name	Number of Job Ads
Social Work	98
Business	95
Business Administration	91
Nursing	84
Computer Science	79
Psychology	74
Accounting	61
Engineering	61
Education	55
Biology	46

Source: JobsEQ.

Table 9. Occupations by Number of Job Ads, June 2023–June 2024, Honolulu County

Occupation	Number of Job Ads
Elementary School Teachers, Except Special Education	1,254
Social and Human Service Assistants	832
Medical and Health Services Managers	762
Business Operations Specialists, All Other	654
Secondary School Teachers, Except Special and Career/Technical Education	486
Human Resources Specialists	479
Computer and Information Systems Managers	438
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	401
Middle School Teachers, Except Special and Career/Technical Education	391
Accountants and Auditors	378

Source: JobsEQ.

Teachers at the secondary school level (excluding teachers of special education and career/technical education) appear on the top five list of Honolulu County and no other county in Hawai‘i.

Table 10. Top 10 Programs Listed in Job Ads, June 2023–June 2024, Honolulu County

Program Name	Number of Job Ads
Business Administration	1,194
Business	1,034
Accounting	925
Engineering	863
Computer Science	835
Education	681
Finance	632
Social Work	521
Nursing	422
Marketing	366

Source: JobsEQ.

Table 11. Occupations by Number of Job Ads, June 2023–June 2024, Kauaʻi County

Occupation	Number of Job Ads
Medical and Health Services Managers	50
Social and Human Service Assistants	43
Business Operations Specialists, All Other	25
Mental Health and Substance Abuse Social Workers	25
Accountants and Auditors	24
First-Line Supervisors of Retail Sales Workers	23
Elementary School Teachers, Except Special Education	22
Human Resources Specialists	20
Registered Nurses	18
Financial Managers	17

Source: JobsEQ.

Table 12. Top 10 Programs Listed in Job Ads, June 2023–June 2024, Kauaʻi County

Program Name	Number of Job Ads
Business Administration	79
Business	58
Social Work	53
Engineering	52
Public Administration	44
Computer Science	33
Accounting	32
Psychology	31
Education	29
Nursing	29

Source: JobsEQ.

Table 13. Occupations by Number of Job Ads, June 2023–June 2024, Maui and Kalawao Counties

Occupation	Number of Job Ads
Social and Human Service Assistants	123
Medical and Health Services Managers	81
Mental Health and Substance Abuse Social Workers	44
First-Line Supervisors of Retail Sales Workers	38
Business Operations Specialists, All Other	35
Human Resources Specialists	31
Financial Managers	27
First-Line Supervisors of Office and Administrative Support Workers	26
Elementary School Teachers, Except Special Education	24
Registered Nurses	24

Source: JobsEQ.

Table 14. Top 10 Programs Listed in Job Ads, June 2023–June 2024, Maui and Kalawao Counties

Program Name	Number of Job Ads
Business Administration	124
Business	88
Accounting	86
Social Work	83
Psychology	68
Engineering	53
Education	46
Nursing	45
Public Administration	45
Finance	42

Source: JobsEQ.

In sum, longer-term occupation projections and shorter-term job advertisements data indicate that there is a lot of overlap in the high-demand occupations across the counties of Hawai‘i, Honolulu, Kaua‘i, and Maui.

Considering the longer-term projections, the following are high-demand occupations across the counties of Hawai‘i, Honolulu, Kaua‘i, and Maui (listed by the largest number of average annual job openings):

- Teachers and Instructors, All Other, Except Substitute Teachers
- General and Operations Managers
- Registered Nurses
- Bookkeeping, Accounting, and Auditing Clerks
- Teacher Assistants
- Nursing Assistants
- Elementary School Teachers, Except Special Education

This overlap highlights the importance of providing access across the islands to programs leading to these in-demand occupations, the promise of course sharing and effective online delivery to provide access, and the importance of effective transfer policies between the two-year and four-year institutions.

Shorter-term job advertisements data show that across the islands 77% of full-time job advertisements requiring an associate degree or above required a minimum education level of a bachelor’s degree. The following are the top academic programs listed in the high-demand occupations across the counties of Hawai‘i, Honolulu, Kaua‘i, and Maui:

- Accounting.
- Business.
- Business Administration.
- Education.
- Engineering.
- Nursing.

- Social Work.

The job ads data also point to areas of particular need by region, warranting close attention to ensure there is access to related academic programs for meeting the local job need in those areas—namely, Software Developers and Registered Nurses in Hawai‘i County, and teachers at the secondary level in Honolulu County.

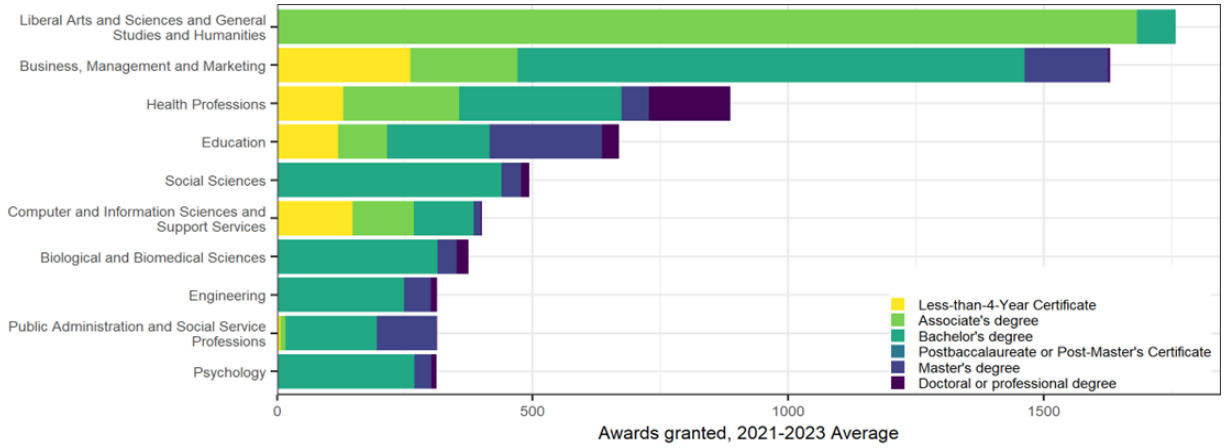
Higher Education Supply

With information about workforce demand as background, we turn to the evidence about the supply of higher education provided by the UH System. First is the array of programs that are offered, which can be compared to the occupational demand and the demand for programs. Other aspects of educational supply follow, such as information about the way students navigate the UH System through transfers and course-taking behaviors.

Programs

The liberal arts and sciences account for the majority of awards conferred by the UH System as a whole (Figure 32); the vast majority of these awards are associate degrees awarded by the community colleges to students with intentions to transfer to a four-year institution. The second most are awards in business, management, and marketing, which account for nearly as many as the liberal arts and sciences but include certificates and degrees at all levels, most of which are baccalaureate degrees. Far fewer awards are conferred in the health professions, education, and the social sciences, which account for the next three largest fields of study.

Figure 32. UH System Awards by Discipline

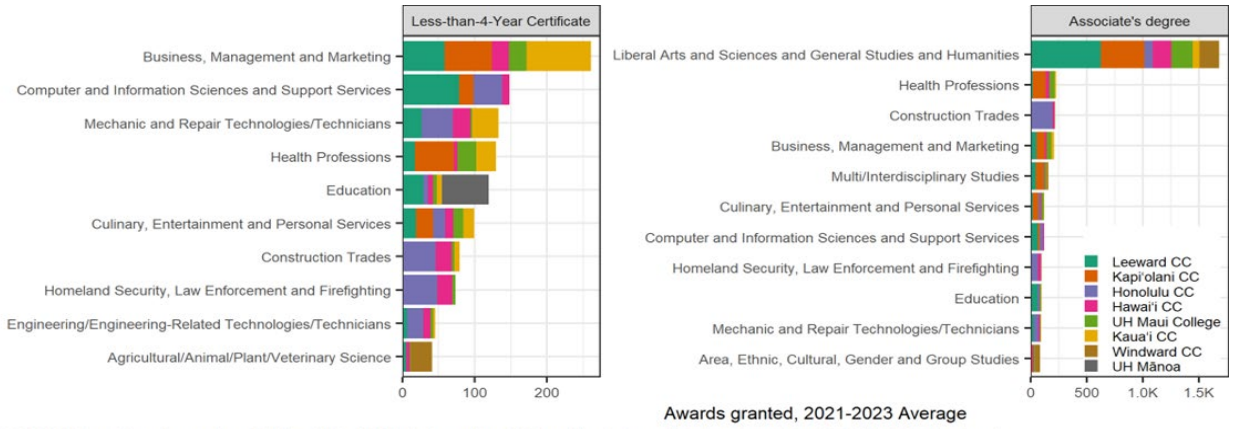


NCES IPEDS Completions Survey, files cYYYY_a. 2021, 2022 final release files; 2023 provisional release.
Note: Includes only top 10 2-digit CIP codes. Awards may be duplicated in cases where a graduate receives multiple awards.

Disaggregating sub-baccalaureate awards by institution and discipline gives a view of the alignment between educational supply and demand (Figure 33). Sub-baccalaureate certificates have been a minority of total awards conferred by the UH institutions, but unsurprisingly, the most common of these are in technical or vocational fields. At the associate degree level, the number of transfer-oriented programs is dominant. Honolulu CC and community colleges on the neighbor islands are most likely to offer programs in the trades. One unusual observation from these two

lists is the presence of Mānoa as a provider of sub-baccalaureate credentials, mostly in education, since it is uncommon for a public flagship and research university to offer such programs.

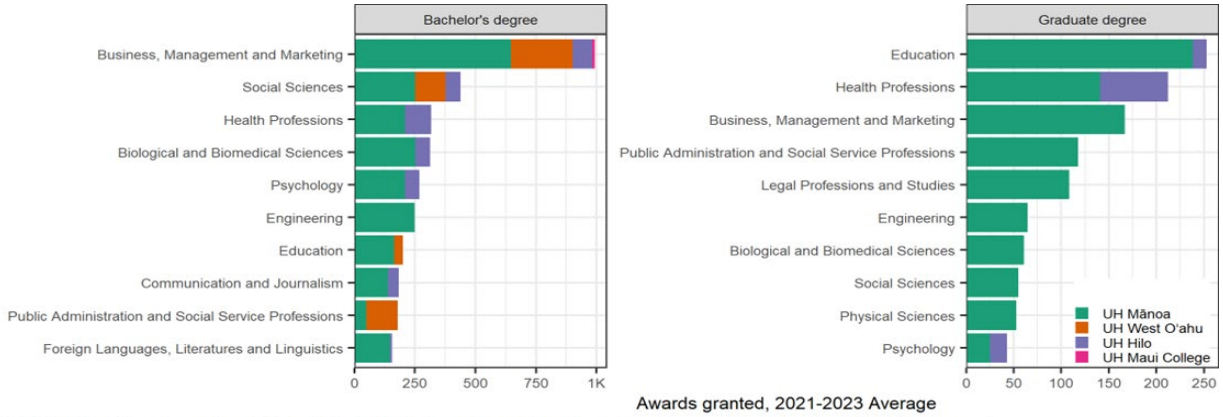
Figure 33. UH Sub-Baccalaureate Awards by Institution and Discipline



NCES IPEDS Completions Survey, files cYYYY_a. 2021, 2022 final release files; 2023 provisional release. Note: Includes only top 10 2-digit CIP codes at each level. Awards may be duplicated in cases where a graduate receives multiple awards. Graphs are on separate x-axis scales,

At the baccalaureate level, degrees in business are most common (Figure 34). Far fewer bachelor's degrees are awarded in any other field. At the graduate level, degrees in education and health professions are most common. Mānoa consistently confers the most degrees in any discipline at any level; however, UH Hilo contributes a substantial number of degrees in the health professions, especially. UH West O'ahu's most significant awards, as a share of total awards, are bachelor's degrees in business, social sciences, and public administration.

Figure 34. UH Bachelor's and Graduate Awards by Institution and Discipline



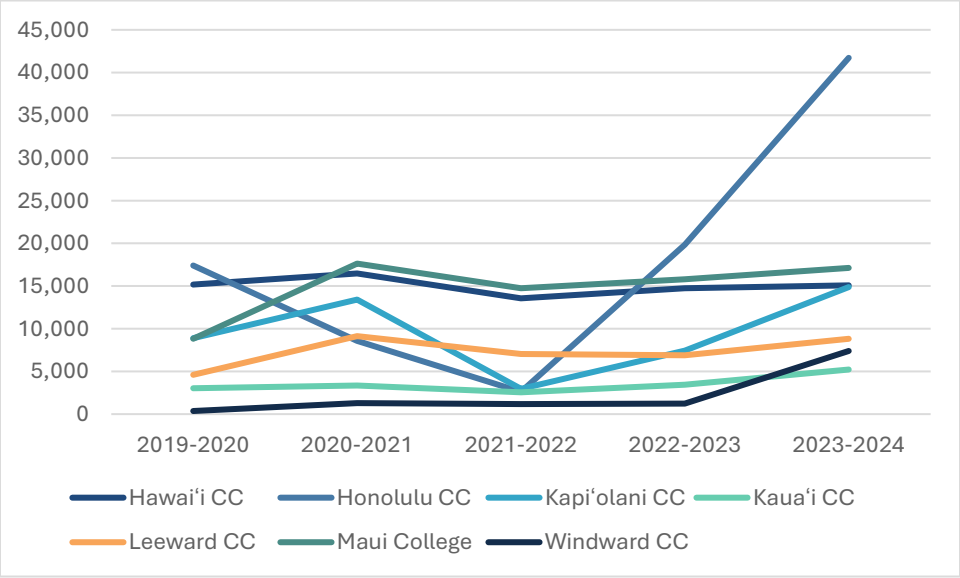
NCES IPEDS Completions Survey, files cYYYY_a. 2021, 2022 final release files; 2023 provisional release. Note: Includes only top 10 2-digit CIP codes at each level. Awards may be duplicated in cases where a graduate receives multiple awards. Graphs are on separate x-axis scales,

Noncredit Instruction

The University's community colleges also provide noncredit instruction in the categories of workforce training and career readiness. The number of students participating in noncredit coursework has varied between 7,000 and 10,000 over the past five academic years. The total hours of instruction, however, have increased by 89% from 2019-20 to 2023-24, growth which stands in stark contrast to the decline in credit enrollments. Additionally, that growth does not

simply represent pandemic recovery; the single-year growth from 2022-23 to 2023-24 was 59%, based mainly, though not entirely, on a large increase in noncredit activity at Honolulu CC (Figure 35).

Figure 35. Total Hours of Instruction in Noncredit Courses



Source: UH Office of the VP for Community Colleges. Note: Excludes universities.

The largest industry associated with noncredit instruction each of the past five years was "Industry and Trades," which includes primarily construction-related fields such as carpentry, electricians, plumbing, HVAC, and masonry (Table 15). A number of these students are enrolled in apprenticeship programs through Honolulu CC.

Table 15. Top Industries by Noncredit Headcount at UHCC in 2023-24

Rank	Industry	Headcount
1	Industry and Trades	4,774
2	Healthcare and Caregiver Services	2,060
3	Business and Professional Studies	661
4	Computers and Technology	594
5	Education and Career Planning	451
6	All Other Courses	641

Source: UH Office of the VP for Community Colleges. Note: Excludes universities.

Overall, there is evidence of broad alignment between credit and noncredit activity by discipline and the occupational demand in Hawai'i in the short-term and longer-term—particularly in Business, Management and Marketing; Health Professions; and Education. For instance, the occupation projected to be second most in demand across the state is General and Operations Managers, and in Honolulu County, there is a unique projected demand for Business Operations Specialists. Degrees typically associated with these occupations are in business administration

and business operations, both of which are included in the Business, Management and Marketing discipline. That discipline has the second most awards in the UH System, with UH Mānoa leading in bachelor's degrees awarded. Also, the discipline with the most less-than-four-year certificates awarded is Business, Management and Marketing, and there is relatively high noncredit activity in Business and Professional Studies. This noncredit instruction, these certificates, and these bachelor's degrees are all aligned with the occupation projections.

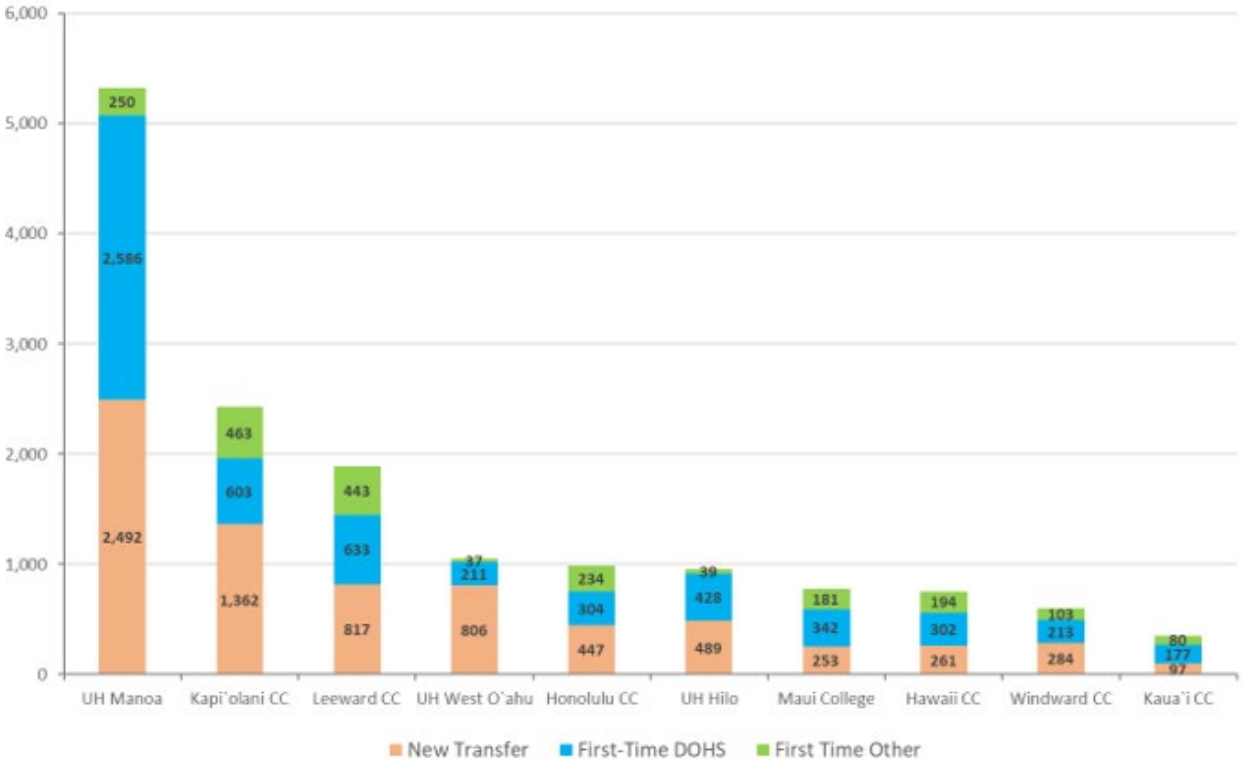
Transfer

Postsecondary systems, especially those with institutions in both the two- and four-year sectors, as opposed to statewide coordinating bodies that oversee independently governed institutions—typically can exercise line authority to create policies and practices that ease students' transfer among member institutions and to make courses and programs that are housed at one institution within the system available to students who are enrolled at another campus. Existing and forecasted reductions in enrollment demand elevate the importance of a system's ability to broaden access to programs and smooth transfer among institutions, especially where such declines threaten an individual member institution's ability to sustain its own programs or maintain their quality. A system's ability to do this relies on its ability to exercise the necessary authority to bring its member institutions and their stakeholders together to overcome barriers that exist along typical institutional boundaries. Shared governance structures, policies, and practices play a crucial role in either easing or impeding the UH System's ability to do this well, especially if there is no systemwide forum for engaging faculty collaboratively to address these matters. The UH System lacks a systemwide shared governance structure with a charge and sufficient authority to address issues impeding student success, which are rooted in the exercise of shared governance at the individual institutions.

In Hawai‘i, data show that transfer from UH's community colleges to its universities is weak. This is in spite of the fact that the majority of degrees awarded by the CCs are transfer-oriented degrees. Figure 36 shows that each of the UH institutions relies heavily on transfer students as first-time enrollees, though the proportions vary considerably. Even the community colleges, typically the source of many transfer students, are themselves the recipients of large numbers of transfer students in Hawai‘i. Yet as Figure 37 and Figure 38 illustrate, a substantial amount of the incoming transfers come from out-of-state institutions, and the UH universities receive slightly more transfer students from out-of-state institutions than they do from the UH community colleges. This is especially apparent when looking at the data for transfer populations at Mānoa. Despite being no more than 15 miles from the four community colleges on O‘ahu, Mānoa enrolls only two-thirds as many students from those institutions as it enrolls from institutions beyond the state. Even including the rest of the UH System institutions as sources of transfer students still means that Mānoa enrolls nearly 15% more transfer students from out-of-state institutions. The same patterns exist for UH Hilo, but UH West O‘ahu attracts more transfer students from the UH System, especially Leeward CC. Finally, Figure 39 shows the number of students who transfer from each of the UH community colleges relative to its total enrollment. While it is important to appreciate that not all incoming community college students are seeking to transfer, these comparisons show that even at Windward CC, where these rates are highest, this ratio reaches just 21%. Transfer percentages are lowest at the community colleges on the neighbor islands. This finding reflects the reality that, if students on the neighbor islands are going to obtain

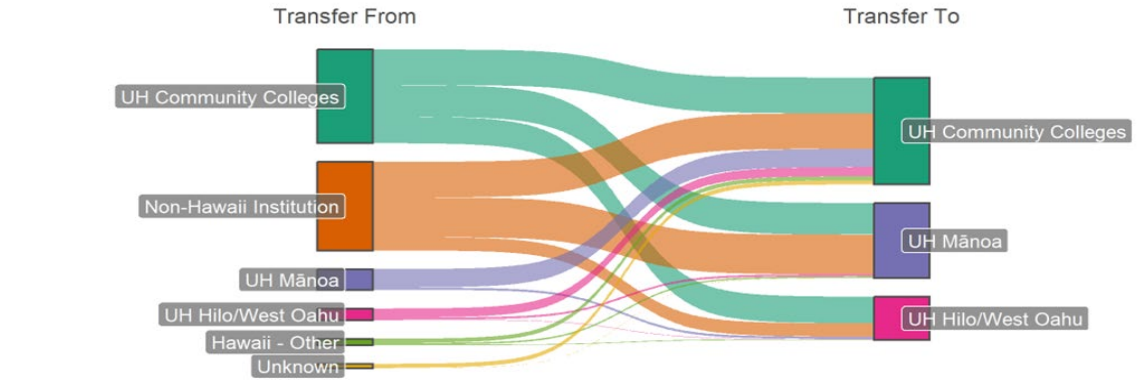
baccalaureate degrees, it will have to occur through programs being brought to them, not by requiring them to go to another island to enroll in such programs.

Figure 36. Average Annual First-Time Headcount by Student Type, 2020-21 to 2022-23



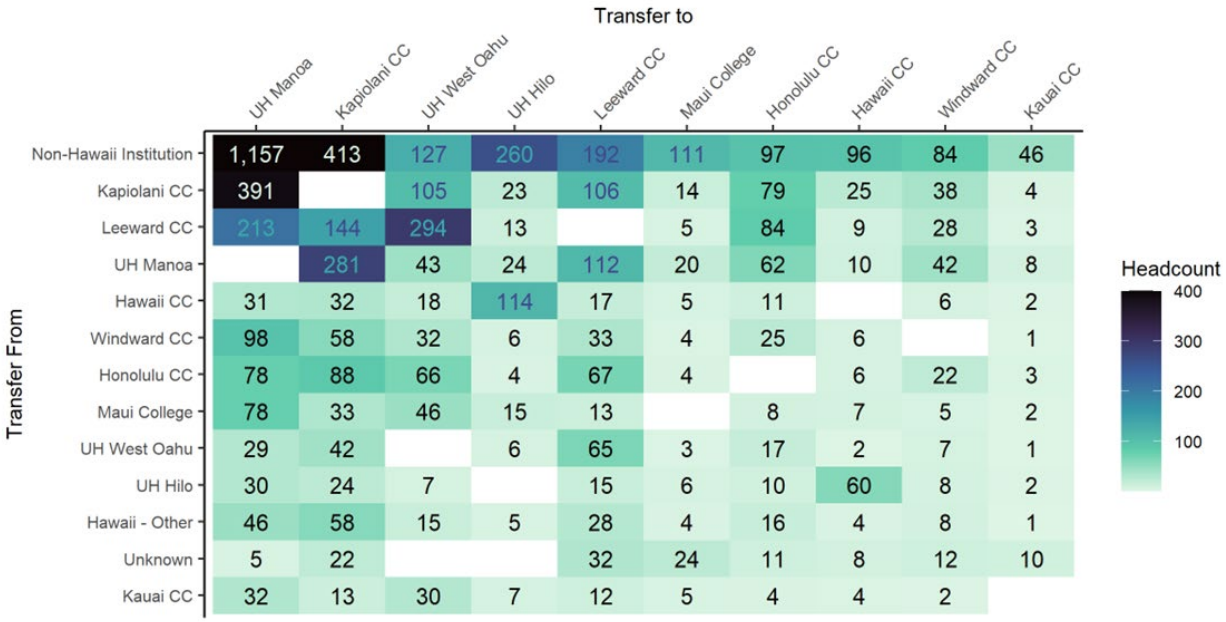
Source: University of Hawai‘i System.

Figure 37. UH Transfer Flows, 2020-21 to 2022-23 Average



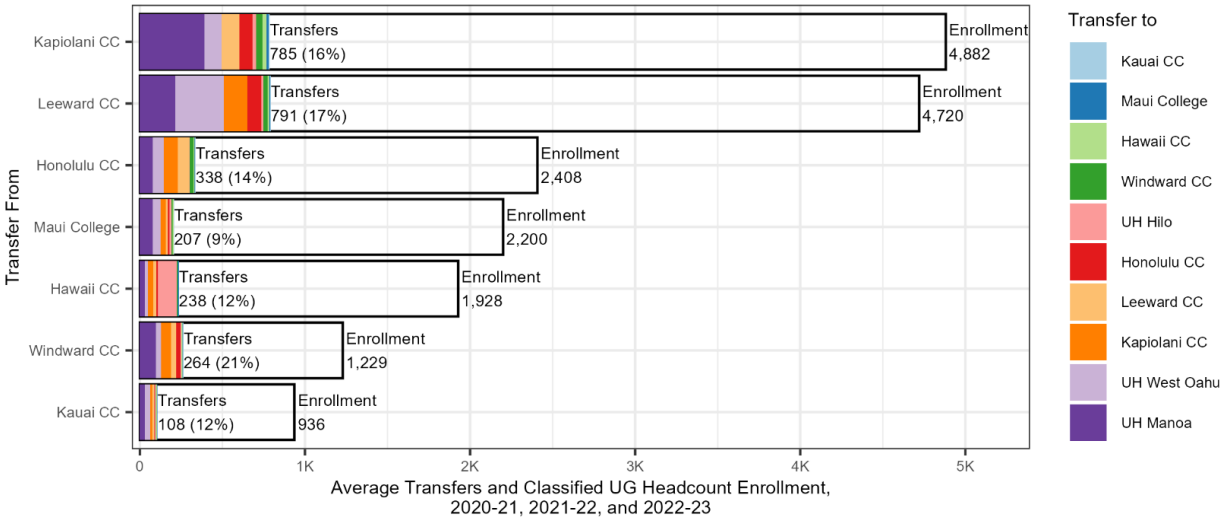
Source: UH System Office. Transfers out of the UH system were not provided.

Figure 38. UH Incoming and Outgoing Transfer Students, 2020-21 to 2022-23 Average



Source: UH System Office. Transfers out of the UH system were not provided.

Figure 39. UH CCs' Average Transfers to Other UH Institutions vs Total Degree-Seeking Enrollment



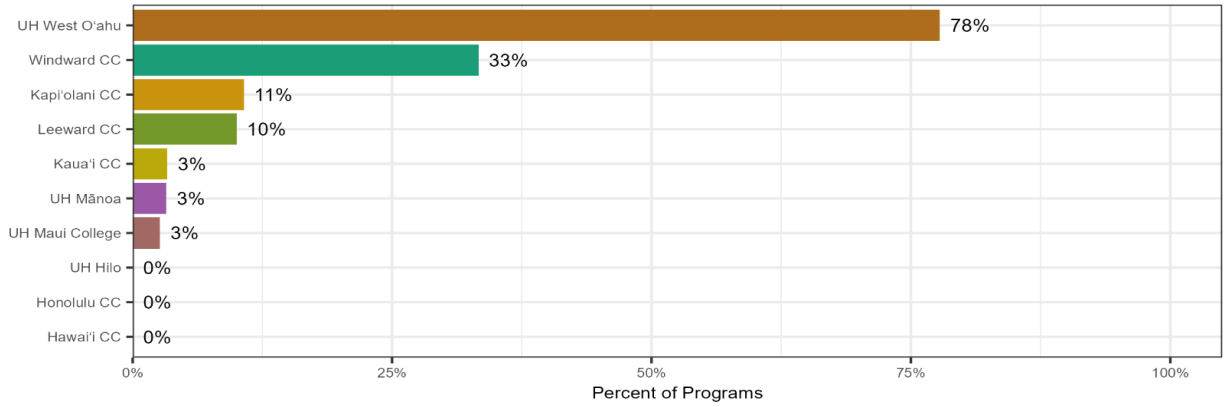
Source: UH System Office. Notes: Transfers and enrollments are 3-year averages. Enrollment includes only classified Undergraduates. Transfers out of the UH system were not provided.

The preceding figures also show that there is significant movement of students among the UH community colleges as well. Not surprisingly, the bulk of this movement is occurring between community colleges on O'ahu, and most intensively involving Honolulu CC, which offers more vocational and workforce-oriented programs than its sister institutions on O'ahu.

Online Enrollment

A look at the course-taking patterns of the System institutions informs how students are accessing courses and programs through various formats. In 2022, UH West O‘ahu offered over three-quarters of its programs via distance, which is consistent with its founding purpose (Figure 40). No other UH institution approached that level of online education. Windward CC offered a third of its programs online, while the rest were at 10% or less, and UH Hilo, Honolulu CC, and Hawai‘i CC offered no programs in an exclusively online format. The hands-on nature of programs at Honolulu CC explains the lack of online delivery there. However, the absence of such programs on the Big Island suggests a failure to use available technology to meet the needs in the more remote parts of the island.

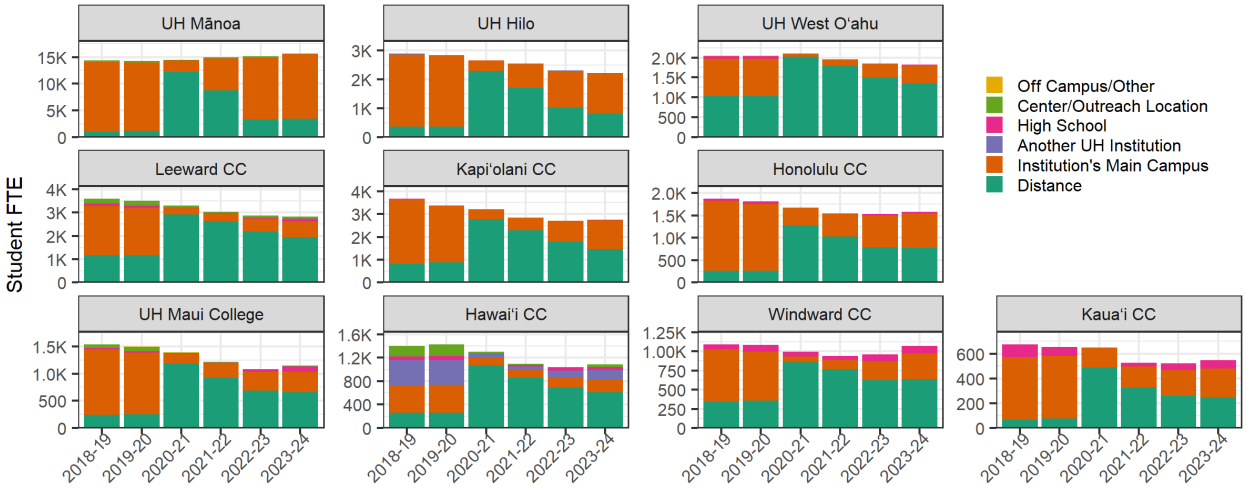
Figure 40. Percent of Undergraduate Programs Offered via Distance, 2023



Source: IPEDS completions c2023dep provisional release file. Note: Programs are defined by 6-digit CIP code. There are no graduate programs in the UH system that can be completed exclusively via distance.

The pandemic initiated a rapid shift to online enrollment; however, not all institutions have returned to pre-pandemic enrollment practices. While all institutions are much more heavily invested in online delivery since the pandemic, none of them had yet seen the same share of in-person classes occurring as of 2023-24 as was the case in 2019-20 (Figure 41). Mānoa and Hilo have come closest to returning to pre-pandemic patterns. All of the community colleges are continuing to see much higher rates of online education in the wake of the pandemic, with Kaua‘i CC seeing the largest relative recovery of in-person instruction. Worth noting is that UH West O‘ahu continued to offer a significant majority of its credit hours through distance delivery, but even prior to the pandemic, it was offering about half of its courses that way.

Figure 41. Instructional Activity by Location/Modality



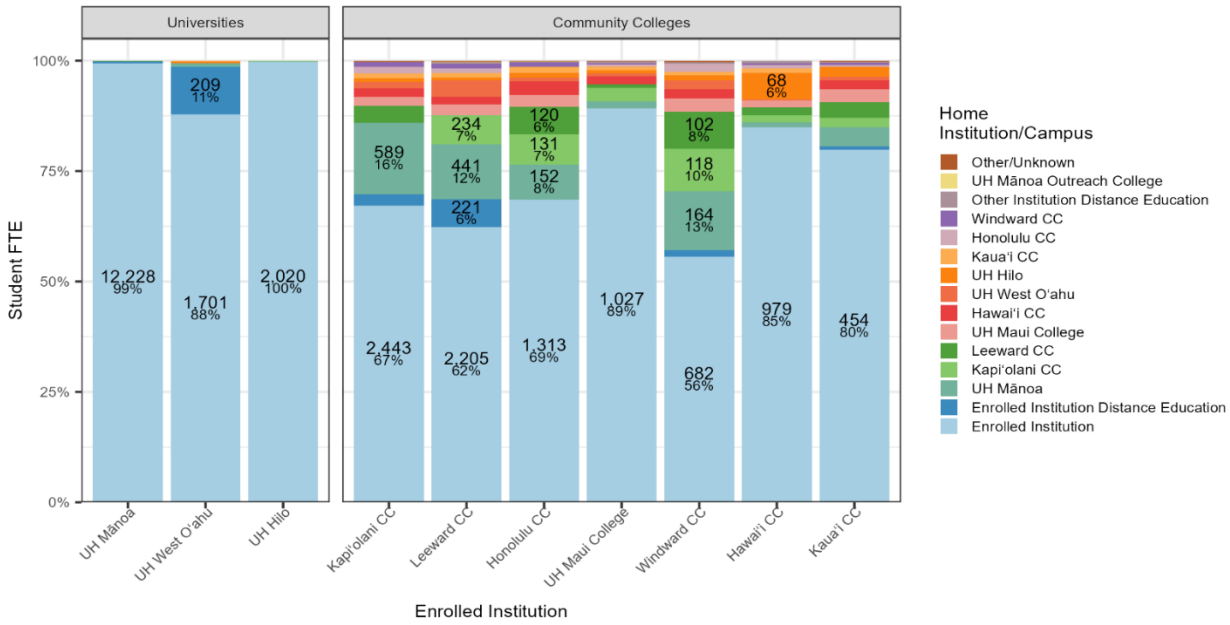
Source: UH System Office. Notes: Hybrid courses are included with their respective location. FTE is based on Student Semester Hours. Each graph uses a separate y-axis scale.

Student Mobility and Course-Taking

To help clarify the discussion that follows, "Home" institution refers to each student's primary institution. It is the institution that houses their academic program, processes their financial aid, transcripts their credit, and awards the degree. Students also receive the bulk of their student support services from their home institution. A student's "home" institution does not necessarily indicate their home residence. "Enrolled institution" is any institution where a student is enrolled in one or more courses; students may simultaneously have more than one of these. "Student site" is each individual student's primary access point to their academic program and their home institution, for example, a main campus, university center, or online campus.

Even though it is important to maintain access across all of the neighbor islands, and that has been a clear goal of the UH System's efforts, the data show mixed results. Students frequently enroll in courses, particularly online courses, offered by institutions other than their home institution (Figure 42). The ease of cross-enrollment among the System's community colleges, in particular, creates fairly broad access to online coursework from those institutions. Altogether, about 6,000 students took courses offered by a different campus in the system in 2022-23, with some more inclined to see cross-enrollment than others. At Windward CC, for example, 44% of the enrolled undergraduate credits in 2022-23 were taken by students whose academic programs were housed at a different institution. At the same time, upper-division coursework has not been as easy to access. Students rarely enroll in courses at the System's three universities when they are not their designated home institution. Recent efforts being made by the System through its Cross-Campus Course Sharing (C3S) initiative are beginning to have success at widening the availability of educational opportunities throughout the system. Not only will its progress help deliver on a fundamental promise of systemness, C3S can also potentially form the foundation for a more scalable way to deliver whole programs, not just courses, throughout the islands.

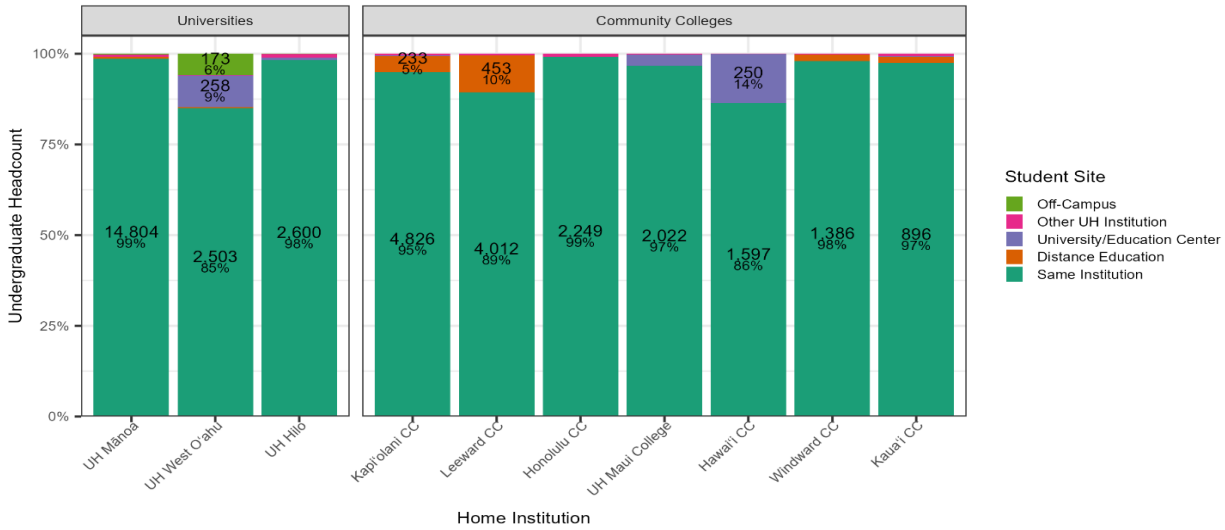
Figure 42. Undergraduate Student FTE by Enrolled Institution and Home Institution, 2022-23



Source: UH System Office. Notes: Excludes Graduate and Early Admit students. Some institutions may not distinguish distance education student programs in the database. FTE is based on unduplicated enrolled student credit hours.

In terms of access to programs, as opposed to courses, students who enroll in academic programs that are based somewhere other than an institution's main campus represent a significant minority. Despite the System's efforts to expand program access via its university centers, fully online programs, and program collaborations (where one community college offers its programming on another institution's campus, for example), only a small number of students appear to be utilizing these access points, at least at their officially designated "program site" (Figure 43). As one example, UH West O'ahu, with its large portfolio of exclusively distance programs, still only enrolls about 15% of its undergraduates in programs located at sites—including the "site" of distance education—somewhere other than its main campus. Additional students may be enrolled exclusively online without being in a program that is specifically assigned to an institution's "distance education" campus, and to the extent this is the case, the figure will understate the share of students in programs provided via distance education. Furthermore, the role of university centers and education centers is not simply to serve as a site for accessing academic programs, they also provide other valuable support services to students.

Figure 43. Undergraduate Program Access by Home Institution and Student Site



Source: UH System Office. Notes: Only counts undergraduates enrolled at their home institution. Excludes graduate students, early admit students, and those taking courses at a second institution. UH West Oahu Distance Education students are generally assigned a site, which is why there appear to be few of them. Some institutions may not distinguish distance education student programs in the database.

We examined the list of academic programs students are accessing from non-main-campus sites. Over the past three academic years (2020-21, 2021-22, and 2022-23), 168 such program/site combinations enrolled at least one student per year, on average. These programs collectively served an average total of 479 students each year. The majority of these programs are extremely small; only 39 enrolled an average of 5 or more students per year. Additionally, a handful of larger programs account for a significant portion of this enrollment. Of the students enrolled in a program at a non-main-campus site over the past three years, 49% were enrolled in the five largest programs, listed in Table 16. Three of these five programs are general transfer-oriented associate degrees, which raises the question of whether there are effective pathways in place for these students to transfer into bachelor's degree programs, especially without changing locations.

Table 16. UH Largest Programs Accessed at Non-Main-Campus Student Sites

Home Institution	Student Site	Program Level	Program CIP	CIP Title	Average Students 2020-21 to 2022-23
Leeward CC	Distance Education	Associate Degree	24.0101	Liberal Arts and Sciences/Liberal Studies	382
Hawai'i CC	Pālamanui/West Hawai'i Center	Associate Degree	24.0101	Liberal Arts and Sciences/Liberal Studies	189
Kapi'olani CC	Distance Education	Associate Degree	24.0101	Liberal Arts and Sciences/Liberal Studies	87
UH West O'ahu	Maui - University Center	Bachelor's Degree	52.0201	General Business Administration and Management	51
UH Mānoa	Distance Education	Bachelor's Degree	44.0701	Social Work	45

Note: Source: UH System Office. Notes: Only counts undergraduates enrolled at their home institution. Excludes graduate students, early admit students, and those taking courses at a second institution. "Distance Education" is listed as a student site when it is identified as the program campus in the data.

Robust online and technology-mediated instruction, together with the availability of space and resources of the University and Education Centers, offer a powerful combination for meeting Hawai'i's uniquely challenging geography. Students who are isolated from the main campuses of the System can and do take advantage of these options, but the numbers suggest that more

distributed programming and course taking are possible. This combination also creates an opportunity for the System to reduce costs and expand programmatic access across the islands simultaneously.

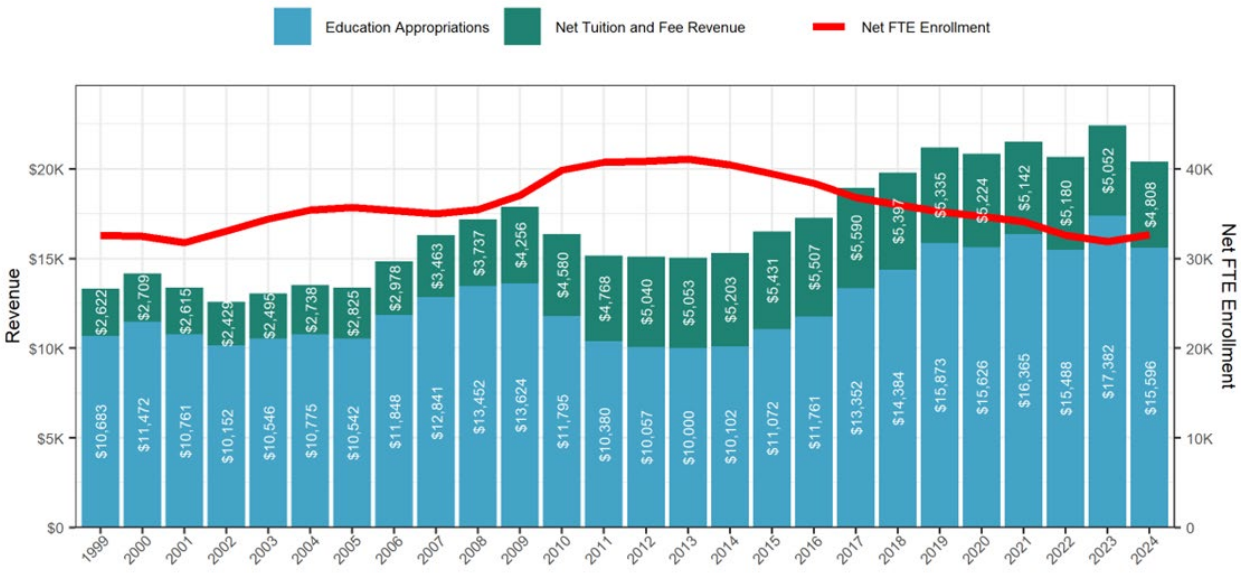
Finances

Data that describe how funding for the UH System has changed over time, as well as how the total amounts compare to other states, are presented in this section. These analyses are important in relation to the likely changes in future demand previously described; as the number of prospective students of traditional ages gets smaller, the state and the System will have to respond strategically. In addition to data concerning revenue and expenses, this section provides information about staffing levels and the number of programs relative to enrollment.

Revenue

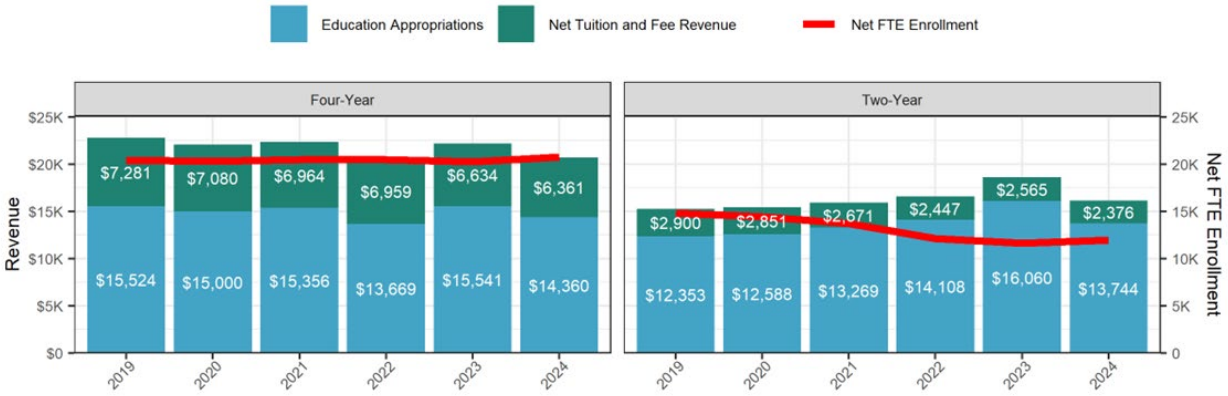
On a per-student basis, the UH System received more money from the state in FY23 than it ever had. When combined with tuition revenue, the System also reached a historic peak in total revenue that year (Figure 44). The high-water marks were achieved primarily through the decline in enrollment, especially in the two-year sector (Figure 45). A modest increase in enrollment from 2023 to 2024, along with high inflation, contributed to a one-year decline in (inflation-adjusted) revenue per FTE, back to levels similar to those of previous years.

Figure 44. Hawai‘i Public FTE Enrollment, Education Appropriations per FTE, and Net Tuition Revenue per FTE, Inflation-Adjusted Over Time



Source: State Higher Education Executive Officers Association. (2025)
State Higher Education Finance: FY 2024. Note: Values adjusted for cost of living (COLI), inflation (HECA) and enrollment mix (EMI).

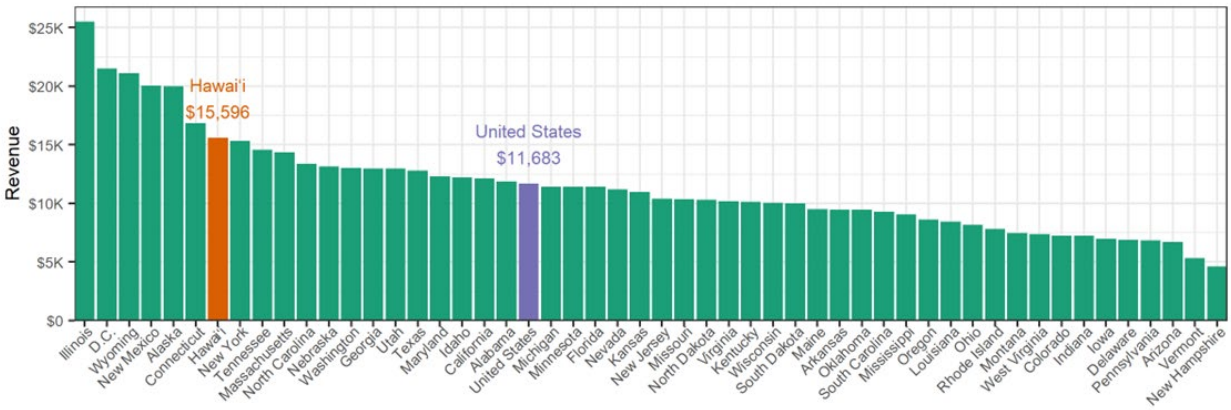
Figure 45. Hawai‘i Public FTE Enrollment, Education Appropriations per FTE, and Net Tuition Revenue per FTE, By Sector, Inflation-Adjusted Over Time



Source: State Higher Education Executive Officers Association. (2025) State Higher Education Finance: FY 2024. Note: Values adjusted for cost of living (COLI) and inflation (HECA).

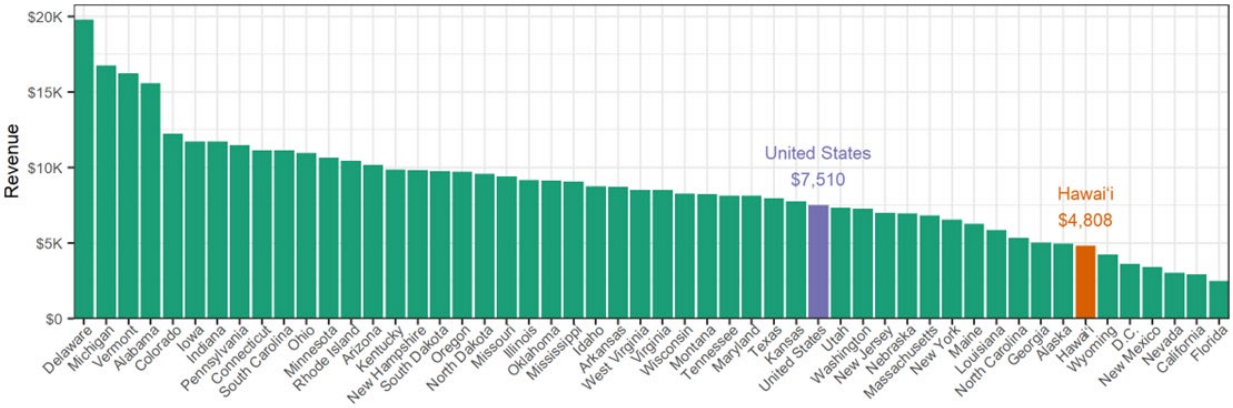
The state of Hawai‘i provided educational appropriations to the UH System at a level that exceeded forty-four other states in FY24, with per student funding exceeding the national average by nearly $4,000 (Figure 46). This level of funding allows the System to be much less dependent on tuition revenue to fund operations than institutions in other states. It ranks 45th among states (and D.C.) on that measure, $2,700 per student below the national average (Figure 47). The combination of tuition revenue and educational appropriations leaves the UH System with educational revenue per student at about $1,000 more than the nation as a whole (Figure 48). Enrollment declines in the community colleges have meant that educational appropriations per student in that sector were nearly as high as the four-years' funding levels in FY24 (Figure 49). Though this is unusual among states, no other state faces the challenge of maintaining facilities on individual islands to provide access to face-to-face instruction and student services that would otherwise be impossible. That necessity helps contribute to funding requirements for two-year colleges that are not fully matched in Hawai‘i's four-year sector (notwithstanding UH Hilo's presence on the Big Island).

Figure 46. Education Appropriations Per Student FTE, by State, FY24



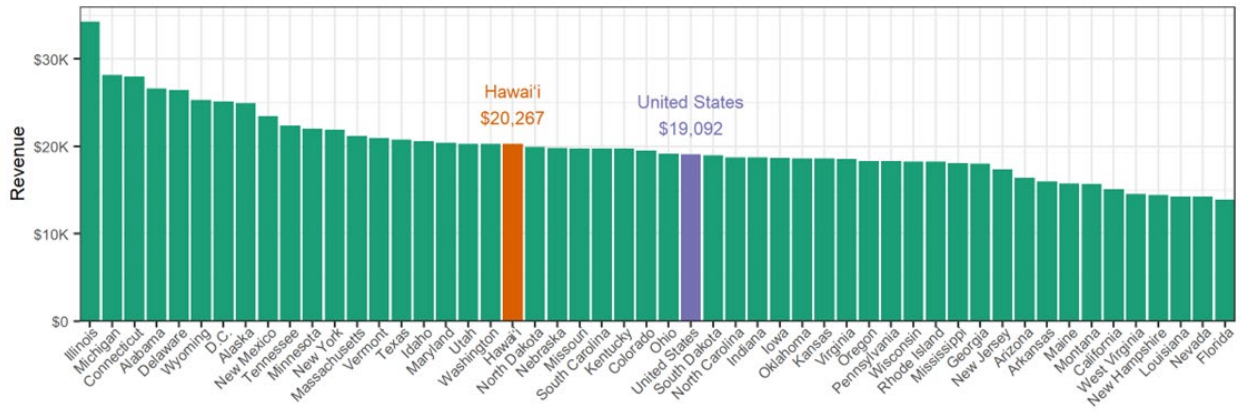
Source: State Higher Education Executive Officers Association. (2025)
State Higher Education Finance: FY 2024. Note: Values adjusted for cost of living (COLI) and enrollment mix (EMI).

Figure 47. Public Higher Education Net Tuition Revenue Per Student FTE, by State, FY24



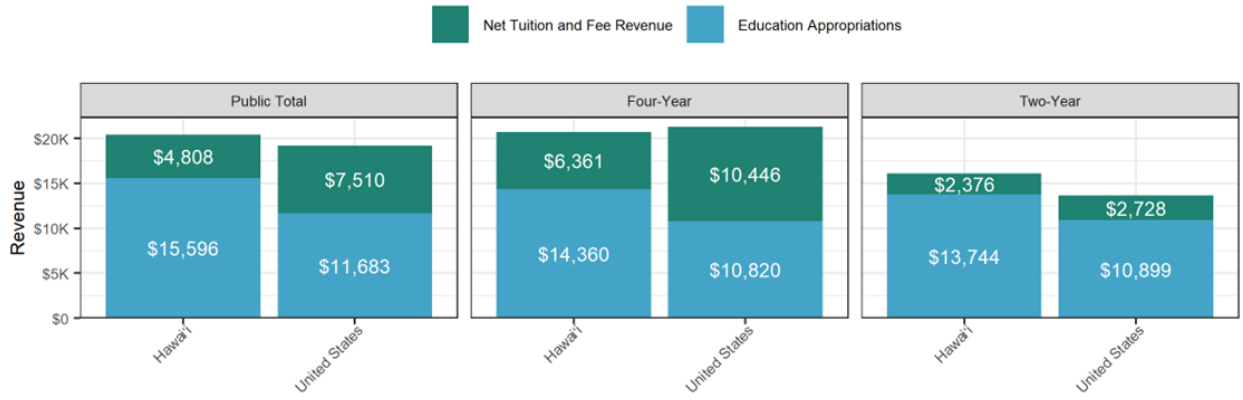
Source: State Higher Education Executive Officers Association. (2025)
State Higher Education Finance: FY 2024. Note: Values adjusted for cost of living (COLI) and enrollment mix (EMI).

Figure 48. Public Higher Education Total Education Revenue Per Student FTE, by State, FY23



Source: State Higher Education Executive Officers Association. (2025)
State Higher Education Finance: FY 2024. Note: Values adjusted for cost of living (COLI) and enrollment mix (EMI).

Figure 49. Hawai'i and United States Public Higher Education Appropriations per FTE and Net Tuition Revenue per FTE, By Sector, FY24

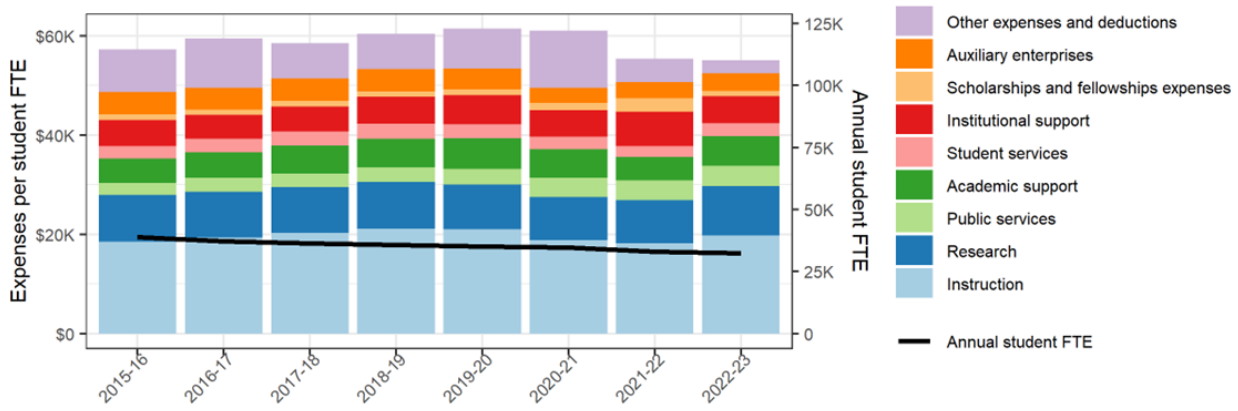


Source: State Higher Education Executive Officers Association. (2025) State Higher Education Finance: FY 2024. Note: Values adjusted for cost of living (COLI) and inflation (HECA). Public total columns also adjusted for enrollment mix (EMI).

Expenditures

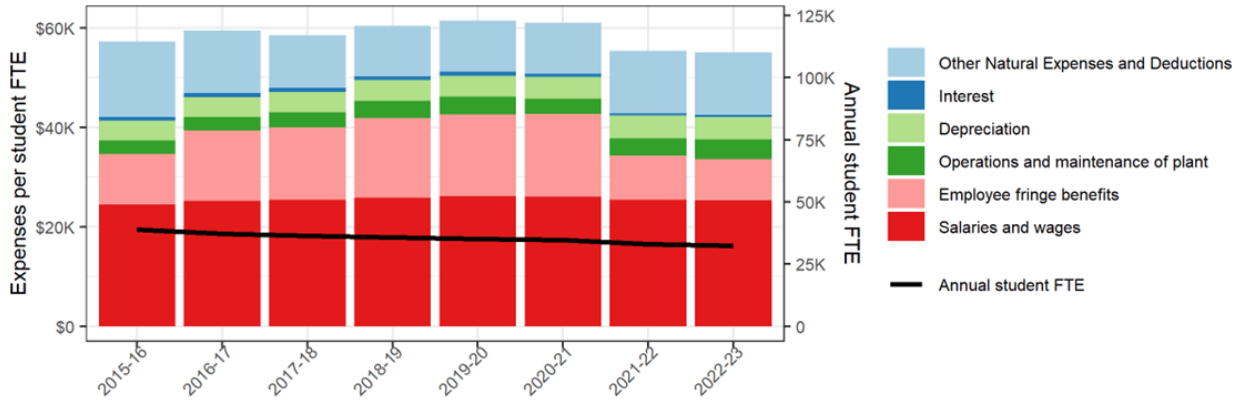
System-wide spending generally grew faster than inflation between FY16 and FY21 when measured on a per-student basis, due in part to a decline in the number of students (Figure 50). Much of this increase can be attributed to rising costs of instruction, though such costs fell between FY20 and FY23. Total expenses in the "other" category were much more volatile during the period, shrinking substantially in the last year of the series. Figure 51 shows that cost increases were primarily due to increases in benefits, which decreased sharply in FY22.

Figure 50. UH System (Inflation-Adjusted) Expenses Per Student FTE by Functional Category



Sources: NCES IPEDS finance survey fYYYY_f1a and 12-Month Enrollment Survey, files efiaYYYY, 2016-2022 final release files; 2023 provisional release.
Note: Inflation-adjusted to 2023 dollars using HECA.

Figure 51. UH System (Inflation-Adjusted) Expenses Per Student FTE by Natural Category



Sources: NCES IPEDS finance survey fYYYY_f1a and 12-Month Enrollment Survey, files efiaYYYY, 2016-2022 final release files; 2023 provisional release.
Note: Inflation-adjusted to 2023 dollars using HECA.

To see how these expenses by functional and natural category compared to other systems, we constructed a peer group of 12 public college and university systems from around the United States. Each system in the peer group contains a mix of community colleges and four-year universities. They range in size and include systems that are both larger and smaller than UH. Peer comparison systems are listed in Table 17.

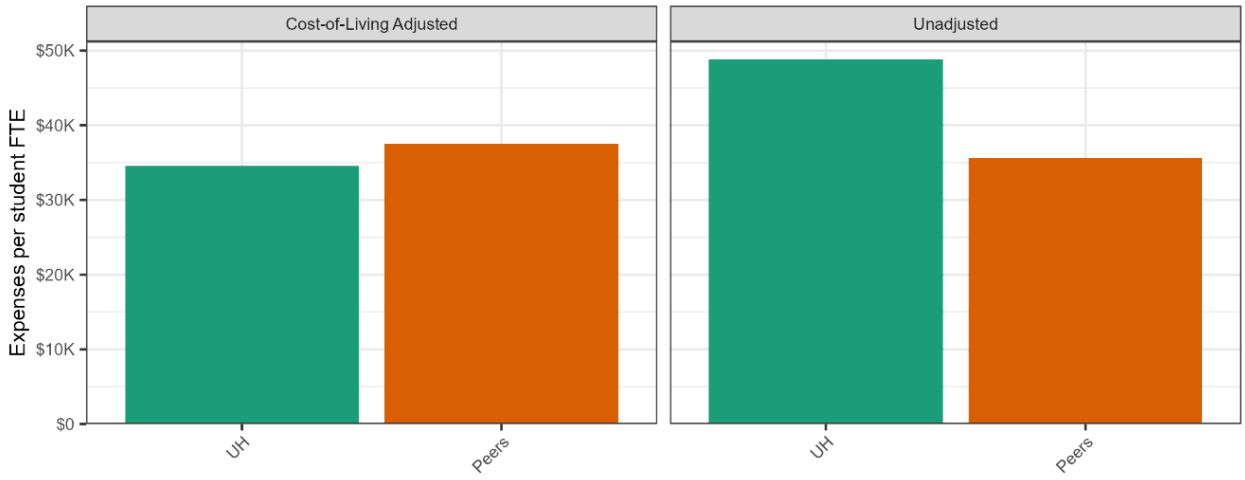
Table 17. Systems Used for Comparisons to UH

System	State
Idaho State Board of Education	Idaho
Louisiana State University System	Louisiana
New Mexico State University System	New Mexico
North Dakota University System	North Dakota
Oklahoma State System of Higher Education	Oklahoma
University of Arkansas System	Arkansas
University of New Mexico	New Mexico
University of South Carolina	South Carolina
Montana University System	Montana
University of Alaska System of Higher Education	Alaska
Nevada System of Higher Education	Nevada
Kansas Board of Regents	Kansas

In the 2023 fiscal year, overall UH expenses per student FTE were significantly higher than the median of comparison systems. However, after adjusting for cost-of-living differences, UH's total expenses were actually lower than the median of these peer systems (Figure 52). We excluded System Office expenses from these comparisons, as they were not available for all systems.

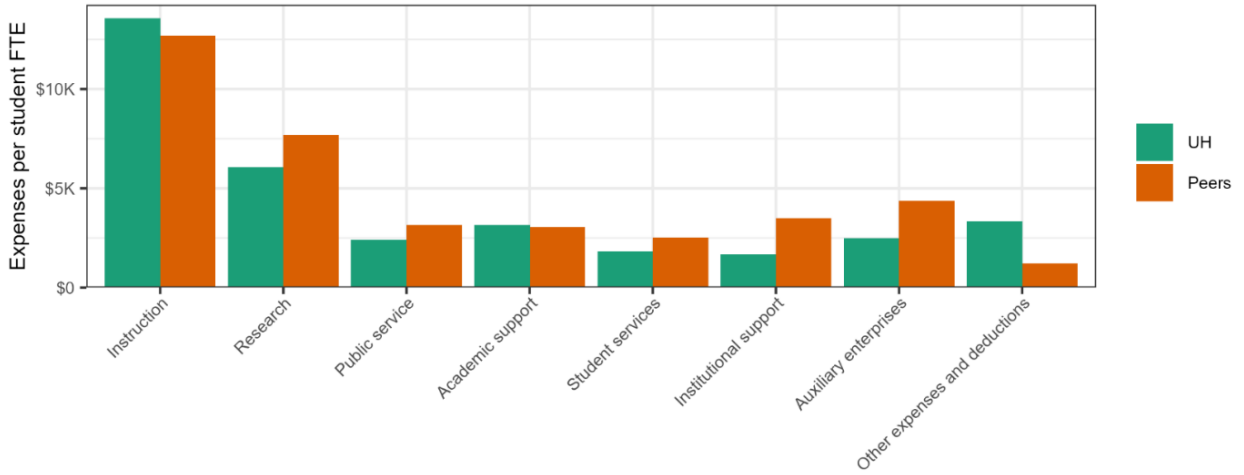
Comparisons by functional category show that UH spends less than the peer median—after adjusting for cost-of-living—across most categories. The most prominent exception is instruction, in which UH's spending is higher (Figure 54).

Figure 52. FY23 Total Expenses per FTE, UH and Peer Median (Excluding Hospitals, Scholarships/Fellowships, and Independent Operations)



Sources: NCES IPEDS finance survey f2223_f1a and 12-Month Enrollment Survey efia2023, provisional release files. The right panel is adjusted for state cost-of-living differences using COLI. Peer values represent the median among selected peer systems. System offices are excluded. Expenses represent total expenses minus scholarships and Fellowships, Hospital services, and Independent Operations.

Figure 53. FY23 Expenses per FTE by Functional Category, UH and Peer Median (Cost-of-Living Adjusted)



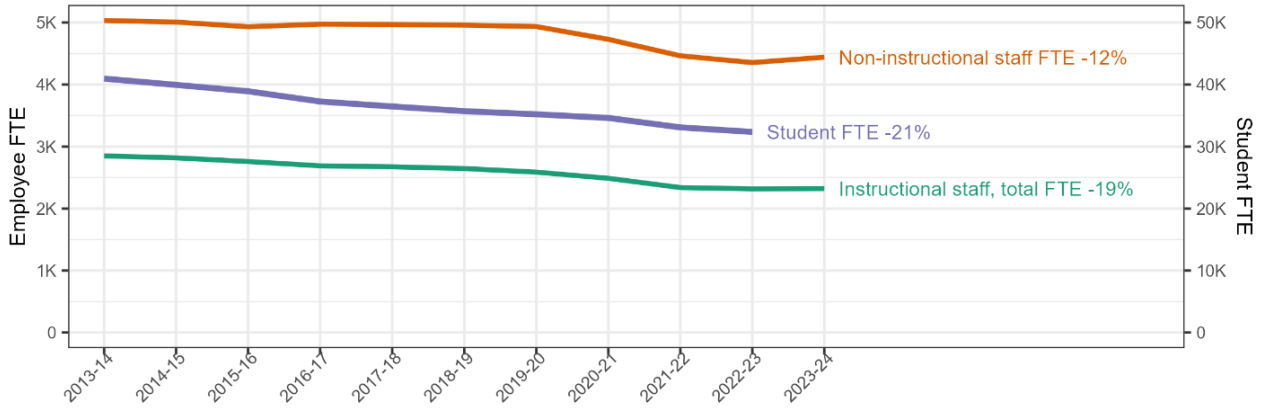
Sources: NCES IPEDS finance survey f2223_f1a and 12-Month Enrollment Survey efia2023, provisional release files. Adjusted for state cost-of-living differences using COLI. Peer values represent the median among selected peer systems. System offices are excluded. Scholarships and Fellowships, Hospital services, and Independent Operation expenses are not displayed.

Staffing Patterns

Since the large majority of expenses in higher education come in the form of personnel costs, it is also useful to contrast how staffing levels have changed relative to enrollment levels (Figure 54). Across the UH System, the number of instructional staff FTE has generally matched the decline in student FTE. Non-instructional staffing levels have not decreased at the same pace, though decreases accelerated between FY20 and FY23. To the degree that students are enrolling at UH System institutions with changing needs and at different attendance intensities (since part-time

students typically require just as much support as full-time students do), this overall pattern suggests that staffing across the System is being managed fairly effectively.

Figure 54. UH System Employee FTE by Type and Student FTE Over Time

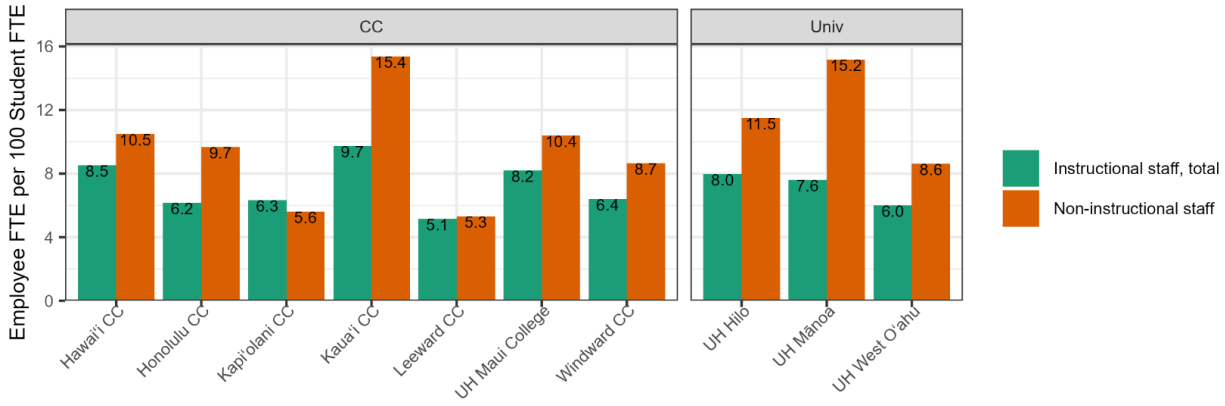


Sources: NCES IPEDS HR survey eapYYYY and 12-Month Enrollment Survey, files efiaYYYY, 2014-2023 files. Note: Employee FTE is calculated as FT employees + 1/3 PT employees. Includes System Office employees.

Looking at differences in staffing levels among the institutions reveals variation that has implications for the organization of the System. Among the community colleges, the three that serve the neighbor islands tended to have the highest ratios of employees to students (Figure 55). Only Honolulu CC and Windward CC, as the smallest of the Oʻahu-based community colleges, approached those rates. Kauaʻi's ratios were especially high. Economies of scale can explain some of these differences—smaller institutions have fewer students but still require staff to execute core functions. Yet if the number of prospective students continues to wither, these higher costs will become increasingly challenging to sustain.

In the four-year sector, UH West Oʻahu boasts the lowest ratios. At the same time, UH Hilo and UH Mānoa have similar levels of instructional staff and higher levels of non-instructional staff that can be attributed to their relatively more expansive missions. More research and public service activity at Mānoa in particular explain these variations.

Figure 55. Employee FTE per 100 Student FTE, By Institution, 2022-23

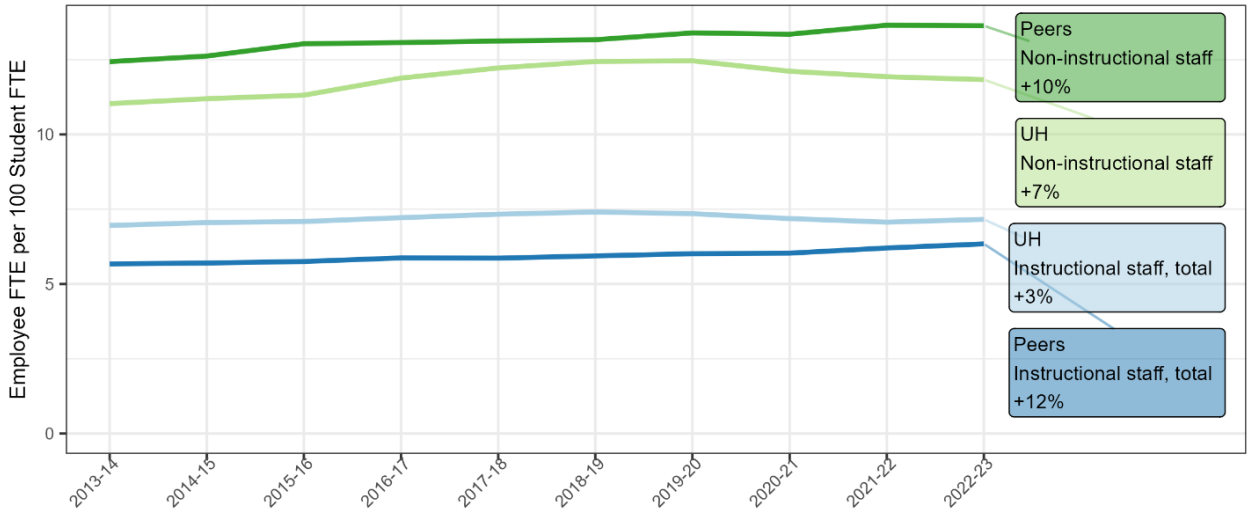


Sources: NCES IPEDS HR survey eap2022 and 12-Month Enrollment Survey, efia2023 provisional release files. Note: Employee FTE is calculated as FT employees + 1/3 PT employees.

Comparisons reveal that the University of Hawai‘i System’s instructional staffing per student FTE is higher than that of similarly structured systems around the country (Figure 56), and has been higher for at least the past 10 years. This fact aligns with UH’s higher spending on instruction, which was noted above. Since 2013-14, however, UH’s instructional staff per student FTE has grown by a smaller percentage than the enrollment-weighted average of the 12 peer systems in our comparison group.

Among non-instructional staff, by contrast, UH’s staffing levels have been below that of the enrollment-weighted peer group average each of the past 10 years. (Peer comparisons exclude System Office staff, as they are not available for all peer systems.) UH non-instructional staff to student ratios have grown more than instructional staff to student ratios, which is probably appropriate given these comparisons.

Figure 56. UH System Compared to Peer Systems, Employee FTE per 100 Student FTE Over Time



Sources: NCES IPEDS HR survey eapYYYY and 12-Month Enrollment Survey, files efiaYYYY, 2014-2022 final release files. Note: Employee FTE is calculated as FT employees + 1/3 PT employees. Peer values represent the enrollment-weighted mean among selected peer systems. Excludes system office employees, as they are not available for all peers.

Program Density

One of the ways that an institution can be inefficient is to maintain a large number of academic programs relative to the number of students enrolled. This happens because each program generates its costs from offering courses that attract only majors and from additional compensation (or course release time) to program coordinators and any other staffing that the program necessitates, as well as for less obvious or non-monetary costs to functions like academic advising and the registrar's office that a program creates.

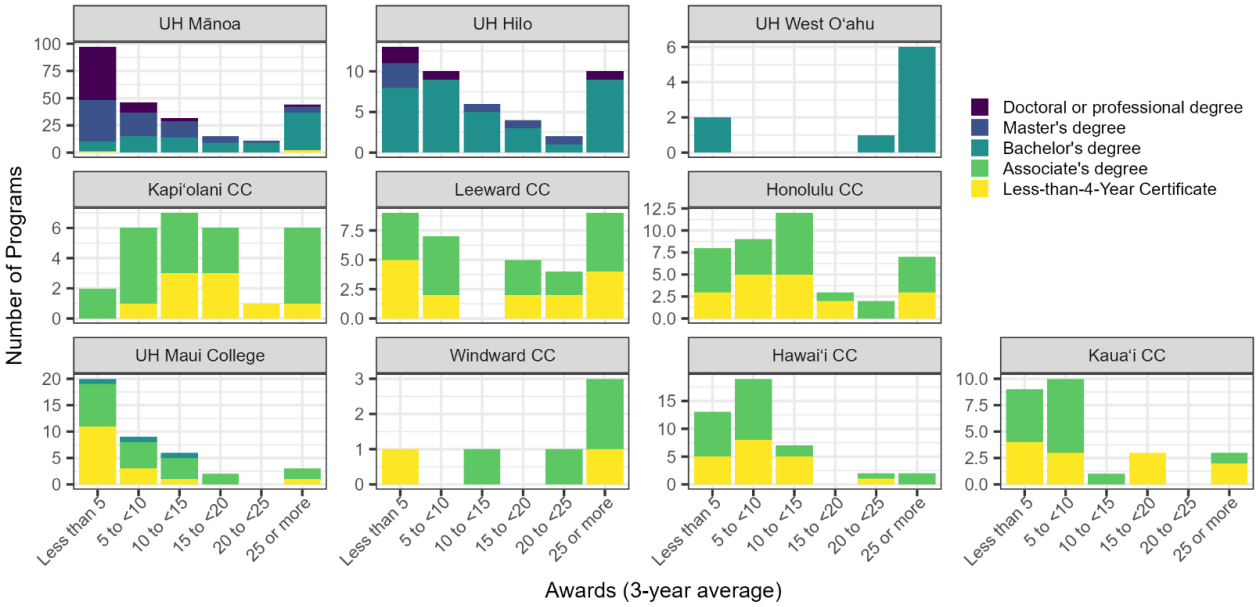
Across the UH system, 174 programs had an average of fewer than five annual graduates in 2021, 2022, and 2023, while there were 93 programs that had an average of more than 25 graduates.

Figure 57 shows the extent to which the UH institutions are maintaining programs with relatively few awards, by level of award. Among the universities, UH West Oʻahu's graduates are concentrated in relatively few, large programs. On the opposite end of the spectrum, UH Mānoa has nearly 100 programs with fewer than five annual graduates. However, most of these programs are at the graduate level, where small numbers of graduates may be acceptable and expected. UH Hilo is somewhere in the middle; it has many fewer programs than Mānoa, but the majority of them are small.

Among the community colleges, most offer between two and eight Associate degree programs with fewer than five graduates annually, representing between 11% and 38% of programs, plus an additional four to 11 programs with five to 10 graduates annually. The number of small certificate programs is similar. Outliers worth mentioning include Maui College, which has an especially large number of small programs (38% of its associate degrees and 68% of its certificates have fewer than five graduates per year). Windward College is the other exception; it has very few small programs (as defined by a six-digit CIP code) and awards most of its associate degrees in its extensive Liberal Arts program, which has several concentration options.

This information should be interpreted with caution. There may be legitimate reasons for institutions to show relatively few average awards per program or a large number of programs with few graduates. For instance, there may be a compelling workforce need for operating small programs, or the goal of ensuring access to programs for students who might otherwise face barriers. But this graph does suggest where the UH System might focus its attention in assessing program productivity, as well as where there may be opportunities for the System to incentivize collaboration among the institutions.

Figure 57. Number of Programs by Average Graduates, 2021-2023



Source: NCES IPEDS Completions Survey, cYYYY_a. 2011 and 2022 final release files; 2023 provisional release. Notes: Each program represents a 6-digit CIP code at a given level. Only programs with at least one graduate the past three years are included. Students who received multiple awards will be duplicated. Each graph uses a separate y-axis scale.

The foregoing analyses of available data suggest that, in general, when accounting for the extremely high statewide cost of living in Hawai'i, there is scant evidence that the System is wasting resources. In fact, the peculiar challenges of serving small populations of students scattered over an island chain inevitably creates costs that other comparable systems on the mainland do not face.

This observation, however, does not mean that there are not important efficiencies to be gained, or better services to be offered, that ensure individuals who would benefit from postsecondary education options are more able to acquire them. Too few Hawai'i residents are able to make use of the full resources of the System. Students acquire their learning opportunities primarily from an individual institution (except for some online courses), and transfer patterns indicate the presence of significant bottlenecks. University and Education Centers remain underutilized. Evidence suggests that these issues are helping to leave prospective students on the sidelines, especially adults located in underserved areas of the state who have expressed interest in enrolling. Furthermore, the future demographic picture is bleak and will require substantial changes in delivery for the UH System to remain affordable to the state and to students. Simply cutting budgets and positions to match shrinking enrollments, but not making other important changes,

will risk the viability of the smaller institutions and worsen affordability and access for the changing student populations the System should be serving.

Stakeholder Engagement

NCHEMS' visits to each of the campuses, and with the System Office and the UH Community College System, were revealing, highlighting both challenges and opportunities facing the System and its institutions, adding richness to the data analyses, and providing new information. Below, we report a summary of the input provided by stakeholders during these visits. The goal is to accurately reflect what they shared with as little editorial comment as possible.

The Context in Hawai‘i

First, stakeholders stressed the need for our work to reflect the idiosyncrasies of the Hawai‘i context, of which there are too many to touch on in this report. But the state's high cost of living, particularly a lack of affordable housing, and state salary schedules that restrict institutional flexibility in recruitment combine to make it difficult to attract individuals to work in the UH System. For Maui, the 2023 Lahaina fire has made these challenges more acute.

People also emphasized how different the islands are, especially in contrast to O‘ahu. Even on O‘ahu, there are distinct differences throughout the island that require responses tailored to local needs. Addressing these differences effectively must not only account for the distribution of the population across multiple islands and the hurdles of linking those populations to available resources but also for the distances even on an individual island. We note that places in Hawai‘i (particularly O‘ahu) are not always far apart when measured by miles, but in Hawai‘i, traffic and limited infrastructure, along with high transportation costs, can turn even short distances into a significant barrier to postsecondary access and success.

Governance

Among the most common topics that our conversations of governance and organization addressed was the joint role of the System president and the chancellorship of the Mānoa campus. On this question, there was near universal agreement that the roles should be separated in the future. Institutional stakeholders from all campuses uniformly pointed to the joint role as a key reason they felt that their individual institution's needs are not prioritized, although how this issue was described varied based on where the individuals worked.

Mānoa stakeholders commented that the blurring of the System functions through the use of hybrid offices negatively impacts its ability to get its priorities met. They described widespread confusion over what functions are delegated and what are not.

Stakeholders from all other institutions typically argued that the System Office uses a Mānoa lens for nearly any decision. They too complained about the hybrid offices, but in their view, these offices prioritized Mānoa's needs over any others. Examples cited included the excessive delay in processing grant agreements by the Office of Research Services, which negatively impacts projects at UH Hilo and risks reputational damage to the institution as a whole and to its faculty individually. Additionally, the failure of systemwide procurement to accommodate the distinct

needs of different institutions was noted. They also complained that sensitivity to local messaging was missing in marketing and recruitment efforts led by the System Office.

There were other concerns raised about the extent to which the melding of System Office functions with Mānoa's undermines the ability of the System Office to attend to key statewide needs. Instead, short-term institutional issues supersede long-term state issues. This concern was felt especially acutely by community college representatives, who believed that their needs are not given sufficient focus in System decision-making, in part citing the imbalance of representation of the four-year institutions vis-à-vis the two-year institutions in the President's cabinet.

There are a few worthy arguments in support of a joint appointment to both positions. There is a clear history suggesting that the leadership structure has been much more stable when the role is shared. Over the last five decades, there has been a pattern in which the Mānoa chancellor position experiences rapid turnover at every time period in which it has been a separate one. Moreover, splitting the position into two separate roles will increase administrative costs as each role will require some level of independent staffing for various functions. Perhaps as worrisome will be the disruption that the change will create among affected units, with downstream effects on services to the institutions. In any event, the Regents will have to provide clear and unambiguous oversight of the process of transitioning from the current joint position to a future separation of the two roles; the failure to do so risks potentially serious shortcomings in sustaining student success rates and achieving state and island priorities.

Moving beyond the question of whether to maintain or separate the joint role, stakeholders also offered insights into other aspects of the UH's organization and decision-making. One common observation related to perceptions that UH's leadership gives comparably less attention to the two-year institutions and to the concerns of the neighbor islands. Both concerns are rooted in the makeup of the President's cabinet, which includes the provost of Mānoa, the chancellors of UH West O'ahu and UH Hilo, along with the vice president for community colleges, along with vice presidents of several functional areas. Those with this view argued that this arrangement means there is only a single voice on the cabinet specifically representing community colleges, as well as a single voice from someone who resides anywhere other than O'ahu. Stakeholders from both the community colleges and those from the neighbor islands were quick to argue that it is also at least partially responsible for what they see as a four-year- and O'ahu-centric orientation playing out in the System's priorities and decision-making. Some argued that, although there exists a Council of Chancellors that nominally includes all the individual campus chancellors plus Mānoa's provost and could provide a counterbalance to these perceptions, its role remains unclear and has been underutilized.

Another common topic during our visits was the role of the regents. Here again, there were strong and consistent views among stakeholders. Generally, stakeholders wanted the Regents to provide unified and strategic leadership as a politically independent body focused primarily on the needs of the state and its separate communities, and on how the System and its institutions could be most effectively used to meet those needs. It is natural that the Regents would expect and demand accountability from the System Office and from each of its individual institutions, and as a result meetings must cover the financial and other conditions of each institution. Yet stakeholders argued that more time devoted to monitoring the strategic plan, anticipating future

conditions for higher education, and considering how those things are affecting each of the regions of the state would better ensure that the System and institutions are attending to those various needs appropriately. Stakeholders noted that the Regents are generally not well-oriented to their roles upon appointment, nor is there a history of ensuring that they receive appropriate training or a meaningful process for evaluating their performance as a body that could lead to improvement.

Finally, stakeholders raised concerns about the relative lack of representation among Native Hawaiians throughout the UH's governance. Those who shared this view cited the current composition of the Regents, the System cabinet, shared governance structures, and the faculty as a whole as all being deficient in Native Hawaiian perspectives, and suggested that incorporating Native Hawaiian perspectives on all of these bodies would have a positive impact on the imperative to fulfill Kuleana as expressed in the System's strategic plan.

Student Mobility and Success

Stakeholders reported both progress and lingering challenges related to students' ability to navigate the System seamlessly. On the plus side, there is no question that the faculty and staff at the UH institutions are committed to helping students thrive. To that end, the UHCC has implemented a common course numbering scheme to promote credit mobility better. Also, students within the community colleges have benefited from increased freedom to take online courses from any of the other community colleges. There are also several instances of collaboration among institutions to ensure that high-demand programs are available to students in less well-populated areas.

However, there is also plenty of room for improvement, as reflected in stakeholders' comments. Most significant is that transfer to Mānoa from any of the other UH institutions continues to be unaccountably difficult. Despite the System's promulgation of policies requiring acceptance of transfer credit, questions abound about how robust enforcement has been. There is a widely shared sense among the community colleges that Mānoa is not following transfer and articulation policies appropriately, or finding ways to circumvent them, and the System is not exercising sufficient oversight in the area. One specific complaint was that Mānoa has made a practice of renumbering required courses to be 300-level (upper-division courses) as a way to avoid having to accept 100- and 200-level credit from other institutions, with the result being that transferring community college students enroll at Mānoa with smaller portions of their degrees completed.

The System does maintain a policy requiring the baccalaureate-granting institutions to treat students with associate degrees as having satisfactorily completed their general education requirements. But the path to credits required for specific baccalaureate degrees is murkier and dependent on articulation agreements negotiated one at a time between each baccalaureate-granting institution and each community college.

Finally, there is no central point of contact at Mānoa for transfer advice, according to stakeholders. Instead, students or their counselors at their current institution are obligated to work with individuals housed at Mānoa in separate departments. Stakeholders generally described transferring to UH West O'ahu or UH Hilo as being much smoother.

Beyond transfer and credit mobility, there are other issues that impact student success from stakeholders' perspectives. Student support offices, libraries, and other resources are commonly unavailable to students after regular business hours. This likely has disproportionate impacts on populations the UH has prioritized as important audiences for more outreach and better service, such as adults and veterans. Moreover, supports that are funded by student fees are sometimes difficult for students who are not at their "home" institution to access. One example we heard about is that the UH West Oʻahu tutoring center can only serve UH West Oʻahu students. Another is that students taking courses from other institutions through the University Center on Kauaʻi's campus are unable to get mental health counseling (except based on the generosity of Kauaʻi CC staff). On the other hand, we learned of various efforts by institutions to support their students on other islands, such as offering travel scholarships/grants to students who may need support to fly (usually to Oʻahu); setting up partnerships that allow students to receive student services from the local institution closest to them. But it is unclear how these choices are being made, and it seems to be a largely informal and inconsistent effort. We also heard that student fees are fully charged by each institution in which a student concurrently enrolls, including student activity fees being charged to students who are enrolled online and unlikely to avail themselves of the activities they are paying for.

Leveraging the System

These various examples and perspectives point to places where there is a lack of "systemness"—when the System Office creates the conditions where its institutions add value to students and society through collaboration. In many respects, the UH System leadership is seeking to accomplish this very thing, but how to unleash systemness is either not always well understood, runs into debilitating opposition from institutions, or is not executed effectively.

There are, however, some bright spots as reported by stakeholders. Among them is a robust systemwide Institutional Research function, where the System Office collects data, conducts required reporting activities, and develops data-informed insights for the campuses, and information technology, which stakeholders believe is working well—albeit with the typical concerns about some systems having been designed for Mānoa in ways that limit utility for other institutions. On the academic side, there are examples of collaboration that deserve mention, including:

- A new nursing program that is a partnership between UH West Oʻahu and Mānoa (although this was reportedly the result of a legislative requirement, and neither institution is totally satisfied with it; West Oʻahu feels aggrieved that Mānoa got the positions it sought to operate the program funded, and West Oʻahu did not).
- Automotive training programs in which one institution is using the resources of another; this is occurring between Windward CC and Leeward CC and between UH Hilo and Hawaiʻi CC.
- Windward CC handles all the dual enrollment in Hawaiian language instruction and veterinary technology across the islands.
- As the smallest institution, Kauaʻi CC has been engaging as a "spoke" to Leeward's "hub" in certain educational programs.
- Kapiʻolani CC offers emergency medicine programs through multiple community colleges.
- Honolulu CC's Early Childhood program runs a childcare center at Kapiʻolani CC.

- UH Hilo is starting an engineering partnership with Mānoa, where students will do the first two years of "pre-engineering" at UH Hilo, then smoothly transition to Mānoa for the second two years of the program.

On the other hand, stakeholders reported numerous examples where the goals of systemness remain unfulfilled, such as:

- Large numbers of students, including UH students, opt to enroll online at mainland institutions (especially Western Governors University, Arizona State University, and Grand Canyon University) to supplement their schedules or to pursue degrees, rather than utilizing online options offered by the UH System
- Kamehameha Schools has created partnerships for their dual credit programs with Hawai'i Pacific University rather than working with UH.
- There is reportedly no upper-division online Hawaiian language instruction leading to a bachelor's degree aimed at Native Hawaiians living out of state and who want to reconnect.
- Difficulties in convincing institutions with the necessary programs or expertise to provide assistance that would address the workforce needs of small communities, such as Kaua'i, which cannot maintain certain services in a financially sustainable way. An example is in the healthcare area, when a community struggles to get appropriately trained personnel to use equipment critical to serving patient and community health needs.
- Efforts to establish a common general education curriculum were described as having unclear goals, and while there exist policies aimed at improving transfer and articulation and concerning common course numbering, oversight and enforcement have been lax.
- The failure to create and more fully utilize a centralized resource for online delivery has likely cost the UH student enrollments and also led to inefficiencies. Stakeholders reported that UH lacks sufficient instructional designers; that the roles of UH Outreach College and Information Technology Services are generally unclear and not complementary; and that there is inadequate coordination systemwide, and among the community colleges, between the number of sections of the same course being offered relative to the demand for that course.
- Use of the University Centers and Education Centers as means to reach populations that would otherwise not take advantage of postsecondary education has been only modestly successful.

In addition, there are occasions where stakeholders expressed frustration that the System identifies a well-functioning collaboration between two institutions and, in an attempt to make it systemwide, sacrifices some of the ways the original arrangement was effective or efficient. One example cited was the course-sharing activities between UH Hilo and Hawai'i CC.

Funding

The mechanisms through which the UH institutions receive funding repeatedly came up during our stakeholder engagement activities. Stakeholders lamented that there was inadequate funding for various needs, a complaint that is universal in NCHEMS' experience throughout the nation. Yet issues raised went well beyond the total amount of funding available to include problems of inflexibility, insufficient information, and misaligned incentives.

First among the challenges facing the UH System is that the legislature appropriates both money and positions to each individual four-year institution and the community college system. The System and its institutions have developed complicated workarounds when it is necessary to allocate positions differently from how the state budget bill did. This involves requesting that the legislature formally transfer those state-supported positions after the fact. Although the System is authorized to maintain the positions where it sees fit, if the legislature balks at making the formal transfer, the System is obligated to pay the associated fringe benefits out of self-generated funds (typically tuition revenues). Stakeholders described this process as cumbersome and unpredictable, even if it has become a regular part of doing business. NCHEMS is aware of no other state legislature that exerts as much control over both positions and money as Hawai‘i’s does.

Second, it was striking to discover that institutional leaders were largely nonchalant about the degree to which declining enrollments might impact their finances. With so much funding coming from the state, as opposed to tuition, and with appropriations primarily tied to what institutions received in the prior year, the urgency of restoring lost enrollments was relatively muted. This was especially apparent among some of the community colleges. Given the degree to which funding levels are disconnected from enrollment, it is perhaps surprising that institutions across the System nevertheless compete fiercely with one another. Our conversations with institutional leaders indicated that, instead of a clearer and more direct financial motivation like having funding tied at least in part to enrollments, this competition manifests itself in which programs they can offer. It appears as though the UH institutions tend to use program development as a strategy to appeal to the legislature for marginal revenue and additional appropriated positions. Our conversations also suggested that institutions engage in this competition over programs without a clear sense of what new programs cost, or what existing programs might need to be eliminated, a practice that is problematic for the institution, for the state, and for students whose tuition payments help to close the gap between revenue from the state and institutional expenditures.

Third, on every campus we encountered employees whose job responsibilities required them to seek grant funding, often to sustain core services. A sample of the kinds of revolving grant-funded activities employees were continually seeking external funding support to maintain includes the child care center and the middle college program at Windward CC, the university center at Kaua‘i CC, and program-based collaborations among UH campuses.

Finally, stakeholders described a particular problem with the state’s current funding approach, namely that it does not count the summer term as worthy of state subsidy. This results in summer tuition prices that are considerably higher than the rest of the year at UH campuses, creating an unnecessary barrier for students who want to accelerate their progress toward their educational goals Stakeholders pointed out that this is particularly problematic for Hawai‘i residents who, as adult learners, may be juggling employment and other life obligations that are less limiting for traditional populations.

Summary Findings and Observations

As one of the few systems in the country that encompasses all of a state's public higher education institutions from its research universities to its community colleges, the UH System not only must manage its 10 member institutions to deliver educational programs leading to credentials at all levels—from the doctorate to sub-baccalaureate degrees and certificates—it must also carry out the functions that amplify the efforts of those institutions in service to the varied needs of the state, the communities that are scattered across its islands, and its students. Like other systems, the UH System must continually address perceptions that one institution's interests outweigh the others' as well as perceptions that particular locations are favored. These challenges are compounded in Hawai'i, given the difficulty of moving between the islands, the concentration of the population on O'ahu, and the fraught history of colonialism and its lingering effects across the state. These realities create challenges for the leadership of the System that are unlikely to be resolved by even the most well-designed organizational structure alone.

At the same time, these geographic and cultural realities raise the stakes for the UH System to find ways to deliver educational opportunities widely and efficiently, ensuring that all Hawai'i residents are able to gain access to relevant and affordable educational programs no matter where they live. This demands that the UH System operate its institutions in complementary ways that take full advantage of their respective strengths, ensure that its educational sites are vibrant and accessible places of learning and support, and use available tools to disseminate programs widely.

Our review of the current structure of higher education in Hawai'i has led to the following observations:

Governance

The shifting and mounting challenges facing the UH System are changing both the shape of demand for its services and requiring fresh responses. In this context, past habits that served the System well can be impediments to necessary changes. In particular, under conditions of sustained growth, it is not inappropriate to allow institutions to lead the responses to rising demand. The controversial issue concerning resource allocation for governance bodies and System leadership to address in such a climate is where to direct new investment. Under the emerging realities in Hawai'i, as well as nationally, the higher education industry must change in ways that will be far more difficult. As the external climate shifts, UH's governance will have to bring more focus on the needs of the state, its communities, and its students, and then how it will address those needs with the full resources of its institutions, as opposed to concentrating on the activities and ambitions of each of its institutions under the tacit belief that the aggregation of those institutional needs will adequately address the broader requirements of the state. Of particular concern, we observe:

- The State lacks a regular mechanism by which it gathers and reports broad-based data on the health of the population, the diversification and growth of the economy, the state of civil society, and the like. These measures can be used to establish priorities for attention across the full array of state responsibilities. To be clear, this is not the UH System's strategic plan, but rather a broader exercise in public agenda setting for the State as a

whole, the goals of which should direct and inform the UH System's strategies and priorities. Numerous examples of such a public agenda-setting exercise exist or have existed in other states, activities that have driven improvements in the alignment of higher education's efforts toward state priorities. Among them are the North Dakota Roundtable in the early 2000s and the work of the Council on Virginia's Future more recently. In the absence of this mechanism, the UH System should assume a leadership role in developing the necessary report and convene important stakeholders among respected state leaders from elected positions, business, media outlets, and communities throughout the state to work on establishing a clear and coherent set of goals for postsecondary education that would direct the priorities of the System toward state goals and influence state policies, including funding, in ways designed to promote achievement of those goals.

- There remains persistent concern (and frustration) about the System's priorities in attending to the needs and issues of the flagship campus and, more broadly, to the needs of Oʻahu, at the expense of other statewide challenges. Vesting authority for leading the System and Mānoa in a single position creates dual and conflicting responsibilities that risk inattention to key system functions—those activities that address state needs with the combined resources of all the System's institutions as well as those issues that "fall in the gaps between institutions" (where no single institution is solely responsible for the issue) such as seamless student mobility and collaborative programming among campuses that serves students in all parts of the state.
- Shifting conditions have challenged higher education governing bodies across the country to make difficult and often controversial decisions that were less common in prior decades marked by more consistent growth. As volunteers and well-respected state leaders, it is a frequent assumption that members of governing bodies can seamlessly step into their roles with limited orientation or consistent training designed to advance the full board's effectiveness. This appears to be the case in Hawaiʻi as well, and internal conflict among the Regents has combined with concerns about their political independence to complicate the smooth functioning of the System.

Structure

Data and stakeholder perspectives indicate that there are limitations in the ability of the System to leverage the collective power of its institutions to meet the state's needs fully. Despite a system-wide strategic plan with articulated goals, there are limits and barriers that hamper its ability to bring the assets of the System to bear on the goals—an implementation issue. Although there are numerous cases where institutions are working collaboratively to leverage specialized expertise to deliver courses and some programs throughout the islands without duplicating efforts, these are often isolated activities and are most common among the community colleges.

Of particular concern is ongoing strife over institutional missions and the role of the System in resolving them. There are numerous examples of how this absence of clear mission boundaries manifests itself. These examples not only reflect the brewing conflict over mission boundaries within the System, but they also signify missed opportunities for better service to the state. They include:

- The unusual way elements of creative media programs are distributed to all campuses under the leadership of a single System Office staff member is a distinct approach relative to how other program areas are managed. A particularly nettlesome topic is the construction of a creative media center at UH West Oʻahu's campus, which Mānoa believes should have been developed on its campus.
- Despite a clear demand for dental hygienists, programs at Mānoa and Kapiʻolani exist in outright competition.
- Mānoa is prohibited from offering full programs online—students must attend a community college first. These limitations have led many residents to enroll in competitor institutions both on and off the islands.

The above examples reflect the typical conflicts over programs that often require intervention from a state's system office or coordinating board. Each represents a real point of tension, often one that means important state needs are sacrificed in the squabbling. Yet Hawaiʻi is also faced with broader, more conceptual misunderstandings about the best roles for its institutions. This leads to a distribution of programs that does not always align with the most effective use of limited state resources through appropriate specialization, even when there seems to be little or no outright tension among stakeholders. These issues are particularly evident among the four-year institutions.

The current incarnation of UH West Oʻahu owes more to a favorable opportunity to acquire real estate for public use and to a general belief that plans to develop the West Oʻahu region required a four-year institution for improved access and talent development than to a specific and coherent plan for the institution. Facilities were authorized and funds were committed before a vision for UH West Oʻahu was clarified. Its original design called for it to be focused on delivering high-quality online programs, and to serve the growing West Oʻahu region with upper-division majors for (primarily) bachelor's degree-seeking students who started at Leeward CC. Today, a large share of its students is enrolled in its online programs. Yet because it now also offers lower-division courses—putting it in direct competition with Leeward—and operates a sizeable campus, members of the UH community, policymakers, and the public expect it to look and feel like any other four-year institution. They assume something is wrong when the campus appears relatively empty. To the degree that UH West Oʻahu has a muddled mission that has come to increasingly overlap those of other UH institutions, there is a reason to raise concerns.

Meanwhile, UH Hilo has Hawaiʻi's only pharmacy preparation program despite the state's medical school being located on Oʻahu. Not only does this mean that those pharmacy students are geographically isolated from the doctors and patients who they will need to work with upon graduation, it also means that UH Hilo hosts a much more complicated research function than would otherwise be required by its other graduate programs, which mostly consist of master's level programs in Hawaiian culture, various education and counseling fields, and tropical biology.

Furthermore, it is unclear to stakeholders what Mānoa should not be doing, and instead let its sister institutions take a lead role. It is common throughout the country for a flagship institution to interpret its mission to be as wide as possible, arguing that all manner of worthy pursuits fit comfortably within it. This is often a recursively reinforcing perspective, as a flagship is able to use its relatively greater resources to offer programs and initiatives that shape the market in ways

that encourage a broad view of the flagship's mission among its own leaders, faculty, staff, and students, and the public and the policymaking community. Yet flagships are not always the best or most efficient place to house every activity. For example, instructional costs at flagships are inevitably higher than they are at public comprehensive four-year institutions, due to the much lower teaching loads the flagship's faculty need to focus appropriate attention on research. It becomes incumbent on a state's higher education leaders to take a measured, data-informed, conceptually sound, and committed approach that balances the ambitions of a powerful flagship institution in view of its best and most effective use and combines with the state's other institutions (and their respective strengths). A distinction that gets ignored in this discussion is the one between research (with its focus on the discovery of knowledge) and application—the use of discovered knowledge to inform practice in specific fields or to address specific problems.

Finally, there is a growing appetite to offer baccalaureate degree programs among the community colleges. Already, UH Maui College has three programs and is advocating to offer more, despite struggles to enroll a critical mass of students in its current portfolio of those programs and lacking clear evidence of the need for more such programs. Meanwhile, Leeward Community College is seeking approval to offer its own baccalaureate programs, despite the presence of UH West Oʻahu just seven miles away. These areas where clarity is lacking combine with declining enrollments to produce a program approval process that is increasingly fraught with unproductive competitiveness among institutions. Decisions to allow its community colleges to offer bachelor's degrees, or to expand their offerings of bachelor's programs, should be taken with full awareness of the data and within the broader framework of a clear policy about institutional missions, not on a case-by-case basis.

Ideally, a state's and system's various postsecondary institutions work in a complementary manner, such that academic programming is aligned with the workforce and economic development of the state and its varied regions, that students from all backgrounds and locations can access high-quality programs affordably, and that state investments are optimized for efficiency and returns. This means that institutional missions must be deliberately calibrated to achieve those goals. But effectively achieving clarity and complementarity is increasingly challenging in an environment characterized by declining demographics and historic habits of funding and prestige-seeking that are dependent on institutional growth. Striking, or maintaining, the right balance is a growing struggle throughout the nation as the traditional college-age population declines.

A particularly critical element in any effort by the System to clarify institutional missions is the need to address geographic access to programs. Most UH institutions consider their audience to be local, and the programs they make accessible to students on neighbor islands (or even distant regions of the same island) are generally an afterthought. Though students on the neighbor islands can access online courses/programs from institutions located throughout the System, sometimes with the support of a University or Education Center, there is very little evidence that the institutions offering online courses/programs are thinking about the workforce needs of other islands. There are rare exceptions, one of which is a partnership between UH Hilo's Administration of Justice program and the Kauaʻi police force; these should be celebrated and replicated. Doing so in a systematic way would require some incentives, perhaps augmented by appropriate regulations. Still, it is clear that institutional leaders do not naturally see much self-interest in

working through the challenges of building and sustaining these kinds of partnerships, even as they recognize the potential value. This parochialism is reflected in data that indicate relatively little activity among students seeking programs from UH institutions other than their local one.

Institutional missions in Hawai‘i could be clearer to students, policymakers, institutional leaders, and the public in ways that communicate each institution’s role in meeting the varying needs of the state and its communities, as well as how other institutions’ missions are complementary. Such clarity would better support collaboration rather than unproductive competition over programs and students.

Finally, recent ongoing efforts to revise the organizational structure to better integrate the community colleges into the broader System hold promise for improving the System’s ability to work across sectors, addressing a real weakness.

Enrollment

Educational attainment is closely linked to income throughout the nation and in Hawai‘i. These conditions are amplified in Hawai‘i, however, due to relatively low wages, high living costs, and an economy dominated by industries with workforces that do not require high levels of postsecondary education. Attainment rates are particularly low among communities with a high concentration of Native Hawaiian residents. Yet, data suggest that there may be more thirst for access to postsecondary education among non-college graduates in those communities than in many other places in the state.

Enrollment at the UH has been trending down, and future demand projections suggest that it will continue to be a challenge, although signs of a more recent uptick in enrollment are encouraging in the short term. Options for addressing longer-term enrollment challenges, such as closing a campus or sharply curtailing the availability of programs, are infeasible for island communities. These enrollment declines are driven in part by falling postsecondary participation rates, mirroring national patterns[5] and exacerbating the effects of demographic declines. These rates have consistently been lowest for students who are economically disadvantaged, Native Hawaiian, or Pacific Islander, and the rates among those populations have also declined more than those for

[5] https://nchems.org/college-rates-by-state-year/. These data are calculated for graduates of public and private high schools. Though there are recent indications of slight improvements in the college-going rate in Hawai‘i, these data show that 2012 was the peak year for college-going rates in Hawai‘i at 64.8%. By 2020 it had dipped to 52.5% and reached 56.2% in 2022.

most other groups of students.[6] Addressing these widening gaps will be an important measure of the UH System's success in meeting its strategic priority to honor, preserve, and elevate its role as an indigenous-serving institution, a major priority for its strategic plan. And options for addressing longer-term enrollment challenges, such as closing a campus or sharply curtailing the availability of programs, are infeasible for island communities. Our data and analysis, supported by stakeholder input and informed by our work in other states, lead us to these observations:

- The UH System has not developed or enacted a systemwide view of enrollment and participation that identifies what populations are not being served and how best to serve them with the mix of institutions in the System. One byproduct of this is that most partners, especially employers and K-12 schools, tend to work individually with institutions, which suggests a lack of coordination at the system level as well as the absence of well-functioning system-level partnerships. Despite the potential capacity of the System to leverage the System's collective assets to meet needs, the reality is that the System operates as a set of very localized institutions with their local audiences. Being an island state may make it harder to overcome the influence of local impulses, but the failure to do so means that students suffer from more limited access to the broad array of the System's programs and services.

- While a student at one community college is able to take courses offered by other community colleges throughout the state, other barriers to student mobility are limiting access to programs and impeding the System's ability to meet local workforce needs.
    - Transfer between the community colleges and the four-year institutions continues to be a challenge, especially transfer to Mānoa, which has been more hospitable to students coming from out-of-state institutions than from other institutions within the UH System. Students face unnecessary hurdles in getting credits accepted toward degree requirements in the process of transfer.
    - Although there is a promising effort to expand course-sharing systemwide, course-sharing between the four-year institutions and the two-year institutions is far less common than course-sharing among the community colleges.
    - Notwithstanding some examples to the contrary, programs are not being shared effectively across the System. It is uncommon for students to access programs from an institution within the UH System other than their home institution.
    - Use of the University and Education Centers to access programs by institutions other than the one operating the center is infrequent.

Finance

In Hawai‘i, state funding levels (and positions) are appropriated largely based on whatever amounts were provided in the prior year. This is an approach to funding higher education known

[6] https://www.hawaiidxp.org/data-products/first-fall-college-enrollment/. These data patterns among public high school graduates only.

as “Base Plus” that is common around the country, although many states supplement these base-level appropriations with some form of performance-based funding. It is becoming increasingly apparent that while the Base Plus funding approach provides some degree of predictability and has served higher education well enough during a lengthy period of growth, it is not well adapted to the conditions of decline that higher education is facing now and will in the years to come. In particular, it fails to provide a cohesive and rational approach that ensures institutions are able to garner adequate funding to support their status as a public asset of the state, while also aligning their costs to the needs of the state (for programs whose costs vary and to ensure all residents have meaningful access to relevant programming) and of students (whose success is advanced by the right mix of supports that have different costs).

The allocation of positions to individual institutions is especially pernicious. This puts the legislature in the untenable position of assuming the responsibility for deploying human resources across the state’s institutions and programs in ways that most effectively achieve state, system, or institutional goals. Several of the smaller community college campuses struggle to benefit from economies of scale, to effectively recruit talent, and to deliver the wide range of workforce-oriented programming needed to support and sustain a fully functioning community. The only way they can successfully address these challenges is in partnership with other institutions in the System. Making collaboration the predominant culture in the System requires a funding approach that rewards this behavior. Unfortunately, the state’s approach to funding sharply curtails the System’s ability to use what should be one of its most powerful tools—the distribution of funds—to steer institutional behavior in ways that are much more common among systems throughout the nation and that future conditions will require. Without the ability to allocate funds to institutions, the System’s ability to address statewide problems, especially those that no single institution has a compelling interest in solving, is limited to its ability to adopt policy mandates and regulations and to persuade institutional leaders to conform and collaborate. These tools are either weak or perceived as overreaching, or both. The System has almost no ability to use carrots; the only alternative is to use sticks, approaches that inevitably engender resentment and ill will.

Meanwhile, performance-based funding policies have proliferated in the past decade. Yet the conceptual appeal of such finance strategics has faded as research has shown significant problems with a number of implemented policies. Most notably, poorly designed programs have created unintended consequences, with institutions growing more selective where they can, exacerbating completion and attainment gaps. Performance-funding policies have also intensified unproductive competition among eligible institutions. Although the fundamental concept underlying performance-funding remains strong, it is abundantly clear that institutions must be on solid—and reasonably fair—financial standing relative to one another for performance funding policies to minimize the presence of perverse incentive.

The lack of a coherent strategy that links funding to the achievement of state and System goals also leaves institutions reliant on fundraising through grants. UH’s institutions’ success at acquiring grants is to be celebrated, but it is ultimately unsustainable as grantmaking organizations’ goals shift, and especially if they tire of providing funds for recurring activities that should more properly have a consistent funding source (whether tuition, fees, endowment support, or state funding). In addition, institutions are paying staff members to raise funds to keep certain

critical activities running rather than paying them to provide direct support to students, faculty, the community, and others or to develop new programs and services that would improve the institution's ability to achieve its mission and state goals.

Finally, the base-plus approach to resource allocation as practiced in Hawai'i creates space for bad managerial habits to form and persist. In failing to link incentives to state priorities, it ensures that institutions cannot expect to be rewarded for continuous improvement or responsiveness to shifting conditions and demands. For example, it absolves institutions from the responsibility of adjusting spending to meet changing enrollment levels. It also removes from the hands of administrators tools that are necessary to manage more effectively. And it also fosters the habit of seeking new resources through adding programs and expanding institutional missions rather than through improving the delivery of services with the resources already in hand. Given the substantial influence that finance policy offers in steering institutional behaviors, the legislature's approach to System funding—in constraining the System's ability to deploy resources flexibly and in linking levels to prior years' as opposed to a data-informed manner—makes it complicit in fostering practices that it often punishes campuses for implementing.

Hawai'i's approach to funding UH and its institutions has largely neutered the power of budgets and money to steer them to be more responsive to state goals.

- Funding can be linked neither to the actual costs that institutions face, including enrollment, nor to measures that are related to state priorities. Institutions have little incentive to do anything but continue business as usual—and plead for more money to undertake activities that are contrary to maximizing the use of System assets.
- By providing line-item appropriations to the institutions, both for dollars and positions, the state's approach undermines the System's ability to govern its institutions effectively. Given their limited ability to create financial incentives to influence decisions and behavior, institutions are encouraged to look to the legislature instead and to engage in non-transparent horse-trading behavior with one another to get their needs for personnel and other spending priorities met.
- Although there is a revenue-sharing policy for shared programs, it is not powerful enough to overcome reluctance by institutions, departments, or faculty to be more broadly effective.
- The sustainability of too many innovative practices and partnerships is reliant on successfully winning grants to fund operations, leaving affected programs financially precarious and dependent on specific entrepreneurial leaders.

Structural and Organizational Options

Former President Lassner and his cabinet put a number of key questions about structure and organization on the table for this study to address. Seldom are the most appropriate answers to such questions obvious, and never is there a specific "right" one. In such cases, it makes most sense to lay out the various options and enumerate the major arguments in favor of adopting or implementing that option and the arguments against it. Other than the first one about the roles of

System President and Mānoa Chancellor, the other options are not presented as mutually exclusive. But it will be obvious that some options are not compatible with others.

In setting these out and in making recommendations later, NCHEMS follows a key principle that form should follow function. That is, the important design elements under consideration here are less important than the need for the critical functions to be performed in service to students and the state. It is possible, even likely, for attention and controversy over the structural details of these options to overwhelm and impede the execution of important functions. Thus, all of these options should be judged against how well they facilitate the implementation of functions the System must pursue to meet its mission of service to the state.

Roles of the System President and Mānoa Chancellor

No other topic generated as much commentary among stakeholders as whether the roles of System President and Chancellor of Mānoa should be the responsibility of a single individual or separated into two separate jobs. This is hardly surprising given the long history in Hawai‘i of periodically switching back and forth. Even during the recently completed search for a new president, NCHEMS received mixed signals about the Regents' intentions for these roles. Whichever direction ultimately is chosen, it will be important for there to be adequate organizational forms that effectively serve both the state's needs and the needs of a major research university. The functions necessary to achieve these two, sometimes imperfectly aligned, goals will look different in prioritization and execution. Given the historic inconstancy in the unified versus split roles of the UH System President and the Chancellor of UH Mānoa, it seems most useful for NCHEMS to provide not just its recommendation for how these roles should be filled following President Lassner's retirement, but also to present concepts for most effectively organizing the roles for both a unified position and split positions. Arguments for and against these opposing options are provided in Table 18.

Table 18. Separating or Maintaining the Joint UH System President and Mānoa Chancellor Role

Arguments For Maintaining a Joint Role	Arguments For Separating the Roles
• A joint position is associated with less turnover in the Chancellor position, as history indicates. • The System President is inevitably expected to answer for issues and controversies at Mānoa. • A joint position streamlines the administrative structure by reducing the need for a separate set of cabinet officers for the System and for Mānoa to support two executive leaders and keeping costs in check. • Unbundling the organizational structure currently in place will create disruption for affected employees, which may have temporary downstream effects on functions.	• The two roles are fundamentally different. It is extremely difficult for one person to strike an appropriate balance between leading efforts that are focused on statewide and systemwide priorities and those focused on advancing the interests of the flagship. It is simply not possible for any single individual to be perceived as effective in giving sufficient attention to both, often because those interests are not compatible. • Most other states with postsecondary systems have a separate System CEO and flagship CEO. Those that do not are more frequently in systems that do not also bear responsibility for statewide higher education

- The System Office is located on Mānoa's campus, making it more difficult for a Chancellor to operate with independence. This co-location is also symbolic in ways that foster perceptions among policymakers and the public that System leadership is just a more expanded version of institutional leadership, not roles that are fundamentally different.

policy coordination. (This point receives more attention below.)

- Stakeholders throughout the System and at Mānoa believe that their priorities are not fully met; it was virtually unanimous that the roles be formally separated.
- The current "hybrid" administrative offices sometimes struggle to manage the varied needs of the System and Mānoa, needs which are not always compatible.
- Scarce is a single individual who has the history and strong reputation with a wide array of the UH's stakeholders and who can credibly manage the oftentimes competing demands of both positions, as well as the unique cultural aspects of leadership in Hawai'i.
- Splitting the role has received careful review and endorsement by WICHE.[7]

Unqualified evidence to support the selection of one governance or leadership model over another is hard to come by. There are too many variables that are likely more influential in affecting important goals, such as student outcomes, than the design of a state's governance structure, including history and many other contextual factors. Thus, the question of how best to organize a postsecondary system does not lend itself to a straightforward empirical analysis.

Despite the lack of a clear analytical framework for measuring the performance of different kinds of governance arrangements, there is a strong conceptual basis, supported by data about other states' structures, for resolving the question of whether the System President and Mānoa Chancellor should be separate positions or a joint one. First, apart from the University of Hawai'i, the university systems (including institutions with branch campuses) that are led by a system head who simultaneously serves as the CEO of the flagship institution include the following:

- Indiana University.
- Louisiana State University.
- Montana State University.
- New Mexico State University.
- Oklahoma State University.

[7] Longanecker, D.A. & Michelau, D.K. (2015). *2015 Report to the Board of Regents of the University of Hawai'i System.* WICHE.

- Pennsylvania State University – chancellors of the Commonwealth Campuses report to an executive vice president.
- Purdue University.
- Southern University (LA).
- Texas Women's University.
- University of Houston.
- University of Michigan.
- University of Minnesota.
- University of Missouri.
- University of Montana.
- University of New Mexico – chancellors of UNM's branch campuses report to the provost.
- University of Pittsburgh.
- University of South Carolina.
- University of Washington.
- Washington State University.

Next, we list the systems that do include all the public institutions in their state and are led by a system head who is distinct from the executive of any of the institutions (this applies to both systems when more than one is named):

- City University of New York/State University of New York.
- Idaho State Board of Education.
- Nevada System of Higher Education.
- South Dakota Board of Regents/South Dakota Board of Technical Education.
- University of Alaska System.
- University of North Carolina/North Carolina Community College System.
- Universities of Wisconsin/Wisconsin Technical College System.
- University System of Georgia/Technical College System of Georgia.
- University System of North Dakota.
- Utah System of Higher Education.

Finally, there exist university systems that do not include all the public institutions in the state and are run by individuals holding distinct responsibilities for system leadership and campus leadership. These include:

- Arkansas State University System.
- California State University.
- Colorado State University System.
- Connecticut State Colleges and Universities.
- Iowa Board of Regents.
- Kansas Board of Regents.
- Minnesota State Colleges and Universities.
- Mississippi Institutions of Higher Learning.

- Montana University System – MUS coordinates three community colleges that are "managed and controlled" by local governments.[8]
- Nebraska State College System.
- Pennsylvania State System of Higher Education.
- State University System of Florida.
- Tennessee Board of Regents.
- Texas A&M System.
- Texas Tech System.
- University of Alabama System.
- University of Arkansas.
- University of California.
- University of Colorado System.
- University of Louisiana System.
- University of Maine System.
- University of Maryland System.
- University of Nebraska System.
- University of North Texas System.
- University System of New Hampshire.
- University of Tennessee System.
- University of Texas System.
- West Virginia University System.

Additionally, there are numerous examples of institutions that operate branch campuses, which are led by a campus executive who reports to the main campus's chief executive. These are too many to list easily, and in such cases, the main campus does not bear responsibility for statewide planning, as there will be another agency for that purpose.

Looking over these separate lists, we can draw a few observations about the way other states have organized their higher education structures. First, it is clear that there is considerable diversity in the arrangements that exist. Some of these are systems that are carrying out a policy mandate, stemming from the legislative and executive branches, to ensure that statewide needs are a priority. These systems tend to be, but are not exclusively, the product of an effort to put a superstructure over individual institutions. Other systems are the product of institutional efforts to expand outreach by creating branch campuses as a manifestation of their mission to serve statewide needs. Moreover, the overall size, the balance of enrollments among campuses within these systems, and the degree to which the institutions are integrated parts of the flagship, as well as many other characteristics, are often distinct. These variations make comparisons among institutions fraught with context.

[8] Montana Board of Regents of Higher Education Policy 209.1, https://www.mus.edu/borpol/bor200/209-1.pdf.

Nevertheless, none of the systems or multi-campus institutions includes all of the public institutions in the state on the first list. Further, all on that list except the University of Michigan operate in a state with a coordinating board that has broader responsibilities for statewide planning and oversight. Additionally, the Connecticut Office of Higher Education exercises little coordinating authority in general and over the University of Connecticut specifically, a serious flaw in structure that NCHEMS has addressed in a recent report commissioned by the state. The presence of a coordinating body in these other states absolves their respective systems of the responsibilities borne by the University of Hawai'i System. Taken together, the above lists illustrate the widespread acknowledgement that statewide planning and institutional operational leadership do not represent overlapping responsibilities. Even in the third list, it is clear that this principle is at work—systems, even when they do not contain all the public higher education institutions, typically have a statewide mission to execute, which they seem to entrust to an individual dedicated to that assignment who is not also tasked with leading an institution.

Finally, even though governance structures seldom change, and it is especially rare for new agencies to be established in an era of scarce resources and widespread concerns over governmental efficiency, it is notable that there are concurrent efforts to strengthen statewide coordination over higher education in three states. Pennsylvania recently stood up a new State Board for Higher Education, having determined that the lack of authority exercised by the state's Department of Education over higher education—and its mix of public four-year institutions (PASSHE), "state-related" universities (e.g., Penn State, University of Pittsburgh, Temple, and Lincoln University, which have unusual freedom of action from the state, even so much as being treated almost as publicly funded private institutions in their financial reporting), locally controlled community colleges, and vast array of private institutions that are eligible for substantial state financial aid funding—was failing to coordinate investments and accountability effectively or to plan appropriately for a new era in which diminishing resources and heightened competition over a smaller number of students was dawning. California, having abolished its coordinating board in FY12, is aiming to reintroduce a coordinating body to the state, charged with providing independent policy analyses, overseeing the implementation of statewide planning, and coordinating and evaluating intersegmental activities. Last, Michigan, which has been alone among states without any postsecondary policy planning entity, created a new agency in 2023, the Michigan Department of Lifelong Education, Advancement, and Potential, to lead the coordination of education investments from pre-K-12 through postsecondary education and to work within state government to boost planning activities.[9] In establishing a qualified entity to lead the development and implementation of coherent state strategies related to postsecondary

[9] Executive Office of the Governor, State of Michigan. "Gov. Whitmer Establishes Michigan Department of Lifelong Education, Advancement, and Potential," July 12, 2023. https://www.michigan.gov/whitmer/news/press-releases/2023/07/12/whitmer-establishes-michigan-department-of-lifelong-education-advancement-and-potential

education policy that are linked to state priorities, these three states have joined their counterparts that have recognized the need for such a distinct and dedicated role within state government.

Nevertheless, should the Regents ultimately decide to maintain the unified role, there are important elements that should be considered for the associated organizational structure:

- Identify and be extremely transparent about what distinguishes the duties of System President and Mānoa Chancellor.
- Ensure that the organizational chart communicates how priority will be given to both the System and institutional functions. One important component is one or more executive positions focused exclusively on System strategy related to academic planning and policy, and to administrative services integration.
- Ensure that position descriptions and performance objectives for functional leaders (e.g., C-suite officers) are abundantly clear regarding the appropriate goals and measures that will demonstrate success at simultaneously serving the System and the flagship.
- It is inevitable that the day-to-day needs of the flagship will overwhelm the longer-term requirements of strategic policy leadership on a statewide level unless there is a clear separation within the joint role of System President/Mānoa Chancellor through the employment of two trusted, principal deputies. In addition to finding a capable leader to manage Mānoa's operations, the System President, with the Board's support, will need to adequately empower this individual with clear authority over most management decisions.
- Similarly, create an empowered executive to focus on System management. Under this individual's leadership should be responsibilities such as:
    - Identifying state needs and priorities and leading strategic planning efforts for the System.
    - Overseeing academic planning and policy for the System, including such activities as:
        - Leading the process for developing operational missions for the institutions, especially UH Hilo and UH West Oʻahu, and what might need to be done to focus Mānoa's mission with greater care.
        - Developing collaborative delivery arrangements and the mechanisms to incentivize and sustain such arrangements.
        - Overseeing the efficient and effective use of distance delivery to ensure programs are widely available to students scattered among the islands and residing in more remote areas of Oʻahu.
    - Supervising the Systemwide institutional research and effectiveness function.
    - Developing, implementing, evaluating, and refining the provision of shared administrative services to drive efficient operations at the institutions.
    - Creating convening and communications strategies for the scaling of effective institutional practices.

- Coordinating the System's engagement with other state agencies such as the Department of Education, the Department of Labor and Industrial Relations, and the Department of Business, Economic Development, and Tourism.

Likewise, there are important considerations to be made if the Regents ultimately decide to separate the roles, including:

- A thoughtful transition plan will be needed, along with adequate time for its implementation.
- The search for the Mānoa Chancellor should clearly specify that the successful candidate will be able to demonstrate an ability to work effectively within a system structure and articulate a vision for how the assets of the flagship university can be leveraged for meeting the state's needs.[10]
- The position description for the Chancellor should list clear performance objectives for being a willing and effective team player in positioning the flagship as a complementary resource for the System.
- The Regents should make it abundantly clear how the two positions are different in certain areas of public interest and should provide unwavering support to the System President in adhering to those guidelines. This is critical to creating clarity with external stakeholders and policymakers about where decision-making authority lies within the System. It is also critical to setting the right conditions to reverse the history of short tenures among Mānoa Chancellors. Examples of public interest areas that should be solely under the responsibility of the Mānoa Chancellor include Mānoa's intercollegiate athletics programs and oversight of Mānoa's physical facilities.

Single Accreditation for the Community Colleges

Concerns over shrinking enrollments, difficulties in making programs more broadly available across the islands, and looking for more efficient operating models are motivations for thinking about consolidating the community colleges under single accreditation. Single accreditation has emerged as one possible way to organize for efficiency, to overcome barriers to student mobility and to install and sustain academic programs under conditions of scarcity, and to better coordinate higher education activities across an entire state. There are a few examples of colleges seeking to consolidate under a common accreditation in recent years, with mixed results so far. These include the consolidation of seven previously independently accredited institutions in the Dallas County Community College District into a single institution now known as Dallas College, the merger of 12 institutions in Connecticut into a single one now known as Connecticut State Community College, the consolidation of three baccalaureate-granting institutions in Vermont (but not the statewide community college) into Vermont State University, and the unification of

[10] Lane, J.E. & Zimpher, N.L. (2023). "Governing and Hiring for Systemness." *Trusteeship,* 31(6). Retrieved at https://agb.org/trusteeship-article/governing-and-hiring-for-systemness/.

accreditation for five formerly independent community colleges comprising six campuses in Minnesota.

Arguably the most successful integration involved the last example. The establishment of Minnesota North College became final in 2022 after many years of increasing cooperation among the institutions, which collectively serve a vast geographic area of nearly 19,000 square miles across seven counties in the sparsely populated northeastern corner of the state. By the time the colleges applied for single accreditation, they had already undertaken seven years of planning to improve collaboration and meet the needs of their region. Single accreditation was not a foregone conclusion when that process started. Yet over time, the elements of a single institution with shared programs and consolidated administrative services were emerging, so that eventually there was little doubt it was the right move, and it generated no significant controversy among the involved communities. All of the other examples named above identified unifying accreditation as a primary goal alongside an aggressive timeline (made more so by the urgency of finding efficiencies to address deep financial challenges), and consequently have experienced significant growing pains, often with great controversy. Though they can also show progress, each of their stories is unique. Any lessons they may have for Hawai‘i are of limited utility due to the strong influence of their distinct contexts.

In general, the cases of public institutions seeking single accreditation suggest it is a very risky proposition to set out to unify accreditation as its own worthy goal. Instead, it is possible to set out larger goals that focus on the state's needs and students' needs, and work toward crafting incentives and policies that support better collaboration more organically. In such cases, single accreditation becomes the next obvious step for institutions that are already exhibiting high levels of collaboration rather than an initiative on its own track, which sets it up as a target for what is likely to be significant and sustained pushback. In other words, putting the focus on getting the collaborative functions and supporting policies in place and working first, and worrying about unified accreditation second, seems to be a more effective approach. That said, there may be times when accreditors must be consulted. Still, such consultations can be driven by questions about how collaboration can be created, not whether it can be, and focused at the program level rather than at an institution-wide scale.

Table 19. Arguments For and Against Pursuing Single Accreditation for the Community Colleges

Arguments in Favor	Arguments Against

• Creates the forcing event for requiring various changes to occur, changes that may be harder to implement in the absence of unifying accreditation, including:
  - Offers more flexibility in allocating resources, including human resources, among campuses—though the reality of being an island state limits this possible advantage.
  - Eases constraints on sharing courses and programs among campuses, promotes credit mobility among campuses, and streamlines shared
	• Unclear whether a more vigorous application of the community college's existing authority might be sufficient to achieve many or most of the desired outcomes listed under the arguments in favor without requiring the unification of accreditation.
	• Inherently disruptive in ways that are likely to affect, at least temporarily, efforts to boost student success; the scale of this disruption is bad timing for a new President

governance processes related to the curriculum. - Enhances line authority for enacting administrative reforms that are designed to lead to more efficient operations. - Centralizes budget and finance authority in alignment with statewide priorities. • Reduces the burden of maintaining compliance with accreditation standards, hosting visits, etc., by replacing seven processes with just one.	who is taking over and still learning the System. • Raises concerns about how the needs of Hawai'i's distinct communities will remain a focus of a single entity. • Transition will be costly in financial resources and in political goodwill. • Existing evidence shows significant collaboration and sharing among community colleges in academic areas and students' credit accumulation. • Case studies of public institutions' consolidations remain few, but among those that exist, an approach that seeks many of the same goals as single accreditation without naming it as the goal may present a smoother path, so long as the stakes of failing to make progress toward collaboration are clearly understood.

Restore Greater Authority to the System in Leading and Managing the Community Colleges

A less sweeping alternative to single accreditation, this option would seek to position the community colleges for the future challenges by restoring to the System Office the remaining authorities that were delegated to the individual institutions in the early 2000s, including oversight of the promotion and tenure process. In doing so, it would create stronger alignment in the activities of the community colleges to work in partnership with one another to meet statewide and community needs, while also improving services and efficiency. The option would expand the degree to which existing line authority from the Vice President of Community Colleges and their staff is exercised to achieve desirable goals. In centralizing functions, it would be crucial that care be taken to ensure that the results do not have a negative impact on essential student and employee services. That is, leadership of a function along with specialized knowledge can be centralized, but day-to-day general support must remain available to students and employees on campus. Student financial aid can be coordinated through the central office on behalf of all seven community colleges. This office can also provide specialized knowledge that some students may need, such as guidance on assessing the value of a family ranch in relation to their ability to pay. Meanwhile, students can meet in person on campus with a financial aid expert who has more generalized knowledge. The System Office can jointly manage at least some basic financial aid policies and practices. Care must be taken to ensure that marketing and award determination policies are appropriately differentiated, but the goal would be to reduce unproductive competition among institutions for students who a more coordinated approach could better serve.

It would also be vital for the central office to work closely with community college Chancellors and their leadership teams to incorporate their voices in decision-making. As a counterweight to this change, the existing Chancellor's Council would remain to provide a direct channel between the

community college Chancellors and the UH System President. Finally, to limit disruption and to attract the best candidates to lead functions or provide specialized support for all community colleges, it may not be necessary that this recentralization would require relocation of staff to the same office space on O'ahu.

Table 20. Arguments For and Against Recentralizing Community College Authorities

Arguments in Favor	Arguments Against
• Avoids the inevitable disruption of a substantial restructuring. • Supports the viability of the smaller community colleges by creating scale economies in exercising various functions. • Improves the chances that key operational functions are led and managed by qualified and experienced leaders who can be compensated competitively according to their knowledge and skills. • Creates efficiency and improves services by more deliberately separating the leadership and specialized knowledge, both of which are scarcer and more costly to attract, from the day-to-day activities of a function. • Improves consistency in the execution of functions. • Enhances the coordination of academic programs across the seven colleges to meet state and local needs; also provides a central point of contact for employers.	• Risks the perception among communities that their specific needs may not be prioritized by a centralized office. • Further reduces the roles of the community college chancellors, which may provoke some to seek other employment opportunities. (Replacing the "Chancellor" job title with another term would signal a shift in the responsibilities, but it probably unwise for the signals it would send to incumbents and to the communities each chancellor serves). • Risks creating delays in response to student and employee needs if the organizational design and operating guidelines/standards (queries to the central office must be returned within the business day, central office must adopt a continuous improvement paradigm and measure its activity against those standards).

Consolidate Neighbor Island Community Colleges Under UH Maui's Accreditation

Rather than pursue single accreditation for all seven community colleges, an alternative could be to organize the accreditation of Kaua'i CC and Hawai'i CC under UH Maui's leadership. This would put the smaller community colleges (other than Windward CC), which share many similar challenges, together.

Table 21. Arguments For and Against Combining Neighbor Island Community Colleges

Arguments in Favor	Arguments Against
• Creates or enhances scale economies across the smaller institutions. • Achieves some of the potential advantages of single accreditation (line authority, budget control, course- and program-sharing) while minimizing disruption to the work of O'ahu's CCs.	• Creates disruption for the affected institutions and for the System. • Risks subordinating Kaua'i's and Hawai'i's priorities to Maui's. • Assumes a lot of commonality among the interests of the three islands that may be less decisive, particularly related to Maui's

• Allows for those advantages to be focused on solving for the common challenges facing the three neighbor island CCs. • Potentially improves the ability of the combined institution to elevate the needs of the neighbor islands as priorities of the System and the state.	interests in adding baccalaureate degree programs. • Excludes Windward CC, which shares many other characteristics with the neighbor islands including size, despite being on Oʻahu.

Create Dual-Mission Institutions

Dual-mission institutions are attracting attention nationally as a possible solution to the challenges of meeting the diverse needs of employers as well as enrollment declines. They are commonly, though not always, associated with rural areas. Much about the way they operate and the degree to which they are successful are due to differences in how they have evolved into dual-mission institutions, how they are funded, and characteristics of the communities they serve.

There is no unambiguous definition of what level of balance in degree programs (or other activity) makes a dual-mission institution. Nearly all of them have evolved out of community colleges that began to offer bachelor's degrees or were four-year institutions that added sub-baccalaureate programs. But in Utah, where dual-mission institutions provide the bulk of community college services throughout most of the state, they were created as single institutions to meet the full array of their respective communities' needs, and the degree to which they are able to balance their commitment to sub-baccalaureate level programming with baccalaureate and above activity is highly dependent on their leadership. In Colorado, Colorado Mountain College has proven that a dual-mission model can be successful. But CMC is a locally funded institution that benefits from (and confronts unique challenges of) the extreme wealth of many of its service areas.

The possibility of merging Hawaiʻi CC and UH Hilo into a dual-mission institution, and merging Leeward CC with UH West Oʻahu, has been raised. The former pairing would substantively reinstate the structure that was in place prior to 1991, a separation that stakeholders described as being the result of growing acrimony between the institutions. Consolidating Leeward and UH West Oʻahu would restore aspects of the high degree of collaboration between the two institutions that existed in the early years of UH West Oʻahu's operations when its offices and classrooms utilized space adjacent to Leeward's campus and when it offered exclusively upper-division courses.

Additionally, UH Maui already offers a few small bachelor's degrees, and its community is supportive of more, even a full university. Yet it also bears responsibility for serving Moloka'i and Lānaʻi, and it is not obvious that the needs of the employers in this complicated service area are best met by a greater focus on bachelor's degrees.

While this discussion addresses multiple potential institutional combinations, decisions about whether to create dual-mission institutions must be deeply sensitive to the different contexts.

Table 22. Arguments For and Against Establishing Dual-Mission Institutions

Arguments in Favor	Arguments Against
• Creates or enhances scale economies in operating the institutions. • Enhances alignment of program offerings and assures seamless movement of students from two-year programs to baccalaureate programs within the same institution. • Reduces competition for students at the lower-division level. • Potentially creates efficiencies in space utilization. • Amplifies and standardizes outreach messages and services to local communities, especially in areas where access and educational attainment are relatively low.	• Risks diminishing the sub-baccalaureate and workforce-relevant programming in place at each existing community college as priorities shift to serve the needs of upper-division students. • Weakens the reach of the UHCC System by removing critical institutions from its oversight, in the process muddying the efforts of the System to coordinate sub-baccalaureate programs, workforce development, and transfer policy on a statewide basis. • Complicates institutional finances related to the delivery of instruction at the lower-division versus the upper-division levels, particularly pricing policies.

Consolidate UH West O‘ahu and UH Hilo into an Applied Public Comprehensive University

A further option is to put the two four-year institutions together with the intention of elevating the role of a baccalaureate-focused teaching university. This option could also clarify the missions of both institutions by making the combined institution the obvious option for hosting certain applied and professional programs. Some of these programs (e.g., Ed.D.s, DNPs) may need to be relocated from Mānoa—thereby also clarifying Mānoa’s mission as a purer version of a theory-based doctoral-granting research university. The mission for a combined institution would also focus on distributed delivery of content throughout the System. Finally, it could also serve as a more effective counterweight to Mānoa’s influence within the System.

Table 23. Arguments For and Against Consolidating UH West O‘ahu and UH Hilo

Arguments in Favor	Arguments Against
• Potentially improves delivery of applied programs to meet state needs. • Elevates the profile of the two four-year baccalaureate-focused teaching institutions with a few applied graduate programs within the System. • Creates opportunities for scale. • Builds on complementary strengths of the two institutions, especially if UH West O‘ahu’s distance delivery expertise can be leveraged on Hawai‘i. • Potentially elevates services to Native Hawaiian populations as a statewide	• Dilutes each institution’s focus on its specific service area on its respective island. • Creates pressure on West O‘ahu, which currently offers no graduate programs, to add them. • Potentially reduces the voice of the neighbor islands in the President’s cabinet, if the Chancellor of the combined institution lives on O‘ahu.

capability, given both institutions' experience with reaching and serving that population.

- Relocating Mānoa's programs would generate significant resistance, and seems a roundabout and risky way to streamline Mānoa's mission.

Recommendations

This section offers NCHEMS' recommendations for the future UH System structure and organization. Not only will it identify the options previously presented that seem to offer the most reasonable and promising paths forward, it will also make additional suggestions that have not appeared as options above. These latter recommendations are intended to support the organization of resources in alignment with state, community, and student needs.

A frequent byproduct of projects like this one that focus on the structure or performance of a postsecondary system (or group of institutions, when we work in states without a formal system), is that there are opportunities to make improvements in state policy as well. Many state policies create conditions in which systems or individual institutions are able to thrive. Sometimes, however, the state policies create cause impediments to system and institutional performance. Therefore, we also make recommendations that are directed at the state where changes in policies and procedures can lead to improved likelihood of system and institutional success.

<u>Regents</u>

1. Increase attention to the role of the System Office as an entity that must perform a series of functions in addition to, and often distinct from, those involving oversight of the constituent institutions. These functions include:
    a. Leading the process by which a plan for the future of the state is created. Hawai‘i has no plan (or mechanism for developing a plan) that identifies priority goals for the future of the state and that articulates the role of UHS in achieving those goals. The UHS is one of the few entities in the state that can lead the development of such a plan. As a result, we recommend that the UHS take the initiative, working with political leaders, to develop a state plan for Hawai‘i, a plan that identifies those changes to the status quo that should receive priority attention. Having clearly articulated goals in place can provide the basis for a much improved process for allocating state funds to UHS.

    b. As a follow-on to this process, identify the ways in which the UHS and its institutions can contribute to the achievement of the desired future for the state.

    c. Conduct analyses that identify the different needs in different parts of the state. This needs assessment should extend beyond the identification of access to postsecondary education to include economic development and workforce needs, needs for health care, civic services, etc. Special attention should be given to the distinct needs of individual neighbor islands and to the differing conditions on each island, such as the unique needs of the Hilo and Kona regions of the Big Island and the distinct needs of West O‘ahu that are dissimilar from the greater Honolulu area.

d. Develop the policies and procedures that ensure that the collective educational assets of system institutions are brought to bear on the different priorities identified in the different parts of the state. A major element of this leadership activity will be putting in place mechanisms for greatly increased levels of collaborative delivery of academic programs. The objective should be to increase access to academic programs in all parts of the state and do so in a way that is cost-effective—sharing academic programs rather than creating new ones.

e. Lead the process of consolidating administrative functions with the goal of both creating efficiencies and providing better service.

Regents can signal the priority of these functions by organizing their meetings to ensure that Systemwide strategies are prominently addressed, goals and measures are established and monitored, and that the System President is expected to report regularly on the progress.

This also suggests a much more expansive role for the System Office, one that will demand the full attention of the System President, therefore leading to the next recommendation.

2. Split the roles of System President and Mānoa Chancellor. As previously described, the roles represent separate and distinct responsibilities. The fact that nearly every other state has adopted a structure under which there exists an entity, supported by statutory authority and to varying degrees by qualified staff, which holds responsibility for leading postsecondary policy coordination and planning for the state as a whole suggests a broad consensus that the statewide leadership role is not wholly compatible with the leadership of the state's flagship institution. Hawai'i is currently an outlier in maintaining a joint role, which may be traceable to its history of turnover in the chancellor position, an undervaluing of the role of the System Office in developing plans and goals for the state and the System, the habits of state policymakers to overlook the distinctions between these roles, and the prior occupant's long familiarity with the unique characteristics of the state.

3. NCHEMS also finds that important signals encourage the state and its leaders to treat the two roles as indistinguishable, most significantly as a consequence of the co-location of the System Office on Mānoa's campus. Co-location also serves as a powerful symbol to the other institutions that Mānoa's issues will inevitably take priority over those of other institutions. However, the benefits of creating a physical separation between the System Office and the Mānoa campus will have a profound signaling and cultural effect on leadership throughout the System, on policymakers, and on the general public. It would be a clear sign that a shift is underway in the stance of the System toward focusing its efforts on addressing statewide, versus institutional, needs.

   The roles of the System President and System Office staff are not significantly enhanced by close proximity to any one of the campuses. Rather, relocating closer to the seat of government also serves to encourage greater collaboration with executive branch departments and puts the System leaders in closer proximity to legislators and others, as

well as to the airport so that System leaders and staff alike can establish more regular presence with the campuses throughout the state.

NCHEMS recognizes that the System Office at Bachman Hall has been recently renovated and is now an enviable space for executive leaders. We also appreciate that this recommendation has been made before and prohibitively expensive costs have been used as a reason not to make a move. Yet the value of undertaking a careful study should not be motivated by financial costs alone, and the non-monetary value of reinforcing the importance of the separate roles should be considered. Nor should the possibility be ignored that role confusion fueled in part by proximity may be at least partially responsible for the history of rapid turnover in the Mānoa Chancellor position. Moreover, other states have faced the same dilemma, some of which (e.g., Colorado) have made the difficult and financially costly decision to relocate the System Office off a university campus and closer to the state capitol.

4. Develop/Refine clearer missions for the four-year institutions in the System.

    a. Establish a process for a rigorous and regular (every five years) review of each institution's "operational mission" so that each institution has distinct and complementary roles in fulfilling all of the state's needs in a manner that is efficient and centered on students. An operational mission is different from a mission statement, which has to be inspirational, aspirational, and inclusive. In every state, there is an entity with responsibility for approving mission statements, typically a system board or a coordinating board. But these approvals of the language of the statement itself will not typically give institutions guidance about what they should or should not be prioritizing, since the language is intentionally inclusive of a wide sweep of activities. As a result, different institutions often express mission statements that are indistinguishable.

        In contrast, an operational mission clearly establishes who the institution serves, with what programs, and how it does so, plus any particularly important historic or other special characteristics (such as land-grant status). An operational mission is akin to the "living mission" of an institution and can shift over time as the institution responds to expressed demand for programs from its service area or to changes in enrollment demand, even if the mission statement remains constant. It is the responsibility of the System Office and its governing board to ensure that its institutions evolve in sync with each other so that they continue to address as a collective all the shifting needs of the state and its students. Effective oversight of institutions' operational missions occurs when the System serves as a mediator of competing institutional ambitions, as well as when it identifies that a gap in needed services has formed and makes an assignment to an institution or institutions to fill it. A strong collection of operational missions and a robust process of application of those missions, along with periodic review, create clearer identities for institutions, focuses their outreach strategies, helps resolve unproductive competition (some competition is inevitable and not always problematic), promotes sustainable growth, encourages institutional adaptations to changing conditions, activates coherent needs assessment strategies across a

state's diverse regions, guides a process for institutional performance evaluations, and makes the most efficient use of resources.

b. As described previously, UH West Oʻahu has operated more in response to is more the product of opportunity than in accordance with a carefully constructed long-term plan. Though it seems to be very capably led, its role remains undefined within the System, leading to conflict with other institutions in the System and with expectations from stakeholders that are better suited to a traditional institution, rather than the innovative and locally responsive institution it has the opportunity and obligation to be. Therefore, the System should review and clarify UH West Oʻahu's operational mission and establish a focused planning effort to bring that mission into reality. NCHEMS anticipates that such an effort would lead to a mission focused on undergraduate teaching and learning, a host for selected applied programs (such as nursing and education) and a delivery site for others, a System-wide resource for effective practices in online education, and the restoration of its historic close partnership with Leeward in ways that temper Leeward's ambitions to award bachelor's degrees. It should also provide an opportunity for innovation around teaching and learning, working through a collaborative spirit with faculty throughout the System to create new lessons and tools for use at any of the institutions. UH West Oʻahu should renew and further amplify its priority of creating access for populations unwilling or unable to live nearer to the Mānoa Valley, especially adults and residents of Waiʻanae. Many of these students are likely to commute, rather than live on campus, and take courses at various times throughout the day and week that fit their busy lives, a reality that UH West Oʻahu should continue to respect and serve effectively. A mission such as described is quite distinct from the other institutions in the System. It will be important that the System Office communicate about those distinctions with external stakeholders so that all are able to measure UH West Oʻahu's success against related goals, rather than against traditional notions of performance like the number of students on campus between 10 a.m. and 2 p.m.

c. Ensure that the focus of activities at Mānoa capitalizes on its strengths. As a major research university, its emphasis should be on theoretical and basic research and related degree programs at the bachelor's and graduate levels, and much less on applied, workforce-oriented programs, especially those at the sub-baccalaureate level. Where possible, programs of practice can be hosted by UH West Oʻahu or UH Hilo, the latter of which can also host and manage graduate programs of practice, such as the Doctor of Nursing Practice or the Ed.D., but work closely with Mānoa faculty to ensure those programs are available to students in its related Ph.D. programs.

d. Consider relocating the pharmacy program at UH Hilo to UH Medical School. Doing so will reduce institutional role confusion, ensure closer alignment in faculty research expectations across UH Hilo's graduate programs and thereby streamline the System's grant management activities, locate the program where the greatest needs for its services are, and reduce the burden on students that comes with

working in isolation from complementary programs and services that are available at the Medical School.

e. Require UH Hilo to deliver programs in partnership with Hawai‘i CC at Pālamanui and other locations in Kona, and provide the necessary support for this expansion. The Big Island's educational attainment rate is lagging the rest of the major islands in the state, and postsecondary education opportunities are particularly scarce on its west side. Though the low attainment rate is partly a byproduct of the economy, the lack of options nevertheless presents a significant barrier to economic opportunity for residents there.

f. Utilize operational missions to streamline and rationalize program review and approval processes. With clearer lanes in which to operate, institutions can be better attuned to which programs to host and which programs they may be able to operate as delivery sites in collaboration with a partner institution. The program approval process should incorporate an expectation for how program-sharing could address the demand for the program.

   At the same time, because program-sharing will not be a viable solution in every instance and because operational missions cannot and should not seek to eliminate all overlaps in programming, UH should reconsider the definition for what constitutes "unnecessary duplication" to better serve students, employers, and the public, especially given the barriers to access that are inherent among the islands. Prohibitions on one school offering particular programs when they already exist elsewhere can be counterproductive. For example, System policy permits Hilo to only offer pre-engineering coursework, after which students must complete their coursework at Mānoa. Given the costs and resources involved in engineering, this may be sensible. But if there is no way for Hilo to award such students an associate degree in pre-engineering, the students are not well served.

   Moreover, if an institution is the only one allowed to offer a program, that institution should make an effort to ensure that the program is accessible to the entire state. As an example, Windward offers the only vet-tech program; they have a limited-residency cohort that specifically caters to the needs of students who do not live nearby. Similarly, unique programs at other institutions are not set up this way. Meanwhile, Mānoa is simply too far away and too expensive for many students. There may be a need to "duplicate" some of Mānoa's programs elsewhere or find a way for Mānoa to offer them in a way that works better for students on other islands, especially adults and students from low-income backgrounds. There is a large number of possible program sharing possibilities that need to be investigated and implemented. Solutions to such problems cannot be delegated to campuses—it requires that the System be proactive.

g. Create greater clarity surrounding each UH institution's mission towards international students, specifically those from around the Pacific.

5. Remove barriers to student success that can be affected by Systemwide policy.

a. Mandate the development of systemwide, program-level articulation agreements and provide a reasonable but not dilatory timeline for implementation. Focus first on the most common pathways. Require Mānoa to create a single point of access for transfer-related advising as part of this initiative. Enforce the letter and spirit of transfer-oriented policies (i.e., when Mānoa elevates a course to the 300-level, require justification that includes a review from systemwide faculty shared governance).

b. Invigorate the System's imperative to fulfill Kuleana by incorporating metrics on student success for Native Hawaiian students and the participation rate of Native Hawaiian populations in annual performance reports. Such metrics should be disaggregated by institution and reported separately for Early Admit program participants.

6. Ensure that the Board members benefit from regular orientation, training, and performance evaluation utilizing an independent third party who has expertise in systems, not just institutions. As part of the orientation process, Regents should be provided with a detailed, fact-based picture of the state, its demographics and economy, and the ways in which the University is connected to the state. This information should be updated at least every two years. Additionally, the Board should undertake a formal evaluation of its functioning on a regular schedule, to be conducted by an external, third-party expert.

<u>System President</u>

7. Create genuine role clarity regarding the functions the System Office must perform and articulate how they differ from institutional functions. Lead the System planning and implementation processes described above. Among the critical system functions that must be in focus for the System Office are engaging with other state governmental agencies, eliminating duplication in administrative services across the System through incremental yet continuous improvement efforts, and ensuring that Chancellors are prioritizing workforce solutions and supporting their efforts to identify programmatic needs and opportunities to address them. Other key functions for unleashing systemness follow in more detail.

8. Review and revise the vision and goals for leveraging UH's capacity for online delivery and related infrastructure, as well as a strategy for effectively deploying resources from throughout the System. The UH System's role here is to ensure that key ingredients are available, such as a common learning management system for online enrollment; high-quality assessment services to identify needs and opportunities; and instructional design, learning assessment, and other specialists whose expertise can be deployed to support faculty and students to thrive in an online environment. Indeed, the UH System has considerable technical capacity in place to leverage its reach and effectiveness. To the degree that this capability is underutilized, it is at least partially due to an insufficiently robust commitment to making the best use of the tools, signified by policies and practices that have weakened the System's competitiveness in reaching student populations who demonstrate by their actions their willingness to engage in online learning.

9. Create a new cabinet-level position at the System Office with a title like Vice President for Workforce Development and Initiatives or Vice President of Labor Market Solutions. Given the geographical dispersion across Hawai'i, coupled with anticipated declines in the traditional-age population, the state cannot maintain a reliance on institution-by-institution focused solutions to meet both the common and distinct needs of each island community. Instead, it will be critical for the System to take a more assertive role in developing shared programming to address these challenges. To do so, there must be sufficient attention on continuous needs assessment and evaluation of services for regions and communities throughout the state, and to create and implement a strategy that incentivizes institutions to act as both hosts and delivery sites, but not always both simultaneously, for relevant programs. There has been significant progress in building better collaboration across UH's institutions via the C3S initiative. The lessons drawn from this initiative will accelerate UH's ability to share not just courses, but programs. Yet doing so is not a simple step that can be assumed as a linear extrapolation of course-sharing. Success will require dedicated attention, strongly expressed leadership, and well-designed incentives to get institutions beyond their self-interest in "owning" programs in favor of broader sharing. This position would create a visible point of contact for employers, the state Department of Labor, and other stakeholders for whom workforce issues are paramount.

   Additionally, this role should focus on elevating the voice of the neighbor islands' needs on the executive leadership team, creating policies and practices that ensure more widespread sharing of programs, routinely conducting needs assessments and maintaining regular contact with the employer communities on each island, and consolidating access points (University Centers, Education Centers, Learning Centers, etc.) under a single policy to make better use of these structures by all System institutions in ways that more effectively meet students' needs.

   Finally, this role should adopt a unique, discipline-based lens in execution. Because the workforce demand, student demand, facility requirements, pedagogy, stakeholder groups, and other characteristics can be so distinct from one disciplinary cluster to another, it makes sense for the leader of these initiatives to think in disciplinary terms and act accordingly. Policies and practices must be standardized enough to be effective and efficient, yet allow for varied application in accordance with the distinct demands and supply requirements of different disciplines. For example, the pedagogical requirements in the construction trades are quite different from those in information technology fields, or liberal arts/transfer-oriented curricula. The pathways that support student access and mobility are therefore likely to be different, and the occupant of this role will need to be able to flex to accommodate those differences. As a critical part of this activity, there will also be a need for policy that supports the conversion of non-credit to credit.

10. Augment incentives for collaboration among institutions by:

    a. Providing specified funding to the institutions to conduct needs assessments, to survey the available options across the System for acquiring an existing program that meets the identified needs, and to identify a cohort of students interested in such a program. The funding would also be useful to contract with the other

institution to offer the program, which would outline how revenue would be shared and protect the supplying institution's interests if part of the cohort drops out. In addition, the System should establish a strategic collaboration fund that it uses to match funds institutions contribute to "buy" programs and services from other institutions in the System.

b. Reviewing the current policy for revenue sharing among institutions. Given relatively low tuition levels in Hawai'i, a policy that only provides for the institution that offers a course or program to collect only the tuition revenue may be an incentive strong enough for institutions to collaborate. In the review, consider that there may be different levels of incentive needed to start up a collaboration than what is required to sustain one that is already in place and thriving.

11. Make effective use of the Chancellors Council. Fortunately, this seems to have become a priority for UH's still-new president. Regular contact with the chancellors of all 10 institutions (including Mānoa's provost in this count) will be critical for keeping abreast of the distinctive contexts and challenges faced by institutions across the islands. Moreover, continuing to make sure there are regular topics for discussion will go a long way to ensuring that the voices of each institution are heard in systemwide decision-making. Among those are:

    a. Addressing the concerns of the Native Hawaiian populations as an important way to ensure attention to Kuleana.

    b. Creating incentives to launch and sustain shared academic programs, as well as how the System might address barriers. Assuring the best use of all the System's assets to reach remote students through its University Centers and Education Centers should be a high priority for these discussions.

    c. Using data to inform decision-making about program delivery, student mobility, and program outcomes that lead to curriculum review and reform.

<u>State Policy</u>

12. Put in place an inclusive process for developing a set of goals and priorities for the state, a key element of which is to identify the contributions to be made by higher education to meet these needs. To be clear, the resulting goals would comprise a public agenda that is distinct from the UH System's strategic plan, the latter of which should express the priorities and activities the System will undertake in order to carry out that agenda and reach its goals. Participants in the process to create this public agenda for higher education should include political, business, and education leaders along with leaders from media (whose involvement should be dictated by rules that assure candid deliberations) and from community-based organizations from across the state, with the process being managed by the UH System Office on behalf of the governor and the legislature. It would rely on state-level social indicators as the basis for looking at a broader set of state needs than those typically reflected in state higher education plans.

13. Totally revise the state approach to funding the UH System by providing a lump sum appropriation to the Board of Regents. Regents would subsequently distribute funds to the

institutions according to a model that uses empirical data to fund the missions of the different institutions adequately, meets the student support requirements of the varied student bodies of the institutions, and creates incentives for making contributions to state goals. A separate item in the state allocation should focus on new programs/capacities to be created in the System. Under a coherent conceptual framework, it becomes the legislature's role to focus on holding the System responsible for outcomes produced rather than on controlling funding and processes by which those outcomes are produced. The available evidence shows that the UH System is not spending money at a rate far over comparable systems nationally. But it is less clear that it has the necessary flexibility to direct the money it does have where it is most needed to drive improvements in desired outcomes. These constraints run counter to the legislature's expressed interest in efficient operations, focusing institutions' attention on what drives resources in their direction from prior years, contributing to a culture of complacency (this is meant to suggest that it favors the status quo, not that individual employees are apathetic), and stifling innovation.

14. Regents should be selected in a way that ensures broad representation of the different constituencies served by the University of Hawai'i—geographic (with attention to assuring representation from the neighbor islands), demographic characteristics (with special emphasis on assuring Native Hawaiian representation), as well as skills necessary to provide oversight of a large and complex organization—legal, financial, etc. The matrix depicted in Figure 58 provides a useful guide for the mix of perspectives and expertise/experience that should always be evident when viewing the board as a whole.

Figure 58. Matrix of Perspectives and Qualifications for the UH Board of Regents

Perspectives / Specific Knowledge and Experience	Regional/Rural/Island Communities	Business & Industry	Technical and Trades Education	General Education	Advanced Education & Research	Students	Underrepresented & Native Hawaiian Populations (including Adults)
Finance							
Accounting/Auditing							
Law (especially Intellectual Property or Labor Relations)							
Facilities and Real Estate							
Educational Delivery Models							
Workforce Development							
Economic Development							
Alignment/Coordination with K-12							
Educational Quality Assessment							
Technology							

Finally, state policy should specify a requirement for regular training and performance evaluation of the board that is described in the section above that directs recommendations to the regents' attention and provide adequate funding to support that training. This funding should also include support for an independent staff member or small team to support the board, a person who reports to the chair of the board, not the UH President, but who is empowered to work with the President and members of her team to ensure that the Board members have the data and information needed for them to be most effective.

Conclusion

A new president has taken over leadership of the System. She brings fresh energy and new perspectives to the role. Yet her early tenure has been marked by uncertainty and unprecedented challenges emerging out of Washington, D.C. The necessity of responding to new controversies and creating contingency plans for financial impacts caused by the federal government's policies inevitably disrupts and distracts from the process of crafting and implementing a vision for the changes the UH System can make to serve its statewide mission more effectively. Thus, the timing of this report is auspicious: we hope that the authentic, evidence-based observations linked to recommendations provide a helpful resource that accelerates action to unlock the combined resources of the System in new, forward-looking ways.

While the strains created by the federal government's actions since the beginning of the year demand attention, Hawai'i and its university system must grapple with challenges of a far longer-term nature. Recognizing that the future demographic and economic needs of the state for higher education are changing dramatically and rapidly, an effective response must abandon habits formed over decades of relatively predictable enrollment growth and funding stability. Instead, the System must adjust to ensure that it can most effectively draw on its institutional resources to respond to state needs and those of its diverse, often isolated communities. Doing so will require a renewed commitment to prioritizing those varied goals over those of the institutions; this will, in turn, require new processes, procedures, and habits of work.

The state itself can facilitate the System's success in fulfilling this heightened role by setting forth priority goals for higher education to pursue, by reforming its approach to appropriating funds to the System and its institutions so that the whole system can become more nimble and responsive to needs, by realigning how it ensures accountability through a consistent focus on outcomes rather than inputs, and by empowering the System's regents to carry out their roles appropriately and without undue interference.