April 19, 2016

Robert Cooney, PhD
Chair
University of Hawai‘i at Mānoa Senate Executive Committee
Office of Public Health Studies
1960 East-West Road
Honolulu, Hawaii 96822

Dear Dr. Cooney:

Mahalo for your thoughtful feedback from the UH Mānoa Faculty Senate Committee on Administration and Budget (CAB) on the proposed reorganization of the John A. Burns School of Medicine (JABSOM) and the University of Hawai‘i Cancer Center (UHCC) into one unit, Kaka‘ako Health Sciences (KHS).

Below please find our response to your consultation letter dated March 23, 2016. For your convenience, we’ve enumerated your comments and questions and have provided a detailed response to each.

1. “It might be presumed that reorganization is developed to deal with a problem or provide a better way of doing business. However, there does not seem to be a clear problem statement in this Reorganization Proposal.”

   Interestingly, the CAB itself presents the problem later in their response letter, when they state that “Yes, the current organization as of November 2014 is inadequate to the respond to the major problems, especially fiscal faced by both JABSOM and UHCC.” The proposed reorganization is meant to address the inadequacy to the approved (July 2015) organizational charts of JABSOM and UHCC.

   Additionally, the proposal does in fact present a “better way of doing business”: “JABSOM and UHCC will merge administrative infrastructure teams to operate efficiently with the goal of eliminating redundancy (i.e. the newly merged ASK unit). This will eliminate the imaginary ownership lines between units; reduce redundant campus operations and core administrative workforce; provide economy of scale procurement; and allow for current administrative staff to share administrative expertise and experience to reduce processing delays for important projects. Additionally, the new organization will allow for faculty members to build synergistic collaborations operating as a unified education and research campus. JABSOM and UHCC will begin combining and sharing their research cores and equipment in genomics (DNA sequencing, microarrays), microscopy and histopathology to reduce resource redundancy and increase synergistic collaboration. Specifically, genomics will be relocated from the JABSOM to the UHCC, resulting in less personnel management resources. And UHCC faculty, who conduct animal studies, will use the histopathology core at the JABSOM, and manage one-third of the JABSOM’s animal vivarium.”

2. “However, at CAB’s 03/02/16 meeting with UHCC faculty (Bantum, Wilkins, Castle, Franke) it was learned that: 1) the proposed Reorganization Proposal is different that the structure and details of a proposal between Dean Hedges and UHCC faculty on 06/25/15 and 08/11/15”
Because CAB does not provide specifics about what information is different in the proposal from what was shared with UHCC faculty, it is difficult to respond to this concern. It should be noted that the graphic structure of the UHCC did undergo minor change, after input from the UHM Office of the Vice Chancellor for Administration, Finance, and Operations. Specifically, the surrounding box was changed from a wider, horizontal box to a narrower, vertical box. However, all positions and programs in the box were represented consistently. This graphic change was shared with the UHCC faculty members prior to the submission of materials to the Unions and Mānoa Faculty Senate.

3. "2) with JABSOM's deficit of $7M/year and UHCC deficit of $10M/year, the difficulty of meeting the combined large deficit is not articulated";

   It is unclear where the CAB obtained or verified these figures, but they are inaccurate and immaterial to the reorganization proposal. Despite this inaccurate statement, it is sufficient to state that JABSOM and UHCC will continue to operate within the financial limitations placed upon them by various exigencies.

4. "3) proposed Reorganization proposal does not reflect that any other alternatives were considered";

   The alternative to a reorganization is to maintain the current organizational structure which, as was already identified by the CAB, is inadequate. Maintaining the current organizational structure for JABSOM and UHCC is redundant, costly, and inefficient for the operations of both units. That being said, there were many iterations of the proposed reorganization that were discussed and amended with feedback from various stakeholders.

5. "4) the national/international visibility of UHCC and JABSOM does not seem to have been taken into consideration in this Reorganization Proposal";

   We find this to be a true statement, but irrelevant. We clearly seek to enhance the nation/international stature of the units at Kaka'ako by a more efficient administrative infrastructure. However, the context of the reorganization is not national/international visibility, but rather fiscal and operational efficiency within the University of Hawai'i, specifically the UHM campus. It is in this context that a clear organizational chart is most important, not on some national/international stage where documents such as this would have limited value.

6. "5) both Dean Hedges and Associate Director Blanchette lacked the necessary cancer research background in addition to having a conflict of interest. As JABSOM Dean and UHCC Interim Director, Dean Hedges could not fairly represent the needs of the UHCC."

   It is unclear what is being identified as a conflict of interest. As the administrative leader of both JABSOM and UHCC, it is incumbent that the Dean and Interim Director, no matter who they be, provide leadership through fair representation of both units. The actions of Dean Hedges as the Interim Director for the UHCC (including the proposed reorganization) have met the expectations of the NCI External Advisory Committee for the UHCC. Non-cancer researchers have served in an interim capacity at other cancer centers under similar conditions. Dean Hedges' role was well vetted with the Program Director for the NCI Cancer Center Study Group before his assignment. During his leadership, Dean Hedges has received an extension of the P30 grant, including an increase in base support for the UHCC.

7. "Full consultation with the faculty from separate areas of specialization is extremely problematic in this proposal's development."
We have communicated with faculty members from all cancer specializations, requesting their feedback. That the UHCC is represented as a unified graphic structure in the reorganization reflects direct feedback from consultation with UHCC faculty. It is true that some UHCC faculty members requested that the reorganization not proceed until a new UHCC Director is appointed. That request represents a timing issue and not a specific structural or functional recommendation.

8. "However, in CAB's meeting with UHCC faculty on 03/02/16, concerns were expressed that: 1) JABSOM and UHCC have different missions and different operational ways thus creating an inherent conflict of interest";

It is unclear how the pulse of the UHCC faculty members was taken on March 2, 2016. To our knowledge, the Senior Leadership Committee of the UHCC was never invited to meet with the CAB. The meaning of "different operational ways," is rather vague. Again, one must emphasize that on the Mānoa Campus, each instructional and research unit does not have its own (redundant) campus infrastructure. Certainly, there will be some mission-driven differences between each of the Kaka‘ako Campus based units, but adjustments to the shared administrative support can be made through close collaboration and communication where needed.

9. "2) the UHCC requires interim director who understands the operations of a cancer center";

We find this to be a given, and are hoping for a filling of the Director position within the next few months. Such a reality does not diminish the importance of the reorganization to achieve the multiple gains previously outlined.

10. "3) the needs of the UHCC are not reflected in the Reorganization Proposal";

Because of the lack of specific information presented in this statement, it is hard to address what needs of the UHCC are not being reflected in the proposal. Indeed, the UHCC Senior Leadership Committee understands the rationale and importance of the reorganization. The guidance of the NCI External Advisory Committee to the UHCC has been taken into account to maintain the essential features needed by the UHCC to meet structural, functional, and reporting requirements consistent with NCI designation.

11. "4) the benefits in the Reorganization Proposal for the UHCC are vague and unquantified";

As stated above: "JABSOM and UHCC will merge administrative Infrastructure teams to operate efficiently with the goal of eliminating redundancy (i.e. the newly merged ASK unit). This will eliminate the imaginary ownership lines between units; reduce redundant campus operations and core administrative workforce; provide economy of scale procurement; and allow for current administrative staff to share administrative expertise and experience to reduce processing delays for important projects. Additionally, the new organization will allow for faculty members to build synergistic collaboration operating as a unified education and research campus. JABSOM and UHCC will begin combining and sharing their research cores and equipment in genomics (DNA sequencing, microarrays), microscopy and histopathology to reduce resource redundancy and increase synergistic collaboration. Specifically, genomics will be relocated from the JABSOM to the UHCC, resulting in less personnel management resources. And UHCC faculty, who conduct animal studies, will use the histopathology core at the JABSOM, and manage one-third of the JABSOM's animal vivarium."

12. "5) while academic departments are aligned with oversight offices, faculty are not aligned with appropriate departments, e.g. population sciences and public health";
Please note that the UHCC has not used a departmental structure. Indeed, UHCC faculty are
assigned to Programs and UHCC faculty members have argued for a fluidity of structure such
that the UHCC can be regrouped into different programs (without the complication of
departmental structures) should regrouping be needed to achieve NCI designation. There is but
one UHCC DPC for all faculty members. We therefore do not understand the context nor the
intent of the above statement.

13. "6) no justification is given for the rushed timeline. As the search is well underway for a new
director of the UHCC – could not this Reorganization Proposal await the installation of the new
director";

This reorganization proposal is neither rushed nor hastily configured. It has been in process for
over a year. As it has been stated that the current organizational structure is adequate (and we
fully agree as noted repeatedly above), it is important to address the inadequacy of the
organizational structure in as timely a manner as possible. Indeed, given the significant tasks
ahead for the UHCC Director under recruitment, further distractions associated with a lengthy
reorganization process that would further delay cost-saving and efficiency generating evolutionary
changes would be a disservice to the new UHCC Director.

14. "7) the Reorganization Proposal does not make clear who has authority over UHCC Funds (G-,
tobacco, tax, indirects) and whether Kaka'ako Executive or UHCC director receives funds first,
whereas the NCI designation makes the obligation specific that the director have authority over
funds and space. Indeed the Reorganization does not address what could be major issues in
terms of the NCI designation and potential grants";

First, it is not incumbent upon the reorganization proposal to make clear who has authority over
funding sources. That is not the purpose of a proposed reorganization. However, it is the intention
that all UHCC funds (including tobacco tax and indirects) will remain with the UHCC, to ensure its
solvency and credibility as an NCI designated site. Second, the proposed reorganization does not
address "major issues in terms of the NCI designation and potential grants" because we do not
perceive that there will be major issues in terms of NCI and grant funding that would be the result
of a reorganization—and aside from pure speculation, no source has provided contrary
information.

15. "8) the current staff reductions through personnel attrition has resulted in declining services with
overworked staff. The mixed purposes of JABSOM and UHCC have confused lines of authority
and the result is that staff are unable to do their jobs for UHCC in a satisfactory manner";

As has been noted throughout various informational outlets, UHCC as a unit has a funding
concern, which in some cases restricts UHCC from refilling temporary administrative positions.
This would be the case for any unit under similar financial conditions at the University of Hawai‘i.
However, it should be made clear that, speaking of "mixed purposes," no member of the UHCC
fiscal or HR staff has been called upon to take on JABSOM fiscal or HR responsibilities. The
implication of the above CAB statement is that JABSOM is using UHCC staff to do JABSOM
work, which is inaccurate.

16. "Mixed purposes of these positions have created situations where staff are not at the same level
for UHCC related activities."

All UHCC staff (as reflected on the proposed reorganization) have maintained the same
classifications they carried prior to the reorganization.
17. "While the problem is not stated, from the other documents reviewed there appears to be a
combined deficit of $17M (JABSOM-$7M + UHCC-$10M), whereas the only quantified anticipated
savings is $100K from combining UHCC IT and telephone services."

Again, the combined deficit figures are inaccurate. We can only speculate regarding the source of
the information and their currency. They do not appear to be taken from the 2016 Updated
Business Plan.

18. "In addition, according to the JABSOM Dean, the reorganization of savings is achieved through
shared administrative management. However, the UHCC faculty members feel the 'savings' have
not sustained the same level of services that were available to them before this merge. Moreover,
how the combined deficit of $7M (JABSOM) and $10M (UHCC) will be managed has not been
addressed nor the specific needs of the UHCC to meet for example the NCI designation. Thus,
the benefits of the reorganization are non-existent at this point in time."

We disagree with this assessment. Per the 2016 Updated Business Plan, the UHCC operating
deficit is approximately $7M per year after a number of cost saving measures were implemented.
As mentioned above, the UHCC has not replaced all positions lost by attrition due to this
significant financial deficit. Despite the attrition, the UHCC has remained operational and (in
several cases) JABSOM administrative personnel have assisted those in the UHCC. Upon
approval of the reorganization best practices can be implemented that will enhance operations
further at the UHCC. These best practices will be driven by collaborative and collective problem-
solving between involving engaged JABSOM and UHCC administrative staff. This synergy will be,
perhaps, the greatest benefit of the reorganization— i.e., shared and consistent policies that are
transferable between the units and compliant with existing UH policies and state laws.

19. "According to the Reorganization Proposal, no additional staff will be required. The reorganization
will primarily ensure consistent services to both UHCC and JABSOM. UHCC faculty, however, do
not share this view. One example is that the reorganization planning was done by individuals
without the necessary background in cancer research and the merge of administrative services
has not been positive overall since the change."

Again, we disagree with this assessment. There has not been a "merge of administrative
services" (in fact, we have been advised against merging services by the Unions and UHMM), and
it is unclear what "change" this statement is addressing. As noted above, we suspect that some
faculty and staff members have rightful concerns regarding attrition in positions due to the UHCC
fiscal situation. Indeed, the longer reorganization is delayed, the more difficult it will become to
achieve operational goals under the current fiscal constraints.

20. "According to UHCC faculty, while fiscal and administrative services staff have been reduced
through personnel attrition, services have declined and the remaining staff are overworked. They
also have mixed purposes and do not perform work for UHCC well."

It is true that there has been some fiscally responsible staff attrition. This is being monitored, but
administrative services have continued. The remaining staff have appropriate workloads. We do
agree that performance can be enhanced through the proposed reorganization. We are uncertain
what is meant by staff having "mixed purposes," which is a vague and complicated description
that infers that UHCC staff members are being asked to prioritize JABSOM work over UHCC
needs. This is absolutely not the case.

21. "No specific cost savings have been noted in the proposal based on shared administration,
although it is mentioned that savings have already been realized through efficiencies of shared
administrative management. Additional costs for position reclassifications appear to be cost neutral and it is stated that any additional costs will be handled internally. No mention of office furniture expenses, as it appears that physical moves have not been detailed. However, it is mentioned that the ‘integration of IT and telephone systems being socialized.’

There is no mention of office furniture expenses, because there have not been substantial discussions of any employee being compelled to move locations as a result of the reorganization. All reorganization process will be socialized to enhance adoption. Note that the integration of IT and telephone systems did not require implementation of the proposed reorganization and thus steps have been undertaken to upgrade the service to the UHCC.

22. “The administration has consulted its executive team and the administrative staff extensively. However, the JABSOM & UHCC faculty was not fully consulted, their views have not been incorporated and more importantly it is felt the faculty should have the opportunity to vote in support of or opposition to the Reorganization Proposal.”

Again, we disagree with this assessment. JABSOM and UHCC faculty were both consulted, and their views have been incorporated, as far as defining the organizational structure for KHS goes. Multiple opportunities for input have been provided. Although some UHCC faculty members prefer to delay the proposed reorganization, that preference is a timing issue and, as previously stated, additional delays will only cost the UHCC more money and will compromise the ability to generate greater operational efficiencies for faculty and staff members.

23. “The major problem, that of the budget deficit, is not addressed and none of the suggested changes in the Reorganization Proposal are set up to demonstrate a successful resolution of that problem.”

It is true that benefits of the proposed reorganization will be greater administrative cost-control and operational efficiencies. As such, it should be no surprise that the proposed reorganization is a component of a larger business plan that is presented elsewhere. Although the CAB asserts that the budget deficit is the “major problem” we are seeking to address through this proposed reorganization, that assertion is incorrect. The intent of the proposed reorganization is to enhance campus function. The proposed reorganization is essential to the future operation of the UHCC and entire Kaka‘ako campus, regardless of the elements of the business plan that are adopted elsewhere.

24. "No, the NCI designation requirements are not met in the view of UHCC faculty. However the EAC Report of February 2016 does not see this as an issue.'

Although select UHCC faculty might perceive the proposed reorganization as detrimental in the efforts to secure NCI designation, the External Advisory Committee, the group tasked with ensuring NCI compliance through periodic review, does not see the proposed reorganization as a threat to securing and maintaining NCI designation. Indeed, positioning the UHCC to both improve its fiscal operation and to successfully compete for renewal of its P30 grant connoting NCI designation has been a driving force for this proposed reorganization.

25. "Yes, the current organization as of November 2014 is inadequate to respond to the major problems, especially fiscal faced by both JABSOM and UHCC.”

The intent of this statement is unclear. If this is a statement that the UHCC and JABSOM organizational charts are not compatible with an efficient campus administrative structure that
removes redundancy, builds operational efficiencies and permits economies of scale, then yes, the existing structure should be replaced by the proposed reorganizational model.

26. "Though benefits are claimed for the reorganization, none can be precisely confirmed or is poorly articulated."

It is true, we cannot precisely confirm an event or action that has yet to occur. Similarly, when one begins a journey, you cannot determine exactly when you will arrive. However you do know where you are going and things that will happen along the way. As stated earlier: "JABSOM and UHCC will merge administrative infrastructure teams to operate efficiently with the goal of eliminating redundancy (i.e. the newly merged ASK unit). This will eliminate the imaginary ownership lines between units; reduce redundant campus operations and core administrative workforce; provide economy of scale procurement; and allow for current administrative staff to share administrative expertise and experience to reduce processing delays for important projects. Additionally, the new organization will allow for faculty members to build synergistic collaborations operating as a unified education and research campus. JABSOM and UHCC will begin combining and sharing their research cores and equipment in genomics (DNA sequencing, microarrays), microscopy and histopathology to reduce resource redundancy and increase synergistic collaboration. Specifically, genomics will be relocated from the JABSOM to the UHCC, resulting in less personnel management resources. And UHCC faculty members, who conduct animal studies, will use the histopathology core at the JABSOM, and manage one-third of the JABSOM's animal vivarium."

27. "The proposal appears to attempting to solve efficiency/savings issues whereas the UHCC problems are far more complicated and extensive than those issues."

We agree, but there are processes beyond a reorganization to address problems that are "far more complicated and extensive" than what can be addressed in a reorganization proposal. We are seeking this proposed reorganization in the context of a reorganization only, not with the belief that all other problems will be addressed or go away. Each particular problem has its particular solution, and we will explore potential solutions to the other problems we face. Although the proposed reorganization will assist with the fiscal challenges, there is only so much we can address in the context of a reorganization.

28. "Some of the reorganization issues that affect the operation of the Medical School alone have not been considered in this report as there appears to be a majority of JABSOM faculty in favor of those changes."

Here it is important to note that JABSOM, through this proposed reorganization, will be going through significant and important organizational changes, resulting in a clearer, more efficient model for the academic oversight of the medical school.

29. "If the central issue of what is problematic at the UHCC and JABSOM is confusion over authority, roles and responsibility, then this reorganization could make sense but this is not the case. It appears in fact that the reorganization is instead creating confusion."

It is as yet unclear what confusion this proposed reorganization is creating. All permanent positions, with clear reporting lines, have been addressed. Once again, instructional and research units on the Mānoa Campus benefit from a shared administrative infrastructure. It is unclear why the CAB would argue that such a structure is confusing at the Kaka’ako Campus, but not at the Mānoa Campus.
30. "From the EAC Report it also appears that the UHCC will lose some of its fiscal authority and here is no indication of how much the UHCC will be billed for infrastructure costs – costs that will be taken off the top by the Dean of JABSOM.

We disagree with this assertion. First, the UHCC will be billed for the UHCC share of infrastructure costs as currently occurs at the Kaka’ako Campus. Second, on all campuses the fixed operational costs must be paid first by each of the involved units. At the Mānoa Campus, these infrastructure costs are paid by the Chancellor’s office after taking tuition dollars from all instructional units (including JABSOM) and RTRF from all research performing units (including both JABSOM and the UHCC). At the Kaka’ako Campus, both the JABSOM Dean and the UHCC Director will have full knowledge of the infrastructure costs and thus will have reason to collectively work to minimize those costs for mutual benefit, unlike at the Mānoa Campus where those costs are opaque to the deans and directors and not under their direct control.

Should there be any questions, please feel free to contact Jeffery Long (at 692-1172 or jefferyl@hawaii.edu) or myself if you require any additional information. Again, mahalo for your assistance with this reorganization proposal.

Sincerely,

Jerri R. Hedges, MD, MS, MMM
Dean, JABSOM
Interim Director, UHCC

c: David Lassner, President, University of Hawai‘i
   Robert Bley-Vroman, Interim Chancellor, UHM
   Reed Dasenbrock, Vice Chancellor for Academic Affairs, UHM
   Dwight Takeno, Director of Collective Bargaining and Employee Relations, University of Hawai‘i
UH Mānoa Faculty Senate Committee on Administration and Budget  
Reorganization Proposal Consultation and Review Checklist

Senate Committee name: COMMITTEE ON ADMINISTRATION AND BUDGET  
Reorganization proposal: FOR JABSOM AND UHCC  
Date review completed: 3/23/16

Summary of faculty senate committee review:

Committee consultation with Administration (names and meeting dates):  
NA

Committee consultation with affected units (names and meeting dates): UH Cancer Center (UHCC) (3/2/16) & John A. Burns School of Medicine (JABSOM) (3/23/16)

Other committee consultations (names and meeting dates): See details in the checklist

Action recommended by the committee (check one):

- Endorse
- Endorse with Reservations
- Oppose
- Returned without recommendation

Comments (summary rationale for recommendations):

Documentation of due diligence in faculty senate review of proposal:

Please provide comments to explain the committee’s rationale for each question. The lower the score, the more explanation there should be of shortcomings.

I. Adequacy of reorganization proposal documentation  
(Score 1 to 5: 1 inadequate, 5 excellent, or NA – Not applicable)

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| 1  | Is the background and rationale for reorganization explained in sufficient detail to justify the organizational changes proposed? | Note: In addition to the formal Reorganization proposal itself, as supplied by the Dean of JABSOM, the following documents were also used to better understand and analyze the Proposal.  
a) Report on the Review of the UHCC (Jan 2015);  
b) Kaka’ako Business Plan Proposal (April 2015) | 2 |
revised);
c) University of Hawaii Cancer Proposed Business Plan Update (for BOR Jan 2016). This document incorporates the Warbird Partners Phase 1: Assessment. UHCC as presented to the UH Foundation October 2015);

It might be presumed that reorganization is developed to deal with a problem or provide a better way of doing business. However there does not seem to be a clear problem statement in this Reorganization Proposal. The background to the problem that justified this proposed reorganization, according to the “Report on the Review of the UHCC (Jan 2015)”, seems to be the major budgetary problems facing the UHCC – problems that will not necessarily be solved by integrating administrative and executive services.

This reorganization is a Chancellor-directed initiative (January 2015) for the incorporation of JABSOM and UHCC into a single unit to be called Kakaʻako Health Sciences Campus while maintaining the teaching/research/faculty development integrity of each organization independent of each other.

According the “Rationale for Reorganization”, in November 2014 the Director of the Cancer Center Dr. Carbone resigned and Dr. Hedges JABSOM Dean was appointed and named Interim Director of UHCC by UH President and UHM Interim Chancellor. After his appointment, the Dean assembled a leadership team from both units to discuss “a new vision for the Kaka’ako campus “(Narrative 3/20). However there appears to be no published report of that team. Dean Hedges responded to a request for this report by a memo detailing how the Executive Leadership team worked. Dean Hedges also provided minutes from a Leadership Team meeting of February 10, 2015 though this did not provide any substantive information.

The Reorganization Proposal seems to suggest that
5) the new reorganization will reflect the removal of the Office of Public Health Sciences since it will have been incorporated into the School of Social Work.

However, at CAB’s 03/02/16 meeting with UHCC faculty (Bantum, Wilkins, Castle, Franke) it was learned that:
1) the proposed Reorganization Proposal is different than the structure and details of a proposal that was discussed during consultation between Dean Hedges and UHCC faculty on 6/25/15 & 8/11/15;
2) with JABSOM’s deficit of $7M/year and UHCC deficit of $10M/year, the difficulty of meeting the combined large deficit is not articulated;
3) proposed Reorganization Proposal does not reflect that any other alternatives were considered;
4) the national/international visibility of UHCC and JABSOM does not seem to have been taken into consideration in this Reorganization Proposal; and
5) both Dean Hedges and Associate Director Blanchette lacked the necessary cancer research background in addition to having a conflict of interest. As JABSOM Dean and UHCC Interim Director, Dean Hedges could not fairly represent the needs of the UHCC.

This top-down Reorganization proposal is being imposed on faculty by the administration. Full consultation with the faculty from separate areas of specialization is extremely problematic in this proposal’s development.

The UHCC faculty also shared a Resolution from the UHCC Faculty Senate dated March 16, 2016 that resolved that “any reorganization of the UHCC not be considered until the new permanent UHCC director is hired and assumes full control of the UHCC.” This Resolution passed with a 60% majority,

| 2 | Are the groups affected by the reorganization (students, faculty, staff) identified and the impact of the reorganization on these groups | Overall the impact of the Reorganization Proposal will be to provide:
1) more efficient and effective administrative services unit with consistent support to both JABSOM and |

| 2 |  |  |
“The Report on the Review of UHCC” as published in January 2015 was the Report. However, that report was the result of analysis by a team of faculty appointed in Sept 2014.

No matter which report is the basis for the reorganization plan, another critical component was the April 2015 “Kaka’ako Business Plan”. This called for streamlining services – especially administrative services through the creation of two new groups. The first is the Executive Operations Team (EOT) headed by the Dean of JABSOM and the EOT will lead JABSOM and UHCC.

Administrative support infrastructure will be led by an integrated team called Administrative Services Kaka’ako (ASK). The Kaka’ako Campus was envisioned as house or hale with ASK forming the base, JABSOM and UHCC serving as the two main supports and the EOT being the overarching roof.

Rationale for this reorganization proposal is as follows:

Kaka’ako Executive Operations Team will help ensure:
1) that the goals set by leadership of each organization are achieved and will provide guidance and resources for new and continuing goals;
2) the integrated ASK office will provide consistent fiscal, HR, IT, risk compliance, PR, media development and other administration support to increase efficiency and eliminate redundancies;
3) the creation of the Office of the Associate Dean for Academic Affairs (ADAA) would replace the Associate Dean for Medical Education (MAADMD) and move reporting lines that will make the reporting more comprehensive, supporting all aspects of medical education rather than overseeing a disparate set of offices; the broader outline of ADAA is in alignment with models of other medical schools within the US. This was seen as a very positive move by the EAC;
4) the reorganization of the UHCC will better capture the evolving nature of cancer research programs within the UHCC organized research unit;
explained?

UHCC;
2) a strengthened and well-defined Academic Affairs office within JABSOM, in which academic resources and potential collaborations will be better served - to the benefit of medical students, residents, fellows and faculty through major student and faculty development initiatives; and
3) a simplified UHCC organizational structure that better addresses faculty assignments in UHCC.

However, in CAB’s meeting with UHCC faculty on 03/02/16, concerns were expressed that:
1) JABSOM and UHCC have different missions and different operational ways thus creating an inherent conflict of interest;
2) the UHCC requires interim director who understands the operations of a cancer center;
3) the needs of the UHCC are not reflected in the Reorganization Proposal;
4) the benefits in the Reorganization Proposal for the UHCC are vague and unquantified;
5) while academic departments are aligned with oversight offices, faculty are not aligned with appropriate departments, e.g. population sciences and public health;
6) no justification is given for the rushed timeline. As the search is well underway for a new director of the UHCC – could not this Reorganization Proposal await the installation of the new director; and
7) the Reorganization Proposal does not make clear who has authority over UHCC Funds (G-, tobacco, tax, indirects) and whether Kaka’ako Executive or UHCC director receives funds first, whereas the NCI designation makes the obligation specific that the director have authority over funds and space. Indeed the Reorganization does not address what could be major issues in terms of the NCI designation and potential grants; and
8) the current staff reductions through personnel attrition has resulted in declining services with overworked staff. The mixed purposes of JABSOM and UHCC have confused lines of authority and the result is that staff are unable to do their jobs for UHCC.
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<td>3</td>
<td>Are the supervisor/subordinate reporting relationships properly identified?</td>
<td>Yes, it appears to be the case, but the mixed purposes of these positions have created situations where staff are not at the same level for UHCC related activities.</td>
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<td>4</td>
<td>Are the position numbers and position classifications accurate and properly listed in the proposal narrative and organizational charts?</td>
<td>Yes, it appears to be the case.</td>
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| 5 | Is specific qualitative and quantitative information provided to explain the problem being addressed and the benefits of the reorganization? | While the problem is not stated, from the other documents reviewed there appears to be a combined deficit of $17M (JABSOM-$7M + UHCC-$10M), whereas the only quantified anticipated savings is $100K from combining UHCC IT and telephone services.  
In addition, according to the JABSOM Dean, the reorganization of savings is achieved through shared administrative management. However, the UHCC faculty members feel the ‘savings’ have not sustained the same level of services that were available to them before this merge. Moreover, how the combined deficit of $7M (JABSOM) and $10M (UHCC) will be managed has not been addressed nor the specific needs of the UHCC to meet for example the NCI designation. Thus, the benefits of the reorganization are nonexistent at this point in time. |
| 6 | Are all resource requirements or savings fully explained? | According to the Reorganization Proposal, no additional staff will be required. The reorganization will primarily ensure consistent services to both UHCC and JABSOM. UHCC faculty, however, do not share this view. One example is that the reorganization planning was done by individuals without the necessary background in cancer research and the merge of administrative services has not been positive overall since the change (See #7 below for details). |
| 7 | Do the estimated resource requirements or savings appear to be accurate? | No, according to UHCC faculty, while fiscal and administrative services staff have been reduced through personnel attrition, services have declined and the |
remaining staff are overworked. They also have mixed purposes and do not perform work for UHCC well.

8 Are the estimated annual costs and/or benefits of the reorganization provided with an explanation of how these costs will be funded? (additional costs may include new positions, position reclassifications, office furniture or other expenses.)

No specific cost savings have been noted in the proposal based on shared administration, although it is mentioned that savings have already been realized through efficiencies of shared administrative management. Additional costs for position reclassifications appear to be cost neutral and it is stated that any additional costs will be handled internally. No mention of office furniture expenses, as it appears that physical moves have not been detailed. However, it is mentioned that the ‘integration of IT and telephone systems being socialized’ will result in potentially $100K in cost savings.

9 Will additional or alternative space be required due to the reorganization?

No

9a If so, how are the space issues addressed?

NA

10 Have all documents and correspondence been posted on the OVCAFO website?

No, all documents are posted e.g. the letters from HGEA and UHPA are not available. It is understood that though JABSOM administration met with UHPA executives and they have concerns with the proposal but have not yet submitted a formal response.

II. Appropriateness of Administration’s process and consultation
(Score 1 to 5: 1 = process not followed, 5 process followed in the best of faith, or NA - Not applicable)

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<th>#</th>
<th>Question</th>
<th>Comments</th>
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<tbody>
<tr>
<td>1</td>
<td>Is the reorganization being proposed by the appropriate administrative leader, and vetted with the appropriate superior?</td>
<td>Yes, it is proposed by Dean Jerris Hedges, the Interim Director of the UHCC and Dean of JABSOM, at the direction of Interim Chancellor Robert Bley-Vroman.</td>
<td>5</td>
</tr>
<tr>
<td>2</td>
<td>Have the members of the affected unit been consulted?</td>
<td>Although Interim Cancer Center Director/JABSOM Dean Hedges met with UHCC faculty on 6/25/15 and 8/11/15, the UHCC faculty noted that the current reorganization proposal is different from the structure and details that were discussed during the previous consultations. As of March 24, 2016 there has been no vote recorded by the UHCC faculty on the formal</td>
<td>2</td>
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<tr>
<td>3</td>
<td>Has the administration responded to the unit’s concerns about the reorganization?</td>
<td>The fact that Interim Director of the UHCC has no cancer research background and yet was the major actor in this Reorganization Proposal seems to be one of the key concerns of many faculty in the UHCC. However without a formal vote from the UHCC Senate it is difficult properly weigh the various opinions among the UHCC. The difficulty presented by the combined JABSOM+UHCC deficit of $17M, national/international visibility issues, NCI designation requirements and so forth remain unaddressed. Faculty in the UHCC were also concerned that essentially their appointed leader has a major conflict of interest, as he had been directed to marry the two units without either faculty affirming this union. On July 01, 2015 the UHCC Faculty Senate approved a Resolution that expressed concern that “the UHCC currently has no advocate to represent the interests of its faculty and staff during a reorganization process”. The Resolution passed by a majority of 65%. On September 16, 2016 the Manoa Faculty Senate by a vote 47(for) 6(against) and 3(Abstaining) affirmed the action of the MFS SEC supporting the UHCC Faculty Senate Resolution noted above, that an independent</td>
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### III. Merits of the proposal

(Score 1 to 5: 1 = proposal lacks merit, 5 = proposal achieves worthy goals, or NA = Not applicable)

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<tr>
<td>1</td>
<td>Does the reorganization address or resolve a problem that has been identified/experienced?</td>
<td>No. The major problem, that of the budget deficit, is not addressed and none of the suggested changes in the Reorganization Proposal are set up to demonstrate a successful resolution of that problem.</td>
<td>1</td>
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<tr>
<td>2</td>
<td>Have other alternatives been explored before proposing reorganization, such as changing work processes?</td>
<td>No. “The Warbird Report “(Oct 2015), prepared for the UH Foundation, suggested alternatives but these were not mentioned in the Reorganization Proposal. Similarly “The Report on the Review of the UHCC” (Jan 2015) had some suggested alternatives that were not mentioned in the Reorganization Proposal. The UHCC Faculty Senate had submitted a memorandum to the Executive Director of UHPA on March 23, 2016 not only opposed the reorganization but also included other alternatives that would ensure a successful outcome, suggested by the operation of Cancer Centers elsewhere in the United States.</td>
<td>1</td>
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<td>3</td>
<td>Is the reorganization consistent with the</td>
<td>No, the NCI designation requirements are not met in</td>
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<td>Question</td>
<td>Answer</td>
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<tr>
<td>University strategic, program and financial plans?</td>
<td>the view of UHCC faculty. However the EAC Report of February 2016 does not see this as an issue.</td>
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<tr>
<td>4  Is the current organization inadequate to address the problems experienced?</td>
<td>Yes, the current organization as of November 2014 is inadequate to respond to the major problems, especially fiscal faced by both JABSOM and UHCC.</td>
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<td>5  What are the specific anticipated benefits of reorganization?</td>
<td>Though benefits are claimed for the reorganization, none can be precisely confirmed or is poorly articulated.</td>
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<tr>
<td>6  Are the anticipated benefits significant enough to merit the effort of the reorganization?</td>
<td>The proposal appears to attempting to solve efficiency/savings issues whereas the UHCC problems are far more complicated and extensive than those issues. Some of the reorganization issues that affect the operation of the Medical School alone have not been considered in this report as there appears to be a majority of JABSOM faculty in favor of those changes.</td>
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<td>7  Does the reorganization minimize confusion over authority, roles and responsibilities?</td>
<td>No. If the central issue of what is problematic at the UHCC and JABSOM is confusion over authority, roles and responsibility, then this reorganization could make sense but this is not the case. It appears in fact that the reorganization is instead creating confusion. From the EAC Report it also appears that the UHCC will lose some of its fiscal authority and here is no indication of how much the UHCC will be billed for infrastructure costs – costs that will be taken off the top by the Dean of JABSOM.</td>
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<td>8  Are functional responsibilities homogeneously grouped under one organizational unit or are functions duplicated among or between various organizational segments?</td>
<td>Yes, it is grouped homogenously from what is described.</td>
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<td>9  Are there unnecessary levels of supervision for the work that must be performed?</td>
<td>No.</td>
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<td>10 Are there cost savings?</td>
<td>Yes, specific cost savings will be made by integrating the IT Network and Telephone Systems for a savings of approximately $100K. This is the only quantified example of a cost savings. The claimed savings may be realized through personnel attrition but UHCC faculty note that quality of services has already declined</td>
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<td>Question</td>
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<td>11 How significant are the cost benefits?</td>
<td>Not significant enough to merit a reorganization.</td>
<td>1</td>
<td></td>
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<tr>
<td>12 Are additional resources required?</td>
<td>None</td>
<td>5</td>
<td></td>
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<tr>
<td>13 How significant are the costs required?</td>
<td>NA</td>
<td>5</td>
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<tr>
<td>14 Is there an impact on the instructional mission?</td>
<td>Yes, additional tuition and fees special funds/G-funds could flow from the UHM campus to Kaka'ako Health Sciences. UH President and Chancellor have already committed its annual investment using University funds of $1.5 million or 20% of the increased state G-funds beginning 7/1/16. This could affect the main UHM campus's instructional mission.</td>
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<tr>
<td>15 Is there an impact on the research mission?</td>
<td>Yes, it may affect the NCI designation. As noted above, there is disagreement on this issue.</td>
<td>3</td>
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<tr>
<td>16 Is there an impact on the service or outreach mission?</td>
<td>Yes, since the S17M deficit issue remains unaddressed, it is likely that the service or outreach mission will be affected.</td>
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<tr>
<td>17 Do the benefits outweigh the negative impacts?</td>
<td>No</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>18 Are any negative impacts of the reorganization justified?</td>
<td>No</td>
<td>1</td>
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April 19, 2016

Kristeen Hanselman, Executive Director
University of Hawai’i Professional Assembly
1017 Palm Drive
Honolulu, Hawaii 96814

Dear Ms. Hanselman:

Mahalo for your thoughtful feedback from UHPA on the proposed reorganization of the John A. Burns School of Medicine and the University of Hawai’i Cancer Center into one unit, Kaka’ako Health Sciences.

Below please find our response to your consultation letter dated April 7, 2016. For your convenience, we've enumerated your comments and questions and have provided a detailed response to each.

1. “These [the proposed reorganization and UHCC Proposed Business Plan 2016] are not compatible documents advancing very different outcomes including funding, staffing, structure, and UH operating authority.”

Leadership for JABSOM and UHCC does not perceive the proposed reorganization and the UHCC Business Plan as incompatible documents. As for the proposed reorganization and Business Plan “advancing different outcomes,” UHPA provided no specific information indicating how the proposed reorganization and the Business Plan set forth scenarios in which different outcomes would occur between the reorganization and the Business Plan. Indeed, the single (shared) administrative support structure outlined in the reorganization provides an important mechanism of attaining campus efficiencies, avoiding cost duplication for JABSOM and the UHCC, and achieving economies of scale.

2. “The uncertainty created in the advancement of both proposals at the same time is disrupting to the fundamental discussion of financial support for two distinct entities: JABSOM and the UHCC.”

It is unclear why the proposed reorganization would supposedly “disrupt the fundamental discussion of financial support” for JABSOM and UHCC as “distinct entities.” While the proposal for a Kaka’ako Health Sciences (KHS) Campus does incorporate the two units above a single administrative support structure, it has been reiterated time and again that the UHCC as part of KHS will maintain considerable operational autonomy regarding its research endeavors. Indeed, the operational autonomy is specifically designed to sustain the expectations of the National Cancer Institute (NCI) required for maintenance of NCI designation. To support these research academic endeavors of UHCC and JABSOM, KHS will make no efforts to reallocate mission support funds from UHCC to JABSOM, nor JABSOM to UHCC. Additionally, KHS will continue to support UHCC such that it will have the necessary infrastructure for in maintaining its NCI designation. Although, the business plan outlines the multiple elements by which the UHCC can, and will, ensure that it has the financial support to remain a credible NCI-designated center, the re-organization of the KHS Campus is needed for an efficient, cost-effective campus operation, regardless of the other elements of the business model to be emphasized by the future UHCC Director.
3. "The UH Mānoa Chancellor must also be a party having a significant role in assuring Federal agencies of the commitment necessary to retain the NCI P30 designation."

We agree, and that is how the re-organization has been designed. We will take steps to ensure the UHM Chancellor or any designee is involved with the explicit goal of retaining the NCI cancer center designation. However, timelines being what they are, we cannot predict what individual will be hired in what position by when. In the best interests of the P30 shared goals, we will work with the appointed Chancellor, interim or otherwise, at the designated time.

4. "Discussions of reorganization and business plans should be suspended until all proper administrators are in place who will take responsibility for working through the operational details of any reorganization, both structural and fiscal, that are needed."

Dean Hedges has been acting as Interim Director of the UHCC since November 2014 and, in that capacity, has acted as administrator for the UHCC. He has taken responsibility in for assessing, discussing, and planning the operational details of this proposed reorganization with stakeholders at the UH system and campus level, as well as, with JABSOM and UHCC. Dean Hedges will continue to work with others assigned by the Chancellor to continue to strengthen the UHCC in this process.

5. "Incorporating cost sharing for some functions makes sense and there may be some cost savings, but that can also be a loss of efficiency where functions are combined with employees not having the requisite skills to address the new configuration."

First, it has been made clear that the basic functions of staff at JABSOM and UHCC will not change as a result of the reorganization. Janitors will not be assigned building maintenance duties, and fiscal administrators will not be expected to perform instructional and student support. Second, if the scope of any staff member's position does change—not the basic functions of their position, but the scope of their responsibilities—we will address their position descriptions appropriately and explore compensation options. Finally, we will not create new expectations for employees without providing the requisite training. As the university is a learning environment, we always look for opportunities for staff members to grow in their positions, to gain knowledge and experience through their assigned work.

6. "The primary complaint the UHPA has received is regarding fiscal operations. The combining of these functions is not working and it has a cost attached—a lack of nimbleness in response to grant submissions and budget reconciliation has meant loss of financial opportunities."

At no point has JABSOM and UHCC "combined the functions" of its fiscal operations—both JABSOM and UHCC are, at this point, still operating as separate entities with no unit being prioritized over the other. If anything, both JABSOM and UHCC have benefited from fiscal and HR staff members discussing solutions to particularly challenging problems, and have worked together to problem-solve and support the faculty of the both units. Through these discussions, a number of opportunities for enhancing support efficiency within the UHCC and JABSOM have been identified, but current reporting structures have prohibited resolutions to these opportunities for improvement. Again, UHPA provides no specific information about any "loss[es] of financial opportunities" that have recently been experienced by the UHCC, precluding our ability to respond appropriately to specific concerns. Given that the re-organization has yet to move forward we would have to ascribe such challenges to structural and operational limitations that currently exist.

7. "There is not enough attention paid to the significantly different missions of JABSOM and UHCC. One prizes scientific discovery, the other the education and training of doctors."
This is a problematic assertion, as it infers that the missions of JABSOM and UHCC are mutually exclusive. They are not. Research and scientific discovery are just as fundamental a part of JABSOM’s mission as training and educating doctors. Collaboration between the two units is frequent and ongoing—many faculty members have joint appointments at JABSOM/UHCC in either a clinical or research capacity. Just as the UHCC engages in clinical activities in the Clinical and Translational Research Services program, JABSOM hosts variety of research endeavors through its many clinical and fundamental of health sciences departments, too numerous to list here. Indeed, over the last year, under Dean Hedges’ leadership, an increasing amount of scientific collaboration has developed between JABSOM and the UHCC.

8. “Feedback from faculty members cite the lack of open and free discussion of the reorganization and the failure to discuss what is necessary to fully merge two very distinct cultures.”

As stated in the KHS reorganization proposal, JABSOM and UHCC leadership engaged in a number of discussions with faculty, staff, and administration from both units about the proposed reorganization. It is true that the UHCC Faculty Senate has significantly limited the potential opportunities for Dean Hedges and associated staff to meet with faculty members during Faculty Senate meetings, but this was remedied to the degree possible through all faculty meetings for discussion of the KHS reorganization.

9. “Within the UHCC, there is a different context for work that reflect a broad range of disciplines such as molecular biology, analytic chemistry, epidemiology, behavioral science, and clinical sciences.”

Like UHCC, JABSOM also reflects a broad range of disciplines that overlap with those identified by UHPA: cell and molecular biology, tropical medicine, medical microbiology, and biochemistry. Indeed, many of the research faculty members of the UHCC take part as faculty members in the MS/PhD programs offered by JABSOM. These faculty members host the JABSOM graduate students in their laboratories. A number of scientists in JABSOM perform epidemiological, behavioral science and other non-laboratory research as well. To be more precise, the science done by those working in the UHCC reflects but one important focus area in which JABSOM faculty members work and provide complementary science. However, such scientific similarities are unrelated to the importance of developing the efficient shared administrative support that are outlined in the KHS reorganization. Such a shared administrative support is existent at the Mānoa Campus for instructional and organized research units with highly different foci.

10. “The reorganization appears to suggest that the UHCC is one big department with a lack of discrete functions.”

11. The structure of the UHCC was established based on explicit feedback received from UHCC faculty members, who preferred to be represented as members of a single group rather than broken out into perpetually evolving programs. Such a grouping was chosen by the UHCC faculty members so that they could remain fluid in their mission organization as required for achieving the most successful P30 grant submission. Note that the UHCC Programs are subject to re-arrangement within the single group by the UHCC Director, for the purpose of providing a stronger grant application.

12. “This simply is not reflective of the internal structural divisions that are necessary to fulfill the required components of a P30 designated Cancer Center.”

First, “internal structural divisions” that exist within Cancer Programs (Chart VI) will continue to exist in the proposed reorganization, although now internal to the UHCC. Secondly, and most importantly, there is no requirement of either the NCI or the P30 that these internal structural divisions are presented on a university campus-wide organizational document. Indeed, the UHCC structure as
provided in the proposed reorganization was selected by the UHCC faculty members to give the new UHCC Director the most flexibility for rearrangement without constraint by a university campus-wide organizational document.

13. “The lack of clarity between the role of a Senior Leadership Committee and Faculty Senate is problematic.”

As clearly stated on Page 18 of the Reorganization Functional Statement, the Senior Leadership committee is an administrative body that advises the UHCC Director on matters of operations. The Faculty Senate, a representative body of the faculty, operates under separate bylaws and address academic issues. Operationally, Dean Hedges has included representation from the Faculty Senate leadership on the Senior Leadership Committee and he has requested separate regular meetings with the Faculty Senate leadership and the Faculty Senate as a whole. We do not perceive a lack of clarity between these two bodies and their distinct functions. The UHCC Director will work with the Faculty Senate to the extent that the Faculty Senate will permit such interactions.

14. “The proposal has incorporated functions that lack definition as to their authority and responsibility. Of note is an Operations Committee? What do they do?”

The related functional statement explains the purpose of the office. The Operations Committee is made up of elected staff from JABSM and UHCC and is responsible for recommending policies to the Executive Office and for serving as the liaison between the Executive Office and the faculty and staff by discussing all matters brought before it.

15. “An Executive Committee and what is their responsibility?”

The JABSM Executive Committee has existed on the approved JABSM organizational chart for years. It is not a new office, and its purpose is clearly stated in the proposed Functional Statement: “The JABSM Executive Committee is responsible for recommending policies to the Dean and for serving as the liaison between the Dean and the faculty by discussing all matters brought before it.”

16. “The lack of precision in defining duties is evident throughout the proposal and does little to confirm that this advances greater efficiency in operations.”

The proposed reorganization is, in fact, not intended to define precise duties on a granular level, but instead provide a general explanation of the offices and programs established to most effectively carry out the mission of the unit. Position descriptions and offer letters define duties precisely, and we use them for that purpose. Furthermore, we fail to grasp how a “precision in defining duties” would “confirm that this advances greater efficiency in operations.”

17. “There is not an operational definition of ‘greater efficiency.’ For many faculty members that means increased workload and a change in working conditions.”

“Greater efficiency” is clearly stated in the proposed reorganization documents: “JABSM and UHCC will merge administrative infrastructure teams to operate efficiently with the goal of eliminating redundancy (i.e. the newly merged ASK unit). This will eliminate the imaginary ownership lines between units; reduce redundant campus operations and core administrative workforce; provide economy of scale procurement; and allow for current administrative staff to share administrative expertise and experience to reduce processing delays for important projects. Additionally, the new organization will allow for faculty members to build synergistic collaboration operating as a unified education and research campus. JABSM and UHCC will begin combining and sharing their research cores and equipment in genomics (DNA sequencing, microarrays), microscopy and
histopathology to reduce resource redundancy and increase synergistic collaboration. Specifically, genomics will be relocated from the JABSOM to the UHCC, resulting in less personnel management resources. And UHCC faculty, who conduct animal studies, will use the histopathology core at the JABSOM, and manage one-third of the JABSOM's animal vivarium."

As for working conditions, we understand that any change in faculty working conditions will require consultation with UHPA.

18. "It is noteworthy that there is reference to an Office of Faculty Affairs that will deal with Tenure and Promotion. This suggests that there will be a change from the UH Mānoa VCAA as the administrative office implementing contractually recognized procedures."

The Promotion and Tenure Office does have any decision making capacity that would abrogate current policies. It's simply a resource for our faculty members who are planning to apply for promotion and/or tenure. The office provides guidance to JABSOM faculty on promotion and tenure procedures at JABSOM and UHM. This office has been highly successful in working with departmental chairs and others to help mentor the faculty member in regards to the necessary steps in preparing for promotion and tenure, especially in preparing a successful dossier.

19. "The release of the 2016 Business Plan has increased concerns within the faculty regarding the intent and purpose of a reorganization hastily configured to be approved by the Board of Regents this academic year."

The proposed reorganization has been a topic of discussion with system and campus leadership, as well as faculty and staff from both JABSOM and UHCC, for well over a year. The proposed reorganization is contained within the 2016 Business Plan as it is a valuable component of any Business Plan that will strengthen the UHCC. However, the review of the reorganization should be assessed separate from the Business Plan. The latter was requested by the UH Board of Regents and Legislative leaders in late 2014 and multiple features of the plan have undergone rigorous discussion in multiple formats.

20. "The Business plan suggests a significant change in faculty conditions of hire, faculty compensation, and working conditions."

This concern—as well as subsequently presented concerns from UHPA about the Business Plan—fall outside the scope of the proposed reorganization.

Should there be any questions, please feel free to contact Jeffery Long (at 692-1172 or jefferyl@hawaii.edu) or myself if you require any additional information. Again, mahalo for your assistance with this reorganization proposal.

Sincerely,

Jerris R. Hedges, MD, MS, MMM
Dean, JABSOM
Interim Director, UHCC

c: David Lassner, President, University of Hawai'i
    Robert Bley-Vroman, Interim Chancellor, UHM
    Reed Dasenbrock, Vice Chancellor for Academic Affairs, UHM
    Dwight Takeno, Director of Collective Bargaining and Employee Relations, University of Hawai'i
April 7, 2016

Jerris R. Hedges, Dean
John A. Burns School of Medicine
University of Hawaii at Manoa
651 Ilalo Street, MEB 223G
Honolulu, HI 96813

Dear Dean Hedges:

UHPA has reviewed documents regarding the proposed reorganization of the John A. Burns School of Medicine (JABSOM) and University of Hawaii Cancer Center (UHCC). UHPA has also perused the UHCC Proposed Business Plan 2016. While consultation has not been requested on the UHCC Business Plan, it is relevant to any reorganization being contemplated. I note that both proposals have become intertwined in the public discussion and legislative debate. These are not compatible documents advancing very different outcomes including funding, staffing, structure, and UH operating authority.

The uncertainty created in the advancement of both proposals at the same time is disrupting to the fundamental discussion of financial support for two distinct entities—the JABSOM and the UHCC. While the reorganization is an outgrowth of Interim Chancellor Bley-Vroman’s directive to incorporate JABSOM and UHCC in a single unit it is clear that such an undertaking is ill-timed in light of two different visions of the UHCC being advanced. There is an absence of a UHCC director to provide input and guidance as the chief administrative officer of the Center. The UH Manoa Chancellor must also be a party having a significant role in assuring Federal agencies of the commitment necessary to retain the NCI P30 designation.

The hiring process for the Director is underway. The UH Manoa Chancellor’s position is to be posted soon. Discussions of reorganization and business plans should be suspended until all proper administrators are in place who will take the responsibility for working through the operational details of any reorganization, both structural and fiscal, that are needed.

A few general comments are in order regarding the proposed reorganization.

The assumptions to find greater efficiencies through a reorganization are at best elusive. Previous discussions with UHPA noted the problems in providing services, such as security and maintenance, to facilities located in the same geographical area, but with different service providers. Incorporating cost sharing for some functions makes sense and there may be some
cost savings, but that can also be a loss of efficiency where functions are combined with employees not having the requisite skills to address the new configuration. The primary complaint UHPA has received is regarding fiscal operations. The combining of these functions is not working and it has a cost attached—a lack of nimbleness in response to grant submissions and budget reconciliation has meant loss of financial opportunities.

There is not enough attention paid to the significantly different missions of JABSOM and UHCC. One prizes scientific discovery, the other the education and training of doctors. Feedback from faculty members cite the lack of open and free discussion of the reorganization and the failure to discuss what is necessary to fully merge two very distinct cultures. For example, teaching departments within JABSOM are easily understood and based on medical specialty such as Pathology or Pediatrics. This can be readily translated into peer models of governance for contract renewal, tenure and promotion and closely aligned with the collective bargaining agreement.

Within the UHCC, there is a different context for work that reflect a broad range of disciplines such as molecular biology, analytic chemistry, epidemiology, behavioral science, and clinical sciences. The reorganization appears to suggest that the UHCC is one big department with a lack of discrete functions. This simply is not reflective of the internal structural divisions that are necessary to fulfill the required components of a P30 designated Cancer Center.

Implementing a concise peer review system has taken much effort on the part of faculty working with UHPA and the Manoa Administration. This proposal undermines these efforts and appears to place in jeopardy the newly formed Faculty Senate which should address academic issues. The lack of clarity between the role of a Senior Leadership Committee and Faculty Senate is problematic.

The proposal has incorporated functions that lack definition as to their authority and responsibility. Of note is an Operations Committee. What do they do? An Executive Committee and what is their responsibility? The lack of precision in defining duties is evident throughout the proposal and does little to confirm that this advances greater efficiency in operations. There is not an operational definition of “greater efficiency”. For many faculty members that means increased workload and a change in working conditions.

It is noteworthy that there is reference to an Office of Faculty Affairs that will deal with Tenure and Promotion. This suggests that there will be a change from the UH Manoa VCAA as the administrative office implementing contractually recognized procedures. This is highly problematic for UHPA. It points to the necessity of having a full understanding of the faculty governance processes that are referenced in the reorganization but lack delineated roles.

The efforts to find enhanced and new revenue for UHCC has led to the conflation of reorganization and financial considerations. The release of the 2016 Business Plan has increased
concerns within the faculty regarding the intent and purpose of a reorganization hastily configured to be approved by the Board of Regents this academic year.

The Business plan suggests a very significant change in faculty conditions of hire, faculty compensation, and working conditions. All must be negotiated and UH Manoa has already violated the duty to consult found in the contract and under Chapter 89 Collective Bargaining. The selling of this proposal has been unrelenting with those most affected, the employees, being presented as impediments.

The plan suggests modification of the UHCC mission advancing the notion that UHCC may operate in a semi-autonomous manner under partial direction of the Consortium. This is a model of privatization which raises the specter of conflict of interest and undermining employment rights. This calls for substantive debate on whether this enhances or distracts from the primary purpose of the Cancer Center. To date none of this has occurred but the UHPA is not supportive of the reorganization advancing. To be successful, the input and commitment of both a permanent Cancer Center Director and UH Manoa Chancellor must be part of the decision making for a major change to be undertaken. New eyes on a problem may bring forth considerations not yet contemplated. It also provides an avenue for employees to engage in discussions on best means to achieve their respective academic missions. This discussion has been absent and is a necessary starting point to any structural changes.

Sincerely,

Kristeen Hanselman
Executive Director

cc: President David Lassner
VCAA Reed Dasenbrock
Dir of Collective Bargaining & Employee Relations Dwight Takeno
April 19, 2016

Randy Perreira, Executive Director
Hawai‘i Government Employees Association
888 Miliilani Street, Suite 601
Honolulu, Hawaii 96813

Dear Mr. Perreira:

Mahalo for your thoughtful feedback from HGEA on the proposed reorganization of the John A. Burns School of Medicine (JABSOM) and the University of Hawai‘i Cancer Center (UHCC) into one unit, Kaka‘ako Health Sciences (KHS).

Below please find our response to Chad Ngai’s consultation letter dated April 11, 2016. For your convenience, we’ve enumerated Mr. Ngai’s comments and questions and have provided a detailed response to each.

1. “It has come to our attention that movement towards this proposed reorganization may have already taken place between JABSOM and UHCC prior to proper notification or consultation was made with our Union.”

We disagree with this assessment. In all phases of the planning of the reorganization, we have had formal and informal discussions with representatives of HGEA, including Lena Fernandes, Julia Zhegmi, Rajani Jemmari, and Chad Ngai. We have taken no action that would compromise our adherence to HRS 89-9, and assert that we have been proactive in discussions about the reorganization proposal with HGEA representatives.

2. “We look forward to meaningful consultation prior to any implementation.”

We, too, look forward to meaningful consultation.

3. “We feel strongly that a huge reorganization plan, such as this proposal, should not be taken up by an interim director and should at least receive input and direction from the new UHCC Director.”

The timeline for a hire of a UHCC director is not feasible to address the organizational inadequacies that have been defined within JABSOM and UHCC, which motivated the UHM Chancellor’s directive to evaluate how to reorganize the two units. That said, the proposed reorganization provides the framework for the shared administrative infrastructure. The full implementation will involve active participation by the new UHCC Director when that person is eventually recruited. Again, the UHCC Director should be focused on the mission of the UHCC and not the details of the administrative operations. Discussions with the candidates for the UHCC Director position have suggested that the concepts of the proposed reorganization are solid and that they would assist where needed in the implementation once approved.

4. “With this proposal, it would appear that certain positions will gain responsibilities and complexities. Has the employer identified these potential positions? If so, please identify them.”
How will compensation be adjusted for these positions? Please describe in detail what these expanded responsibilities will encompass.

We have not identified the specific positions that will gain responsibilities and complexities. However, for those positions that do increase in scope and complexity, we will review position descriptions, adjust accordingly, and assess whether an in-grade adjustment or rebanding is appropriate for growth in the existing position.

5. “Please provide the number of APT positions (perm and temp) at JABSOM and UHCC that are currently vacated due to attrition. If these APT positions will not be refilled, please provide the specific methodology used to assess that those positions were no longer needed, as well as what specific improvements in administrative services were made to eliminate the need to refill them.”

All vacant and filled permanent positions are reflected on the reorganization charts provided. Therefore, the number of vacant permanent positions may change on a monthly basis, but please be assured they are reflected in the proposed reorganization. Vacant permanent positions will be refilled. Temporary positions vacated are not recognized in the UH reorganization process and will only be refilled if funding is available and there is a continued operational need for that specific position.

6. “How will the proposed reorganization affect the number of temporarily funded positions as compared to general fund positions?”

Temporary positions are filled based on available funding. We do not perceive current employees in either temporary or permanent positions being affected by the proposed reorganization, though funding restrictions may inhibit our ability to refill vacated APT temporary positions.

7. “What compensation considerations are being made for the remaining employees who will be tasked with additional duties, resulting in more complex responsibilities? At what point will attrition be detrimental to operations? Please explain.”

Again, for positions that do increase in scope and complexity, we will review position descriptions, adjust accordingly, and assess whether an in-grade adjustment or rebanding is appropriate for growth in the existing position. As for projecting when attrition will be detrimental to operations, we can only state that we must ensure fealty to our funding limitations. Refilling vacant permanent APT and Unit 03 positions is a rather obvious move forward, but temporary positions are dependent upon availability of funds. Therefore, we will seek out various funding sources to maintain a realistic amount of APT staff support to provide for the integrity of JABSOM and UHCC operations.

8. “If cross coverage is anticipated to fill the needs of vacated positions resulting from attrition, what specific measures will be taken to ensure the bargaining unit’s negotiated hours and working conditions are upheld?”

We understand that a change in working conditions must be consulted with the union, and we will honor that obligation in every circumstance in which working conditions for staff members must change. We are also bound to honor overtime requests for assigned work, should overtime for assigned tasks be required.

9. “When similar positions from both JABSOM and UHCC are combined into one functional unit, it would seem that JABSOM positions are favored for higher positions. Please explain how that determination was made.”
Leadership positions within Administrative Services Kaka‘ako (ASK) were determined by band level, with lower banded employees reporting to higher banded employees.

10. "How was it determined that the Head of the proposed Executive Committee be the Head of the Kaka‘ako Campus? Please explain the factors used in determining the makeup of this executive team and its responsibilities."

The Kaka‘ako Health Sciences Executive Office directs activities, personnel, curricula, and research at the John A. Burns School of Medicine (JABSOM) and the University of Hawai‘i Cancer Center (UHCC), as well as affiliated community hospitals and health and research centers. It is the direct liaison with the University of Hawai‘i at Manoa offices of the Chancellor; the Vice Chancellor for Academic Affairs; the Vice Chancellor for Administration, Finance and Operations; and the Vice Chancellor for Research. The Executive Office advises the JABSOM Executive Committee and the UHCC Senior Leadership Committee on the development and implementation of policies and procedures for the varied education, research, and administrative endeavors of the Kaka‘ako Health Sciences campus, in accord with Legislative mandate, collective bargaining agreements, and University of Hawai‘i policies. The Executive Office consists of the Dean of JABSOM, the Director of UHCC, the Chief Financial Officer, and the Public Information Officer. Additionally, this Executive Office defines and directs operations and initiatives for JABSOM and UHCC administrative offices, and serves as the liaison between the Kaka‘ako Health Sciences campus and the greater local, national and international community. The Dean of JABSOM will oversee the office and be assisted by the other members of the above team. Obviously, the day-to-day operations of the UHCC and all responsibilities associated with leadership of an NCI designated cancer center will be assigned to the UHCC Director.

11. "Please identify the makeup of the Operations Committee that is reflected on Chart I and its responsibilities."

The Operations Committee is made up of elected staff from JABSOM and UHCC and is responsible for recommending policies to the Executive Office and for serving as the liaison between the Executive Office and the faculty and staff by discussing all matters brought before it. In this office, we are seeking input for governance of KSH for elected staff members.

12. "How will the proposed integrated ASK be funded?"

The integrated ASK will be funded in the same manner that both the UHCC and JABSOM administrative services units are currently funded.

13. "It was stated that temporary unfunded positions cannot be shown on the organizational charts but yet UCERA and RCUH are listed. Please explain why and provide organizational charts reflective of the vacant positions as well as the temporary positions."

There are neither UCERA nor RCUH positions reflected on the reorganization proposal. All positions listed reflect permanent positions, vacant as well as filled.

14. "How will this proposed reorganization affect the number of temporarily funded position as compared to general fund positions? Should temporary positions be reduced, what assurance can the Employer make that these functions will not be filled by UCERA or RCUH paid positions?"

Again, temporary positions are filled based on available funding and UH is actively seeking restoration of state funding lost with the decline in cigarette tax revenue. We do not perceive
current employees in either temporary or permanent positions being affected by the proposed reorganization, though funding restrictions may inhibit our ability to refill vacated APT temporary positions. Refilling vacant permanent APT and Unit 03 positions is a rather obvious move forward, but temporary positions are dependent upon availability of funds. Therefore, we will seek out various funding sources to maintain a realistic amount of APT staff support to provide for the integrity of JABSOM and UHCC operations.

In terms of replacing vacant APT positions with UCERA or RCUH positions, we have not done this, as a practice, in central administration of either JABSOM or UHCC, and do not conceive of a scenario when we might do so.

15. "Please identify and describe in detail any existing or potential inefficiencies and/or redundancies resulting from the duplication of services between JABSOM and UHCC. Who made this determination?"

Each UH campus operates as an independent campus whereby a central office is responsible for facilities, grounds, security, fiscal, human resources, contracting, etc. The Kaka’ako campus location is the only location that has multiple units on a single campus operating as two distinct units. Centralizing administrative campus to serve both JABSOM and UHCC provides economies of scale in purchasing, single telecommunication, network, grounds keeping, and other functions that reduce duplication e.g. fiscal processing volume, maintenance agreement cost efficiencies, central supply purchasing, and cross coverage due to vacations or illnesses.

16. "Please identify the areas in which the approved organizational charts no longer represent the true reporting structures and unit designations in place."

The current organizational charts need updating in several areas aside of the central purpose of the proposed reorganization. For example, in JABSOM, the charts do not reflect the development of an Associate Dean for Academic Affairs, an Office of Graduate Medical Education, and a Director of Undergraduate (MD Student) Education. These roles strengthen our academic operation. For example in the UHCC, the old organizational chart showed Programs that have subsequently been modified and regrouped (e.g., no longer is there a Social & Behavioral Sciences Program nor is Natural Products a separate Program), hence per the UHCC faculty members' request, all UHCC faculty members exist within one organizational box graphically. Thus there can be future assemblage into an infinite number of Program configurations within the box without the need for a new organizational chart approved through the laborious process which this endeavor has taken.

17. "Please explain the impact or influence of that the UHCC Proposed Business Plan has on this Proposed reorganization."

The UHCC Proposed Business Plan incorporates cost savings and growth opportunities for UHCC. Although the business plan mentions the proposed reorganization and does refer to proposed cost savings that will be realized if a reorganization were to merge the UHCC and JABSOM administrative staffs into a single administrative service campus operation (one that mirrors all other UH1 campuses), is approved, the proposed reorganization is a separate and independent document and approval process from the 2016 UHCC Proposed Business Plan.

Should there be any questions, please feel free to contact Jeffery Long (at 632-1172 or jefferyl@hawaii.edu) or myself if you require any additional information. Again, mahalo for your assistance with this reorganization proposal.
R: Perreira
April 19, 2016
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Sincerely,

Jerris R. Hedges, MD, MS, MMM
Dean, JABSOM
Interim Director, UHCC

c:  David Lassner, President, University of Hawai‘i
    Robert Bley-Vroman, Interim Chancellor, UHM ✓
    Reed Dasenbrock, Vice Chancellor for Academic Affairs, UHM
    Dwight Takeno, Director of Collective Bargaining and Employee Relations, University of Hawai‘i
April 11, 2016

Dr. Jerris R. Hedges
Dean, John A. Burns School Of Medicine
Interim Director, University of Hawai‘i Cancer Center
651 Ili‘o Street, MEB
Honolulu, HI 96813-5534

RE: Proposed Reorganization of the John A. Burns School of Medicine and University of Hawai‘i Cancer Center at the University of Hawai‘i at Mānoa.

Dear Dr. Hedges:

This is in response to the letter dated February 10, 2016, regarding the aforementioned proposal to reorganize the John A. Burns School of Medicine (JABSOM) and the University of Hawai‘i Cancer at the University of Hawai‘i (UHCC). Hawaii Government Employees Association also recognizes that it has come to our attention that movement towards this proposed reorganization may have already taken place between JABSOM and the UHCC prior to proper notification or consultation was made with our Union. Let it be a reminder that per Hawai‘i Revised Statutes (HRS) §89-9 (c) and Collective Bargaining Agreement, “the employer shall make every reasonable effort to consult with exclusive representatives and consider their input, along with the input of other affected parties, prior to effecting changes in any policy affecting employee relations”. We look forward to meaningful consultation prior to any implementation.

We also feel strongly that a huge reorganization plan, such as this proposal, should not be taken up by an interim director and should at least receive input and direction from the new UHCC Director. It would ensure that any changes of the UHCC structure would be consistent with the overall programmatic direction of where the UHCC is heading. It is our understanding that a search for committee has begun to permanently fill this directorship and we strongly encourage the employer to postpone this reorganization until a permanent Director of UHCC is selected.

While this reorganization of the operational and reporting structure of JABSOM and UHCC is being done to address the chancellor-directed incorporation of JABSOM and UHCC into a single unit, it is concerning that this proposal has been rolled out along with release of the Warbird Consulting & Navigant Consulting UHCC Proposed Business Plan. Although this Business plan is not part of the reorganization proposal, it has relevance in that it addresses sustainability of the UHCC and includes recommendations that impact UHCC operations.

Having stated our concerns with the reorganizational process, the proposal for reorganization has been shared with our membership and we have the following questions and concerns.

1) With the proposal, it would appear that certain positions will gain responsibilities and complexities. Has the employer already identified these potential positions? If so, please identify them. How will compensation be adjusted for these positions?
Please describe in detail what these expanded responsibilities will encompass. What specific measures will be taken to ensure APT employees are representative of the employee's current compensation?

2) The proposed reorganization states that there is "No planned reduction [in faculty/staff], but greater efficiency may eliminate the need for refilling a position left empty through attrition" (Narrative, Section III.B.3). Please provide the number of APT positions (permanent and temporary) at JABSOM and UHCC that are currently vacant due to attrition. If these APT positions will not be refilled, please provide the specific methodology used to assess that the position(s) were no longer needed, as well as what specific improvements in administrative services were made to eliminate the need to refill them.

3) How will this proposed reorganization affect the number of temporarily funded positions as compared to general fund positions?

4) What compensation considerations are being made for the remaining employees who will be tasked with additional duties, resulting in more complex responsibilities? At what point will attrition be detrimental to operations? Please explain.

5) According to HRS §89-9 and the Collective Bargaining Agreement, no changes in wages, hours or other conditions of work may be made except by mutual consent. If cross-coverage is anticipated to fill the needs of vacated positions resulting from attrition, what specific measures will be taken to ensure that the bargaining unit's negotiated hours and working conditions are upheld?

6) When similar positions from both JABSOM and the UH Cancer Center are combined into one functional unit, it would seem that JABSOM positions are favored for higher positions. Please explain how the determination was made.

7) The Executive Team is made up of three (3) JABSOM employees and one (1) UH Cancer Center employee. How was it determined that the Head of the proposed Executive Committee be the Head of the Kaka'ako Campus? Please explain the factors used in determining the make up of this executive team and its responsibilities.

8) Please identify the make up of the Operations Committee that is reflected on the Proposed Organizational Chart I and its responsibilities.

9) How will the proposed integrated Administrative Services Kaka'ako (ASK) be funded? What effect would this have on the current JABSOM and UHCC budgets? What will the new proposed distribution of funding look like?

10) In the summary, it was stated that temporary unfunded positions cannot be shown on the organizational charts provided but yet University Clinical, Educational & Research Associates (UCERA) and Research Corporation of the University of Hawaii (RCUH) are listed. Please explain why and provide organizational chart(s) reflective of vacant positions as well as temporary positions.
11) How will this proposed reorganization affect the number temporarily funded positions as compared to general fund positions? Should temporary positions be reduced, what assurances can the Employer make that these functions will not be filled by UCERA or RCUH paid positions?

12) Please identify and describe in detail any existing or potential inefficiencies and/or redundancies resulting from the duplication of services between JABSOM and UHCC. Who made this determination?

13) It was stated that the “previously approved (2015) organizational charts for John A. Burns School of Medicine (JABSOM) and University of Hawai‘i Cancer Center (UHCC) no longer represent the true reporting structures and unit designations currently in place”. Please identify these areas.

14) Please explain the impact or influence that UHCC Proposed Business Plan has on this proposed reorganization?

Thank you for the opportunity to provide input and for the additional time for response. We will look forward to your written response.

Sincerely,

Chad Ngai
HGEA Union Agent