



# UNIVERSITY OF HAWAI'I

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## BOARD OF REGENTS

Testimony presented before the  
House Committee on Higher Education  
February 9, 2010 at 2:30 p.m.

By  
Howard Karr  
Chair, Board of Regents

HB 2315 HD1 Relating to the University of Hawai'i School of Travel Industry Management

Chair Chang, Vice Chair Nakashima, and members of the House Committee on Higher Education:

My name is Howard Karr, and I am the chair of the University of Hawai'i System Board of Regents.

House Bill 2315 House Draft 1 establishes a School of Travel Industry Management at the University of Hawai'i that is separate and independent of any school or college of business administration.

The Board of Regents is not in support of House Bill 2315 for two reasons. First, under the Hawai'i State constitution, the Board of Regents has the responsibility to govern and manage the University of Hawai'i, with certain exceptions. Second, the University of Hawai'i's accrediting agency would have concerns with the Legislature getting involved in the management of the University.

I am not here to comment on the merits of the School of Travel Industry Management merging or not merging with the Shidler College of Business. There is a process on how these decisions are made and the Board of Regents is waiting for recommendations from the University of Hawai'i at Mānoa. Some changes to academic programs need to come up from the campus level, through the System, and to the Board of Regents for decision making. At this point, no legislation is necessary.

Thank you for the opportunity to testify on this measure.

Chair Chang, Vice Chair Nakashima and committee members –

Mahalo for the opportunity to address the committee today. I am here in place of Vice President Linda Johnsrud who couldn't attend this afternoon.

You have her UH testimony which opposes this bill and I am here to emphasize the importance of that position. Since TIM is a UH Mānoa academic program, I would like to provide some context regarding this situation.

The recommendation to consider such a merger came about for two reasons: serving the tourism industry in the best way possible and enabling our students to be most competitive for the best positions in that industry.

Tourism is a rapidly changing industry so everyone needs to continually evaluate options. I have read the history of TIM by Chuck Gee and have great respect for what has been accomplished, but our focus has to accommodate current and future needs of academic programs to provide the best educational experience and also create the research needed to guide the industry.

Our goal has been and continues to be how to ensure a strong program in tourism industry management. It is not the intent to eliminate the program at all, but rather determine how to strengthen its position and contributions.

As Keith Viera has testified earlier, a number of industry leaders indicated that our students would be most competitive and successful with a major in tourism coupled with a strong business background.

If you examine the situation for similar tourism and hospitality schools across the nation, most, actually 80%, are located within larger colleges, primarily within business colleges. That includes highly recognized programs such as George Washington University, Virginia Tech, Michigan State and the list goes on.

The reasons for that arrangement are related to the reality that larger schools have a capacity that is often helpful – from more faculty to participate in courses to established fund-raising efforts to more extensive student service to support informational technology and others. Shared resources of that type help the whole and offer efficiency.

In times of budget constraints and that is certainly the current situation, the capacity of smaller schools to handle reductions is more limited and poses a significant difficulty for them. A school like TIM with 14 tenure track positions faces just such challenges.

Our campus is looking at all of the smaller schools with such concerns in mind – this is coming from campus committees looking at data, challenging some of the services offered and considering the strength and future of our smaller schools.

I also must say that the Shidler College of Business is a dynamic enterprise and certainly highly focused on being a leader in the international business world – and tourism is clearly an international endeavor, as evidenced in TIM's focus as well. TIM has strong ties in Asia through its alumni – Shidler is also highly active in building programs in Asia and has been very successful. So that college presents a strength and resource base that is significant.

So, from my perspective, it is highly appropriate and essential for a university to continually evaluate how its organizational structure best strengthens programs and ensures a top learning experience for its students. This bill eliminates the responsibility to even examine such options and determine essential academic directions.

Our campus has spent a lot of time on prioritization of our efforts and, for that activity to be meaningful, the university has to have the authority and responsibility to examine these issues and make such decisions. There is also a process established in collaboration with the Faculty Senate to examine all of the details prior to moving ahead in these situations.

I have to emphasize that we all know that UH Mānoa, in particular, has taken tremendous budget reductions with the loss of 26% of our general funds this year. So we are striving in every way possible to, first of all, maintain academic excellence yet, at the same time, maximize the use of resources. I'm sure the legislature expects that of our institution.

Therefore, the UH System and UH Mānoa respectfully cannot support this bill.

# TSC CONSULTANT CORP

TSUYOSHI SAKATA, CEO/PRESIDENT

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February 9, 2010

Dear Chair Chang, Vice Chair Nakashima and Members of the Higher Education Committee:

My name is Tsuyoshi Sakata and I am the President of the TSC Consultant Corporation with 2 employees. I appreciate the efforts made by the chair and committee in addressing autonomy of the School of Travel Industry Management. I support HB 2315 to establish a school of travel industry management at the University of Hawaii at Manoa that is separate and independent of any school or college of business administration established by the university.

I am writing in support of the school of travel industry management at the University of Hawaii at Manoa remain autonomous from the Schidler College of Business administration. The autonomy of the school of travel industry management enables it to be most efficient of the school to remain competitive with its peer institutions in both the nation and around the world.

I am originally from Japan and choose TIM School due to its reputation and in depth resources. In old days, there were two famous hotel schools in US namely, Cornell and University of Hawaii. Most of the Japanese students enrolled in to the Cornell MBA Program instead of undergraduate as they were sponsored by the company. On the other hand, TIM School offered only undergraduate program on those days. I was the first TIM School graduate from Japan. As of today, TIM School graduates are all over in Japan and either running the hotel or holds key positions in the Hospitality Industry. TIM alumni is a strong organization and able to recruit many young students to Hawaii. TIM School is a brand name to among Japanese students not only Hawaii weather but also its reputation and in depth of qualified professors availability as compared to Cornell. As a matter of fact, trend is more Japanese are choosing TIM School over Cornell. I am very much concerned decreasing of enrollment to TIM School merging to the College of Business Administration. I am fully aware of Hawaii economy and funding problem. You are currently doing Defensive Marketing instead of Offensive Marketing. Cost cutting is a short term solution but you need to look at long term solutions. TIM School established its own worldwide reputation after 40 + years of hard working followed by Dr. Burnett's direction and long term vision. His goal was to be the best Hotel School in the nation. Unfortunately, we are just about to destroying his dream and reputations.



Tsuyoshi Sakata

President

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