MINUTES

BOARD OF REGENTS’ COMMITTEE ON INTERCOLLEGIATE ATHLETICS MEETING

February 5, 2014

I. CALL TO ORDER

Committee Chair, Benjamin Kudo, called the meeting to order at 10:00 a.m. on Wednesday, February 5, 2014, at the University of Hawai‘i, Bachman 113, 2444 Dole Street, Honolulu, Hawai‘i 96822.

Committee members in attendance: Committee Chair, Benjamin Kudo; Committee Vice Chair, Tom Shigemoto; Barry Mizuno; Regents Vice Chair, Saedene Ota; Jeffrey Acido; Jeffrey Portnoy.

Others in attendance: Regents Chair, John C. Holzman (Ex-Officio committee member); Regents Vice Chair, James Lee (Ex-Officio committee member); Interim President, David Lassner; Associate Vice President for External Affairs and University Relations, Lynne Waters; University of Hawai‘i at Mānoa Chancellor, Tom Apple; University of Hawai‘i at Hilo Chancellor, Donald Straney; University of Hawai‘i Foundation President and Chief Executive Officer, Donna Vuchinich; and others as noted.

II. APPROVAL OF MINUTES OF THE NOVEMBER 26, 2013 MEETING

Upon motion by Vice Chair Ota and second by Regent Mizuno, the November 26, 2013 minutes were unanimously approved.

III. PUBLIC COMMENT PERIOD

Secretary to the Board, Cynthia Quinn, announced that no written testimony was submitted and no persons signed up to present oral testimony.

IV. AGENDA ITEMS

Review of Board Policies related to Coaches Salaries

Chair Kudo explained that the Committee is reviewing a possible amendment to the Board of Regents’ Policy 9-2 and asked for an update on the contract renewals for coaches. University of Hawai‘i at Mānoa (UHM) Athletic Director (AD) Ben Jay gave an update on the progress of the contract renewals for the fourteen head coaches. He sought clarification from the Office of General Counsel (OGC), including salary thresholds for these positions, noting current Board policy does not require board approval so long as the contract term is no longer than three years in duration, the salary adjustment is under 5%, and does not exceed $500,000 annually. He is almost complete with all renewals at all levels. Interim President Lassner explained further that this is a non-standard process in that he must work with both the employee and the union.
A discussion ensued about strengthening “for cause” termination provisions, buyouts, and bonuses tied to team performance and academics, and eliminating other bonus provisions, such as attendance or autograph sessions. The Committee concluded that the agreements should address the concerns raised.

AD Jay added that, regarding sports camps, in response to the results of the audit, UHM has created provisions in which a pre-camp budget and a post-camp expense report are required, along with requirements on compensation.

AD Jay also confirmed that the University is required to follow guidelines set forth in the Executive Policy E9.216 Classification and Compensation of Coaches in Major Intercollegiate Sports and Board of Regents’ Policy 9-2. Interim President Lassner added that if the athletic director would like to make a salary offer that is 25% above the maximum range, Board approval is required. AD Jay responded that the salary renewals are within the salary range, and the goal is to keep the coaches in the 25th percentile.

AD Jay further confirmed that if UHM Athletics exceeds the $1 million budget threshold set by Chancellor Apple and programs have to be eliminated, there are sufficient provisions to help the university and the staff in that event.

The Committee concluded that no change to board policy was necessary at this time.

**Update on T.C. Ching Athletics Complex**

AD Jay provided an update on the completion of the Clarence T.C. Ching Athletics Complex. The provisions of the National Collegiate Athletic Association (NCAA) certification committee have been generally met by moving the teams and coaches into the first floor area of the complex. Construction is likely to be completed at the end of April or mid-May. The NCAA certification is expected in a week, and upon receipt he will approach the Clarence T.C. Ching Foundation for a release of payment for the donation.

There was a discussion on the lessons learned by the Athletics Department, in terms of a large construction project. AD Jay concluded that there should be improvements to the construction process of the university, communication between the department and the Office of Facilities and Grounds (OFG), and better analysis of the ground work before construction.

Interim President Lassner explained that work has begun on improving the process, with a plan for re-engineering of the construction process. The plan will have three elements: 1) plans to fix the process, 2) reorganizing OFG, and 3) the projects themselves. Office of Capital Improvements projects will have external contractors. Contracts will include liquidated damage clauses; there will be better recordkeeping of existing plans and records for land surveys and inspections that can be referred to for each project; consultants will be used to assess all needs for future structures before proceeding; and the assessment will incorporate the master plan for future expansion. AD Jay added that a new master plan is being prepared.

The Committee recognized the strides being made to look at the issues, corrections and reorganizations, and accepted the report.
Update on Contract Between UHF, AKA, and UH Mānoa

AD Jay provided an update on amending a Memorandum of Understanding (MOU) between the University of Hawai‘i Foundation (UHF), Aahui Koa Ānuenue (AKA), and the UHM Athletics Department. He explained that the agreement identifies roles and responsibilities clearer, and provides additional fundraising or revenue-producing activities that the athletic director, and the university will permit AKA to conduct, such as concerts or fundraising dinners, all in compliance with NCAA regulations. The memo was also reviewed by OGC. The parties are seeking comment from the committee and UHF, and time was of the essence as the agreement affects employee transitions. The Committee supported the new relationship and anticipated that the agreement could be approved by the Board at the upcoming February 20, 2014 Board meeting, which would allow time for transition.

Update on UH Mānoa Athletics Budget Plan

AD Jay reported that UHM Athletics is projecting a $2 million deficit because fundraising fell short of the anticipated additional $1 million to help with operations, even though Women’s Volleyball finished $60,000 over the projected budget revenue. The revenue projections in the fiscal year 2013 budget were ambitious goals, and the department is not reaching its revenue targets. Once the January statement is completed, staff would be asked to withhold spending for the remainder of the year, but those savings will not cover the $1 million shortage. The department is looking to fundraising and ticket sales to help with the deficit.

Discussion ensued about the consequences if the deficit exceeds $1 million. Chancellor Apple indicated that the deficit can be compensated in Year 2 with additional fundraising activities and other possible revenue enhancements, along with the possibility of selective cuts, but not necessarily to sports programs. The Committee requested an update before the next fiscal year.

Update on UH Mānoa Legislative Bills

AD Jay informed the committee that State Representative K. Mark Takai is preparing legislation to support the university’s fundraising efforts to match every dollar raised by the university with two dollars of legislative funding, up to $10 million. The Committee would be updated accordingly.

V. ADJOURNMENT

There being no further business, on the motion of Vice Chair Shigemoto and second by Regent Mizuno, and with unanimous approval, the meeting was adjourned at 11:24 a.m.

Respectfully Submitted,

Cynthia Quinn
Executive Administrator and
Secretary of the Board of Regents