MINUTES

BOARD OF REGENTS’ COMMITTEE ON PERSONNEL AFFAIRS MEETING

MARCH 9, 2016

I. CALL TO ORDER

Committee Chair Coralie Matayoshi called the meeting to order at 10:55 a.m. on Wednesday, March 9, 2016, at the University of Hawai‘i at Mānoa, Information Technology Building, 1st Floor Conference Room 105A/B, 2420 Correa Road, Honolulu, Hawai‘i 96822.

Committee members in attendance: Committee Chair Coralie Matayoshi; Committee Vice Chair Lee Putnam; Regent Ernest Wilson, Jr; Regent Michael McEnerney.

Committee members excused: Regent David Iha.

Others in attendance: Board Chair Randy Moore; Regent Simeon Acoba; Regent Eugene Bal; Regent Wayne Higaki; Regent Michelle Tagorda; Regent Jeffrey Portnoy (ex officio committee members); President David Lassner; Vice President for Administration Risa Dickson; Vice President for Administration Jan Gouveia; Vice President for Community Colleges John Morton; Vice President for Legal Affairs and University General Carrie Okinaga; Vice President for Information Technology and Chief Information Officer, Garret Yoshimi; UH-Hilo (UHH) Chancellor Donald Straney; UH-West O‘ahu (UHWO) Interim Chancellor Doris Ching; Executive Administrator and Secretary to the Board Cynthia Quinn; and others as noted.

II. APPROVAL OF MINUTES OF THE JANUARY 14, 2016 MEETING

Committee Vice Chair Putnam moved to approve the minutes of the January 14, 2016 meeting, seconded by Regent McEnerney, and the motion carried unanimously.

III. PUBLIC COMMENT PERIOD

Executive Administrator and Secretary of the Board Cynthia Quinn announced that the Board Office received no written testimony, and no individuals had signed up to give oral testimony.

IV. AGENDA ITEMS

A. For Information

1. Update on RP 9.212 and Executive/Managerial (E/M) Salary Schedule

VP Gouveia provided a handout of a revised slide presentation on the update on the status of work being done to amend RP 9.212 regarding the Executive/Managerial Salary Schedule (Attachment 1) to align with current market conditions and provide appropriate
position and salary controls. It was explained how extensive work had been conducted on reviewing and assessing academic and non-academic personnel classifications, headcount as a percentage of total annual payroll, scope and breadth of E/M personnel demographics by campus affecting a total of approximately 218 E/M positions; and current processes and data used in comparison to peers to revise salary schedules that reflect appropriate conformity and competitiveness in the higher education industry. The results showed a noticeable downward trend from 2012 to 2015 for E/M salaries compared to the CUPA median, as a result of recent controls set by the board and provided the foundation to advance to a more direct path that has stronger correlations within appropriate data sets to improve the current E/M salary structure.

Questions and comments were raised regarding the cause of variations, clarifying the usefulness of CUPA and control point for public institutions, whether standard deviations are taken into account, and how best to determine appropriate salary structures.

VP Gouveia explained how there is a natural standard deviation on the CUPA-HR schedule, which is used to determine grade and range, along with other factors such as current salary. VP Yoshimi provided additional public data information (as union salaries are not made public) that showed reasonable trends and natural groupings that align with CUPA-HR data on a national basis, even for outliers that are still near specific CUPA median salaries with few exceptions, and that also gives consideration to influence of the local market, especially in places where local talent is available across commercial and public sector employers. Within the 4 primary CUPA categories of institutions (e.g., doctorate-granting, masters, baccalaureate, and associates), there are 4 subgroups based on size of the institution (e.g., small, mid-small, mid-large, large) where the university maps in which there are 5 levels within the academic/non-academic job descriptions; there are natural groups of the highest salaries that trend from lowest to highest, and large variations within each grouping reflective of the institution type/size, with the highest values in academia. President Lassner indicated this explains the challenge recruiting very senior faculty members into a senior administrative position at both the baccalaureate and community colleges. The System academic positions, including President, VP and AVP for Academic Affairs, VP and AVP for Community Colleges, and Program Officers fall comfortably within the mid and low values of various ranges, reflecting the most current hiring practices.

Mānoa has a significantly higher academic head count with some salaries above the prospective max range, reflecting a hiring history and longevity in some instances, and the significant effect that the compounding of salary increases has over time. Outliers on this chart include Deans of Medical School, Law School, and Business School, and Chancellor, as they are based on the market.

UHH has academic outliers that include the Dean of the Pharmacy School, which has a higher salary market nationally, and faculty salaries cluster in the mid $130,000 to $160,000; APT for all academic units cluster around $150,000 to $155,000, while UHWO faculty band caps at $129,000 and is lower than the APT band. The community colleges show a small number of academic outliers, with a large majority of high end salaries falling between $100,000 to $120,000; a cluster of nursing faculty fall in the mid $130,000, and several other clusters even lower.
Regarding non-academic positions, the bands and scales are similar in cluster, and lower across the board for non-academics in comparison to academics, and align to the CUPA data and local market influence, but with noted disparity in the lowest ranges, especially in the community colleges, for deans, directors, and vice chancellors.

Questions and comments were raised regarding the impact of the value of public institutions benefits packages; consideration of one system structure rather than three different structures; acknowledging idiosyncrasies of each level; high percentage of local hires to informing a standard that combines the CUPA and local market; utilizing a broader sampling and incorporating methods to encourage preferred hiring practices at the lower ranges.

It was explained that UH’s benefits were similar among public sector institutions and private institutions regarding retirement and health care; Form 990s for significant non-profit organizations in Hawai'i report higher salaries and total compensation. The data is being honed to select reasonable ranges, and revised practices and policies are being drafted for board review and approval to guide administration on recruitment and employee evaluations, and define the role of the board. Two schedules (e.g., academic/non-academic) with 4 ranges to reflect the campus sizes and unique compositions are being considered. It was noted that the approach challenges past practice that was driven by a unified, collective bargaining environment that does not recognize differences among the campuses. Ranges need to be broad on high and low to give the university the flexibility to leverage whatever pool is available to compete for a rising star, address market conditions, and to recruit/attract individuals with different background/experience. The APT schedule is a good model with very broad ranges, and a formula based on background, experience, relevant experience, and quality of skills.

Committee members agreed to send requests for additional data directly to the committee chair to send on to administration, with a follow-up committee meeting in April for suggestions and proposed board policy amendments. The committee thanked administration for their work and commented how interesting and surprising it was that the current structure was consistent and rational. President Lassner recounted how UH does not have more E/Ms than peers, and are not highly paid relative to peers, although exceptions draw media attention, to be remedied with better management of the whole as well as prevent the outliers, and increase public education and awareness on how E/M salaries at universities are at a premium across the nation, although lower in Hawai'i, and unlike other public appointees (that IPEDS characterize as a "penalty") who accept the appointment for other purposes, and with expectation of future greater benefits in the private sector to make up for the lower salary after the fixed term.

V. ADJOURNMENT

There being no further business, Regent Wilson moved to adjourn, and Board Chair Moore seconded, and with unanimous approval, the meeting was adjourned at 12:22 p.m.
Respectfully Submitted,

/S/

Cynthia Quinn
Executive Administrator and
Secretary of the Board of Regents
Personnel Committee
Update on RP 9.212 and E/M Salary Schedule
March 9, 2016 (Revised)
• Concerns expressed about our current E/M salary schedule
• Prepare for the June 30, 2016, expiration of the interim process requiring Board approval for all E/M salaries (1) exceeding $150,000 and (2) exceeding the control point, or for unclassified positions.
• No recommendations will be made today
• No decision making today
• Objective for today: Provide background information to help make a more informed decision in the future.
AGENDA

- Types of Personnel Groups
- Personnel Summary Data
- E/M Summary Data
- What is CUPA-HR
- TRENDS: 2012 vs. 2015
- Comparison of Regents Policy 9.212: Current vs. Proposed Amendment
- History of E/M Salary Schedule
- CUPA-HR Salary Survey
- Current E/M Salary Schedule
- Data
- Feedback on how to move forward
TYPES OF PERSONNEL GROUPS

- **Bargaining Units (HRS §89-6)**
  - Faculty – UHPA BU 7
  - Administrative, Professional & Technical (APT) – HGEA BU 8
  - Civil Service – UPW BU 1 & 10 and HGEA BU 2, 3, 4 & 9

- **Lecturers** – Executive Policy E5.221, Classification of Faculty, & Unit 7 agreement fee schedule

- **Graduate Assistants** – Executive Policy E5.223, Graduate Assistants

- **Executive/Managerial** – Governed by Regents Policy 9.212
  - President, Chancellors, Vice Presidents, Vice Chancellors
  - Deans and Directors
  - Program managers
PERSONNEL SUMMARY DATA

UNIVERSITY ANNUAL SALARY
$599.2 MILLION

- EXEC/MGRL
  $33,806,548
  6%
- FACULTY
  $311,881,648
  52%
- APT
  $144,913,186
  24%
- CIVIL SERVICE
  $55,679,331
  9%
- GRAD ASST
  $26,619,260
  5%
- LECTURER
  $26,307,354
  4%
- UNIVER
  $144,913,186
  24%

HEADCOUNT: 10,168

- FACULTY
  3,582
  35%
- APT
  2,455
  24%
- LECTURER
  1,216
  12%
- EXEC/MGRL
  218
  2%
- CIVIL SERVICE
  1,397
  14%
- GRAD ASST
  1,300
  13%
Total E/M Population broken down by Campus

- **UH MANOA**: 86, 39%
- **UH HILO**: 19, 9%
- **UH WO**: 4, 2%
- **CC ADMIN**: 8, 4%
- **HAW CC**: 8, 4%
- **HON CC**: 10, 4%
- **KAP CC**: 10, 4%
- **KAU CC**: 6, 3%
- **LEE CC**: 8, 3%
- **MAUI COLL**: 9, 4%
- **WIND CC**: 7, 3%
- **Total**: 124, 57%

Total E/M Population broken down by Academic vs. Non-Academic*

- **ACADEMIC**: 124, 57%
- **NON ACAD**: 94, 43%
WHAT IS CUPA-HR?

- College and University Professional Association for Human Resources (1946)

- Demographics:
  - 93% of all U.S. doctoral institutions
  - 79% of all master’s institutions
  - 61% of all bachelor’s institutions
  - Almost 600 two-year and specialized institutions

- 46% Public Institutions / 54% Private Institutions

- Annually publish an “Administrators in Higher Education Salary Survey”

- UH uses as a basis for current E/M salary schedule to ensure conformity with and competitiveness in the industry

- Not perfect – but the best alternative

*http://www.cupahr.org/membership/demographics.aspx
TRENDS: 2012 vs. 2015

E/M Salary Compared to 2012 CUPA Median

% Difference from CUPA Median

Program Officer/ Associate Dean, Dir  Dean, Dir, Associate VC  Deans, VC  VPs, Chancellors  President
HIGH LEVEL COMPARISON
CURRENT RP 9.212 vs. PROPOSED AMENDED RP 9.212

CURRENT RP 9.212

• Organic product of the last 30 years
• Very administerial and transactional in nature
• Not well organized or user friendly
• Takes away from the policy-making focus of the Board

PROPOSED AMENDED RP 9.212

• Focuses on policy statements
• Administerial and transactional elements addressed in Executive Policies (i.e., recruitment & appointment, performance evaluation, benefits, and termination)
HISTORY OF E/M SALARY SCHEDULE

- **E/M personnel classes have existed since 1976**
- **Pre-2002:**
  - Almost exclusively internally aligned
  - Little consideration for high-demand or market sensitive jobs
  - 15 Steps
- **2002: Transition to CUPA-HR indexing**
  - Almost exclusively market-driven approach
  - Presented equity issues between existing and new
- **2006: Balanced internal equity & market competitive**
  - Hawai`i Employers Council contracted to develop current E/M salary methodology
  - All positions were re-evaluated and adjusted to ensure internal equity
  - Old pay grade structures were used as a starting point and a salary schedule was derived using CUPA-HR Median as the goal
  - 5 Grades (12 – 16) and 3 -4 ranges within each grade + 1 Unclassified Grade
2013: Hired MGT of America to review the University’s E/M compensation plan
- Nationally recognized firm that specializes in public sector organizations
- Emphasis on services like human resources classification and compensation

Made 18 recommendations (highlights)
- Continue to utilize the CUPA-HR salary survey to calibrate UH E/M salaries to the national higher education market
- Conduct an assessment of hires made above the control point to determine specific competitive market pressures and exceptions when hiring above is appropriate
- Modify Board policy on hiring at the median rate to hiring between the minimum and control point

2013: Hawai`i Employers Council
- Solicited to assist with incorporating local market data
- Validated the application of the E/M Salary Schedule

CUPA-HR schedule may not be perfect – but best alternative
CUPA-HR Salary Survey

- Provides salary data for 4 categories of institutions:
  - Doctorate-Granting = System and Manoa
  - Master’s = N/A
  - Baccalaureate = Hilo and West Oahu
  - Associates = Community Colleges

- Salary data presented by job title & percentile of the total salary range (20th, 40th, median, 60th, and 80th)

- Every E/M position is associated with a CUPA-HR job title for comparison purposes

- Every E/M position is assigned a Grade and Range within the current E/M Salary Schedule
CURRENT E/M SALARY SCHEDULE

- Control Point = average of the CUPA-HR medians for that given Grade/Range (with minor adjustments for aging and equity between ranges)
- Minimum = 20% downward adjustment from CP
- Maximum = 20% upward adjustment from CP
- CUPA Median Salary is the cutoff point for placement within the ranges
- Incorporates all campuses ranging from 4 year – 2 year programs
- Does not distinguish between academic vs. non-academic positions

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<th>Range</th>
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Actual Salaries
SYSTEM: ACADEMIC

* https://www.uhpa.org/salary-research/all-faculty-salaries/
MĀNOA: ACADEMIC

* https://www.uhpa.org/salary-research/all-faculty-salaries/
HILO: ACADEMIC

* https://www.uhpa.org/salary-research/all-faculty-salaries/
WEST OAHU: ACADEMIC

* https://www.uhpa.org/salary-research/all-faculty-salaries/
COMMUNITY COLLEGES: ACADEMIC

* https://www.uhpa.org/salary-research/all-faculty-salaries/
SYSTEM: NON-ACADEMIC

* https://www.uhpa.org/salary-research/all-faculty-salaries/
MĀNOA: NON-ACADEMIC

* https://www.uhpa.org/salary-research/all-faculty-salaries/
HILO: NON-ACADEMIC

* https://www.uhpa.org/salary-research/all-faculty-salaries/

* Top faculty salaries*
  * APT (highest range)
WEST OAHU: NON-ACADEMIC

Admin                   Assoc               Dean/Director             VC

Top faculty salaries*
APT (highest range)

* https://www.uhpa.org/salary-research/all-faculty-salaries/
COMMUNITY COLLEGES: NON-ACADEMIC

* https://www.uhpa.org/salary-research/all-faculty-salaries/
HOW DO WE MOVE FORWARD?

- Feedback from Committee on issues with the current E/M schedule
- Objectives for the amended E/M schedule
- Role of the Board