

MINUTES

BOARD OF REGENTS COMMITTEE ON PERSONNEL AFFAIRS AND BOARD GOVERNANCE MEETING

MAY 21, 2020

Note: On January 30, 2020, the World Health Organization declared the outbreak of COVID-19 a public health emergency of international concern, subsequently declaring it a pandemic on March 11, 2020. On March 16, 2020, Governor David Y. Ige issued a supplementary proclamation that temporarily suspended Chapter 92, Hawaii Revised Statutes, relating to public meetings and records, “to the extent necessary to enable boards to conduct business in person or through remote technology without holding meetings open to the public.”

I. CALL TO ORDER

Committee Chair Michelle Tagorda called the meeting to order at 9:51 a.m. on Thursday, May 21, 2020. The meeting was conducted virtually with regents participating from various locations.

Committee members in attendance: Chair Michelle Tagorda; Vice-Chair Kelli Acopan; Regent Simeon Acoba; Regent Michael McEnerney; and Regent Ernest Wilson.

Others in attendance: Board Chair Ben Kudo; Regent Eugene Bal; Regent Randy Moore; Regent Alapaki Nahale-a; Regent Jan Sullivan; Regent Robert Westerman (ex officio committee members); President David Lassner; Vice President (VP) for Administration Jan Gouveia; VP for Legal Affairs/University General Counsel Carrie Okinaga; VP for Academic Planning and Policy Donald Straney; VP for Research and Innovation Vassilis Syrmos; UH-Mānoa (UHM) Provost Michael Bruno; UH-Hilo (UHH) Chancellor Bonnie Irwin; Executive Administrator and Secretary of the Board of Regents (Board Secretary) Kendra Oishi; and others as noted.

II. APPROVAL OF MINUTES OF THE FEBRUARY 6, 2020 MEETING

Regent McEnerney moved to approve the minutes of the February 6, 2020, meeting, seconded by Regent Wilson, and the motion carried with all members present voting in the affirmative.

III. PUBLIC COMMENT PERIOD

Board Secretary Oishi announced that the Board Office did not receive any written testimony, and no individuals signed up to provide oral testimony.

IV. AGENDA ITEMS

A. Recommend Board Approval of Amendments to Regents Policy (RP) 9.212, Executive and Managerial (EM) Personnel Policies

Chair Tagorda stated that the issue of salary adjustments for EM personnel has been a point of discussion since the fall of 2019. She noted that, at its October 17, 2019 meeting, the board received a list of EM personnel salaries as required under RP 9.212 and Section 89C-4, Hawai'i Revised Statutes, and that questions arose regarding the rationale for increases in base salary for EM personnel that were above the norm. At the request of the committee, the administration provided a report and explanation of the evolution of RP 9.212 at both the committee's November 7, 2019, and February 6, 2020, meetings specifically noting that the board previously reviewed salary and compensation packages in excess of \$150,000 but that RP 9.212 was amended by the board to eliminate this practice as the vast majority of these reviews proved to be transactional, tedious, and time-consuming. During these meetings, Regents discussed RP 9.212 and raised questions as to whether the board should exercise greater oversight over salary adjustments outside of the adjustments made using the methodology outlined via guidelines issued by the President. Some Regents expressed that the amendments made to RP 9.212 regarding certain EM salaries relinquished too much oversight authority and that a better balance needed to be achieved with regard to delegation of certain compensation and salary adjustment authority to the President and appropriate fiduciary oversight by the board. The proposed amendments to RP 9.212 currently before the committee were a result of the feedback received during the aforementioned discussions.

Chair Tagorda highlighted the proposed amendments to RP 9.212 stating that principal changes included providing the President with the authority to make periodic adjustments to the salary schedule that are based on comparable industry and market benchmarks but requiring adjustments in excess of 5% of any salary range to be reviewed by the board prior to that salary range being effectuated; differentiating annual salary adjustments from other salary adjustments; and requiring board approval for salary adjustments in excess of 5% of the base salary for EMs reporting to a position that reports directly to the board and for all EM appointments exceeding the maximum of the range in the salary schedule.

Discussions occurred on the clarity of the proposed amendments with regard to the President's authority to make periodic adjustments to the salary schedule. Regent Acoba stated that it was his understanding that the board's main concern with EM salaries was with the lack of board oversight in the awarding of salaries to EM personnel that were perceived to be excessive and questioned the reasoning behind the inclusion of amendments that addressed salary ranges lower than the existing salary schedule. He also expressed concerns that the board was only required to review, rather than approve, salary ranges prior to their being effectuated by the President. Board Secretary Oishi clarified that two separate issues were being addressed by the proposed amendments to RP 9.212. The issue currently being discussed deals with the salary schedules approved by the President. At present, the President has the sole discretion and authority to approve salary schedules without any review by the board. This amendment would require the President to notify the board when adjustments of more than 5% of the salary schedule are made and present these adjustments before the board for review thereby providing more board oversight over salary schedules. The second issue addressed by the proposed amendments to RP 9.212 requires board

approval for salary adjustments in excess of 5% of the base salary for EMs reporting to a position that reports directly to the board and salary adjustments for all EM appointments exceeding the maximum of the range in the salary schedule.

President Lassner further clarified that, the current language of RP 9.212 allows the President to update salary schedules. Updating salary schedules does not change the salary of personnel. When RP 9.212 was amended in 2016, significant revisions were made, particularly with regard to the method by which salary schedules were constructed and which salaries the board approved. After the board reviewed its role with regard to EMs, particularly with regard to hiring and salaries, it decided to detach itself from adjustments made to salary schedules, as well as most compensation and salary adjustments, and instead delegated certain compensation and salary adjustment authority to the President and chancellors, with the exception of the direct reports to the board. Prior to these revisions to RP 9.212, any salary and compensation packages over \$150,000 and any adjustments to those salaries had to go to the board for review and approval. The revisions made in 2016 streamlined the process and allowed for salaries to be set in accordance with the unique needs of each division of the university. The proposed amendment currently being discussed is intended to bring the board back into the dialogue with regard to adjustments to salary schedules.

After hearing the clarifications presented, Regent Acoba questioned the necessity of the board reviewing salary schedule adjustments made by the President stating that he did not feel these amendments were necessary.

Regent Westerman also questioned the necessity of reviewing the President's actions with regard to changes to the salary schedule noting that salary scale adjustments are often ministerial in nature. He opined that the board is more concerned with having greater oversight over the actual salary adjustments for EM personnel when those adjustments exceed a certain threshold and that amendments regarding the salary schedule were not necessary.

Board Chair Kudo stated that the genesis for the discussions and proposed amendments to RP 9.212 was to address concerns raised with regard to special adjustments to the compensation packages of EM personnel and the board's oversight and authority, or lack thereof, to approve or disapprove of these adjustments. He stated that he believed it was the intent of the board to approve or disapprove actual salary adjustments exceeding a particular threshold and not to approve or disapprove changes to salary schedules made by the President.

Regent Acoba moved to recommend board approval of the proposed amendments to RP 9.212, with further amendments removing language requiring board review of adjustments in salary schedules made by the President prior to those changes being effectuated, seconded by Regent McEnerney, and the motion carried, with all members present voting in the affirmative.

B. Recommend Board Approval of Amendments to RPs Related to Integrated Planning:

1. **RP 4.201, Mission and Purpose of the University**
2. **RP 4.202, Strategic Planning**
3. **RP 4.203, Unit Academic Plans**

Chair Tagorda noted that, recognizing the need to update RPs as they related to the Integrated Academic and Facilities Plan (IAFP) which the administration adopted in 2017 and has been using to guide its activities, the board began discussions on proposed revisions to RPs 4.201, Mission and Purpose of the University, 4.202, Strategic Planning, and 4.203, Unit Academic Plans. Drafts of the proposed amendments to RPs 4.201, 4.202, and 4.203 were prepared by the Board Office and distributed to Regents at the board meeting in February 2020 for discussion and input. The proposed amendments to RPs 4.201, 4.202, and 4.203 currently before the committee are a result of these discussions, as well as feedback from Regents that was received by the Board Office.

At the request of Chair Tagorda, Board Secretary Oishi provided a brief synopsis of the proposed amendments noting that RP 4.201 sets forth the mission and vision of the university as a system and sets forth values and guiding principles; RP 4.202 outlines the planning structure of the university which includes the use of outlooks and assessments to set-forth the long-term plans for the university as well as integrated and strategic, multi-year rolling plans; and RP 4.203 describes the missions of the individual units of the university and requires unit plans to be aligned with system-wide integrated plans. She noted that the core issues around which the university's functions, mission, and activities revolve are education, workforce, and the economy, and that the concepts of a Hawaiian place of learning and sustainability permeate throughout all of the university's activities. A diagram outlining the various relationships between the proposed amended policies and their component parts was also included in the committee materials.

While the committee is being requested to recommend board approval of the aforementioned revisions to RP 4.201, RP 4.202, and RP 4.203, Board Secretary Oishi stated that changes to policies related to strategic planning may be subject to the administration seeking appropriate consultation. Should the committee recommend board approval of these revisions, the administration would be requested to notify the board of the results of any necessary consultation, including any recommended revisions to the draft policies, by September 30, 2020.

Regent McEnerney noted that the state's current economic framework and condition are radically different than they were when the IAFP was formulated in 2017 and asked how this is affecting what the university is doing today with regards to the IAFP's core principles of education, workforce, and the economy. President Lassner replied that the university core principles remain unchanged and that its focus remains on education, the workforce, and the economy, which is even more important in light of the COVID-19 pandemic. As the state repositions itself for economic and social recovery, the university will have to elevate its role and become a leader in these recovery efforts.

Regent McEnerney asked how the university was adjusting the IAFP to address the unprecedented numbers of unemployed individuals. President Lassner responded that the proposed revisions to RPs 4.201, 4.202, and 4.203 were simply meant to conform regent policy to the IAFP that was previously adopted by the board. While these RPs do not serve as the recipe for actions necessary to address the state's economic recovery and unemployment issues, they do act as a framework for assisting the university in determining what actions need to be taken to assist the state in beginning these recovery efforts.

Regent Acoba stated that the complexity of the amendments to these RPs required additional time to allow for a full vetting of these amendments. He noted that he had several suggested, mainly clarifying amendments that do not change the approach of the policies but that in the interest of time it might be clearer if he was allowed to submit those suggestions in writing.

Regent Moore also noted that he believed that several clarifying amendments needed to be made to the proposed amended RPs to reduce ambiguity and reviewed some of his concerns and amendments.

Chair Tagorda noted that the proposed changes to RPs 4.201, 4.202, and 4.203 will still need to undergo consultation and that additional amendments to these proposed policies may need to be made prior to being considered, reviewed, and discussed by the board in the fall. Accordingly, Regents could provide additional suggested amendments that could be incorporated by the Board Office which could also be reviewed and discussed in the fall by the board.

Regent Acoba moved to recommend board approval of the amendments to RPs 4.201, 4.202, and 4.203, subject to further edits suggested by Regents and subject to further amendments recommended after appropriate consultation has occurred, seconded by Regent McEnerney, and the motion carried with all members present voting in the affirmative.

C. Committee Annual Review

Chair Tagorda referenced the committee annual review matrix provided in the materials packet. She noted that Regent Moore had suggested some technical amendments to the matrix which would be incorporated by the Board Office. Committee members were also asked to submit any additional comments to the Board Office. There was no additional discussion by the committee on this item.

V. ADJOURNMENT

There being no further business, Regent McEnerney moved to adjourn, seconded by Regent Wilson, and with all members present voting in the affirmative, the meeting was adjourned at 10:45 a.m.

Respectfully Submitted,

/S/

Kendra Oishi
Executive Administrator and Secretary
of the Board of Regents