

MINUTES

BOARD OF REGENTS COMMITTEE ON PERSONNEL AFFAIRS AND BOARD GOVERNANCE MEETING

SEPTEMBER 1, 2022

I. CALL TO ORDER

Chair Moore requested that Vice-Chair Nahale-a conduct the meeting.

Vice-Chair Alapaki Nahale-a called the meeting to order at 12:04 p.m. on Thursday, September 1, 2022, at the University of Hawai'i at Mānoa, Information Technology Building, 1st Floor Conference Room 105A/B, 2520 Correa Road, Honolulu, Hawai'i 96822, with regents participating from various locations.

Committee members in attendance: Chair Randy Moore; Vice-Chair Alapaki Nahale-a; Regent Kelli Acopan; Regent Eugene Bal; Regent Laurie Tochiki; and Regent Ernest Wilson.

Others in attendance: Regent William Haning; Regent Wayne Higaki; and Regent Robert Westerman (ex officio committee members); President David Lassner; Vice President (VP) for Administration Jan Gouveia; VP for Academic Strategy Debora Halbert; VP for Community Colleges Erika Lacro; VP for Legal Affairs/University General Counsel Carrie Okinaga; VP for Information Technology/Chief Information Officer Garret Yoshimi; VP for Budget and Finance/Chief Financial Officer Kalbert Young; UH Mānoa Provost Michael Bruno; UH Hilo Chancellor Bonnie Irwin; UH West O'ahu Chancellor Maenette Benham; Executive Administrator and Secretary of the Board of Regents (Board Secretary) Kendra Oishi; and others as noted.

II. APPROVAL OF MINUTES

Chair Moore inquired if there were any corrections to the minutes of the May 5, 2022 committee meeting which had been distributed. Hearing none, the minutes were approved.

III. PUBLIC COMMENT PERIOD

Board Secretary Oishi announced that the Office of the Board of Regents (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 the Bylaws of the Board of Regents (Bylaws), Article II.D.3. Appointment of Committee Members, and Article V., Quorum (*continuation from May 5, 2022*)**

Board Secretary Oishi provided the rationale for the proposed amendments to the Bylaws stating that they would clarify the Board Chair's role as an ex-officio voting member of all standing committees, specific to whether they are to be counted when

determining quorum at committee meetings. She stated that two points were raised during discussions on this subject at the committee's May 5, 2022 meeting, including a desire to respect the committee's decision-making process and the ability of a standing committee to achieve or maintain quorum thereby affecting the timely and efficient management of committee business. As a result, the matter was deferred to allow for further refinement of the proposed amendments. It was noted that the current proposal addresses the aforementioned concerns by providing that the board chair shall only count towards quorum in instances where it is necessary to comprise or maintain a quorum and stipulating that the board chair may only cast a vote in committee to break a tie.

Regent Tochiki asked whether Hawai'i's sunshine law requirements were considered in crafting the currently proposed amendments. VP Okinaga, University General Counsel, responded that she conducted a review of the proposed amendments.

Regent Wilson moved to recommend board approval of the proposed amendments to the Bylaws, seconded by Regent Tochiki, and noting the excused absence of Regent Acopan, the motion carried with all members present voting in the affirmative.

B. Process for the Future Evaluation of the President

Chair Moore stated that questions raised about past inconsistencies with respect to the reporting of the evaluation of the president prompted board leadership, in collaboration with the Board Office, to reexamine these processes. He also noted that preliminary discussions on this issue took place at the board meeting held on August 18, 2022, and that the board charged the Committee on Personnel Affairs and Board Governance with reviewing and discussing this matter further.

Subsequent to the August board meeting, Chair Moore conducted his own review of Regents Policy (RP) 2.203, which relates to the evaluation of the president and other persons reporting directly to the board. While the processes for the president's evaluation contained within RP 2.203 appear to be sufficient, the policy lacks specificity regarding the means by which the results are reported. As such, he suggested that RP 2.203 be amended to require the board chair to produce a written summary of the president's evaluation on behalf of the board and that specific language to this effect be reviewed and discussed at the next committee meeting.

Regent Tochiki requested clarification of Chair Moore's proposal. Chair Moore replied that, in essence, he was proposing to amend RP 2.203 to include language specifying that a written summary of the president's evaluation be generated for public consumption which would establish consistency in the board's management of the president's evaluation results. In addition, producing a written statement about the evaluation of the president would assuage concerns raised regarding discussions on this matter taking place in the public forum.

Regent Acopan arrived at 12:18 p.m.

C. Executive and Managerial (EM) Compensation Update

VP Gouveia provided the administration's annual update on EM compensation to apprise the board on the guidelines and methodology used for annual salary adjustments for positions under the President's delegated authority, as well as to comply with reporting requirements pursuant to RP 9.212. She provided employment and salary cost statistics for the university highlighting data specific to EM personnel; went over the annual evaluation process used for EMs; reviewed existing EM salary schedules, noting that they were last updated in 2016; presented a comparative analysis between current salaries of EM personnel and other personnel at the university's four major units; and discussed past salary increases received by EMs relative to other personnel classifications. She also spoke about a proposal put forth by the president to institute a 3.72 percent performance-based salary adjustment for all EM personnel, which aligns with increases received by other university personnel in 2022, as well as merit-, retention-, and equity-based adjustments for certain personnel that do not report directly to the president. It was noted that the performance-based adjustment will increase personnel costs by approximately \$1 million in the aggregate.

President Lassner further explained the rationale for his proposal stating that, while an across-the-board salary increase for EM personnel who met established performance standards was unusual, he believed this action was prudent given that EM personnel have not received increases in compensation for the last several years and were subject to temporary salary reductions of between nine and 11 percent in FY 2021. He also noted previous requests made by regents that EM salary schedules be updated regularly and advised regents that there will be a five percent adjustment made to the current EM salary schedule. While the updating of the salary schedule does not normally change the salaries of most EM personnel, there are a few non-interim EM personnel with salaries below the new minima and those salary levels will be increased accordingly.

Regent Tochiki asked if EM personnel evaluations were conducted on a regular basis and whether it would be possible for the administration to produce a report about the overall performance of EM personnel. President Lassner replied that EM personnel are subject to annual evaluations. VP Gouveia stated that the administration can work on developing an aggregated report about the various classes of EM personnel for future reference. She also explained that the EM evaluation process was overhauled last year to better align metrics, goals, and expectations. President Lassner added the administration continues to work on improving the evaluation process to address the differing expectations among supervisors regarding personnel performance which is one of the challenges faced when attempting to distill information for inclusion in a comprehensive, aggregated personnel evaluation report.

Noting the president's remarks about the rarity of across the board pay raises for EM personnel, Vice-Chair Nahale-a requested a brief explanation of the normal process used for EM salary increases. President Lassner replied that EM personnel salary increases have, in the past, been more heavily performance-based with different adjustments based on different performance ratings, and can include a mixture of increases to base pay as well as one-time lump-sum payments.

Vice-Chair Nahale-a asked if the aggregated \$1 million in salary increases proposed for EM personnel was already factored into the university's budget and whether the administration had information on the percentage of the university's EM salary costs in relation to other institutions of higher education. President Lassner responded that the salary increases were included in the university's budget. VP Gouveia stated that the administration did perform a comparative analysis of data obtained from the College and University Personnel Association (CUPA) on university salaries to use as a guide for establishing the minimum and maximum amounts of the EM salary schedule. However, EM salaries, in general, remain below CUPA averages.

Vice Chair Nahale-a acknowledged past sacrifices made by EMs during a time when the university faced an uncertain fiscal situation, expressed his appreciation for their service to the university, and noted his support of the proposed salary adjustments.

Regent Higaki left at 12:41 p.m.

D. Recommend Board Approval of Annual Salary Adjustments for Positions that Report to the Board of Regents

VP Gouveia explained that RP 9.212 requires the board to approve any salary adjustments for EM personnel reporting directly to the board which include the President, Board Secretary, and Director of the Office of Internal Audit. Accordingly, board action is necessary to extend the 3.72 percent salary increase received by all other EM personnel of the university to the three direct reports.

Regent Wilson moved to recommend board approval of the proposed salary increase for EM personnel reporting directly to the board, seconded by Regent Tochiki, and the motion carried, with all members present voting in the affirmative.

E. Recommend Board Approval of Other Salary Adjustments for Positions that Report to the President

President Lassner stated that any non-formulaic salary increases for individuals that report directly to the president must be approved by the board in accordance with RP 9.212. He summarized the rationale for the requested salary adjustments for the VP for Research and Innovation and the University Academic Affairs Program Officer as stated in the meeting materials, highlighting the exceptional work of these two individuals. He also explained that these increases were in addition to the prospective 3.72 percent increase afforded to all other EM personnel at the university.

Vice-Chair Nahale-a announced that he would be recusing himself from the discussions and vote on this agenda item.

Regent Wilson opined that the amount and quality of work of these two individuals warranted the salary increases and moved to recommend board approval of the requested salary adjustments, seconded by Regent Tochiki, and noting the recusal of Vice-Chair Nahale-a, the motion carried with all other members present voting in the affirmative.

F. Update on Board Office Emergency Response Plan (ERP)

Board Secretary Oishi stated that, in 2020, the Board Office was requested to prepare an ERP to ensure the continuance of essential operations during emergency situations. She highlighted that, other than technical amendments and an update being made to the timeframe for the temporary relocation of the Board Office from Bachman Hall to Hawai'i Hall, no substantial changes have been made to the ERP since it was last presented to the committee during its August 5, 2021, meeting.

Chair Moore inquired about the university's ERP should a large scale natural disaster, such as a category 4 hurricane, or other catastrophic event impact O'ahu. VP Gouveia replied that the university has a comprehensive ERP that encompasses a number of natural and man-made disaster scenarios and reviewed some of the actions that would be taken in the event of such an occurrence including ensuring the health and safety of students and university personnel. President Lassner added that the university also actively works with the State, as well as federal agencies, in disaster preparedness and response efforts.

G. Board Member Education and Development

Chair Moore stated that this item would be discussed with the agenda item on committee structure.

H. Review of 2021-2022 Board Self-Evaluation Results

Chair Moore reviewed the results of a self-assessment survey about the board's stewardship of the university that included, among other things, questions on its performance, goals, responsibilities, and expectations. He highlighted that there was commonality among a majority of the responses received but stated that there were also areas of diverging opinions which he had categorized into five general areas including the board's responsibilities with respect to public education and interaction; legislative relationships; time commitments; fundraising obligations of the board as well as individual regents; and the amount of meeting time spent on accountability verses strategic matters. He suggested that the Board Office be charged with conducting a poll among all regents to determine the ranking of these five issues, in order of importance, to allow for more focused discussions on specific subject areas at future committee meetings. Committee members voiced their support for this suggestion.

I. Discussion on Committee Structure

Chair Moore shared some of the findings of a comparative analysis of the board's standing committee structure in relation to those of other public universities in the western United States that he conducted last year highlighting that the median number of members on the university boards that were reviewed was between 10 and 11 and that the median number of board committees was four. He reviewed the subject matter material provided to committee members including a proposal for committee consolidation; a matrix of present committee responsibilities in relation to current RPs and Bylaws and the impacts the proposed committee restructuring would have on these duties, as well as the RPs and Bylaws; an article on committee restructuring from the

Association of Governing Boards of Universities and Colleges; and an excerpt from an article about the Pennsylvania State System of Higher Education's experience with board committee restructuring. He also discussed ways to improve committee meeting efficiency and expressed his belief that reorganizing the board's current committee structure into fewer subject matter committees would allow for more time during committee meetings for regents to deepen their understanding of significant issues.

Given the significant amount of materials provided, Chair Moore proposed that the Board Secretary assign committee members sections of the articles to review and present their takeaways at the next committee meeting. Committee members expressed their support for this proposal.

J. Committee Work Plan

Vice-Chair Nahale-a referenced the Committee Work Plan (Work Plan) noting that it would be used as an outline of the work to be performed by the committee during the coming year. He asked committee members if they had any questions or comments about the Work Plan. None were raised.

V. ADJOURNMENT

There being no further business, Vice-Chair Nahale-a adjourned the meeting at 1:15 p.m.

Respectfully Submitted,

/S/

Kendra Oishi
Executive Administrator and Secretary
of the Board of Regents