MINUTES
UNIVERSITY OF HAWAII BOARD OF REGENTS’ MEETING
December 18, 2008

I. CALL TO ORDER
Chairperson Allan R. Landon called the meeting to order at 1:09 p.m. on Thursday, December 18, 2008, at the Loui Conference Center, Building 2, Room 201, Honolulu Community College, 874 Dillingham Blvd., Honolulu, Hawai‘i 96817. Audio-video conferencing at the UH Center, West Hawai‘i, Building 4, Room 2, and Maui Community College, Ka‘a‘ike Building, Room 103, were also established.

Regents in attendance: Chairperson Allan R. Landon; Vice Chair Howard Karr; Artemio Baxa (Maui site); Carl Carlson, Jr. (West Hawai‘i site); James J.C. Haynes II; Ronald K. Migita; Teena Rasmussen (Maui site); and Harvey Tajiri. Excused: Dennis Hirota, Ph.D. [Secretary’s Note: Following the December 15, 2008, opinion by the Hawai‘i Supreme Court, the attendance and participation of Regents whose terms did not expire on June 30, 2008, are reported in the minutes.]

Others in attendance: President David McClain, Ph.D.; Vice President for Academic Planning & Policy Linda Johnsrud, Ph.D.; Vice President for Community Colleges John Morton, Ph.D.; Vice President for Legal Affairs and University General Counsel Darolyn Lendio, Esq.; Interim Executive Administrator and Secretary of the Board Presley Pang, Esq.; and others as noted.

II. PUBLIC COMMENT PERIOD
There were no oral testimonies.

III. EXECUTIVE SESSION
At 1:20 p.m., upon motion by Regent Haynes, second by Regent Migita and unanimous approval, the Board convened in executive session, pursuant to HRS §92-5(a)(2) to discuss personnel matters and consult with its attorney on the recent Supreme Court opinion regarding the status of holdover Regents. The Board reconvened into public session at 2:36 p.m.
III. ITEMS FOR BOARD ACTION

Consideration and Possible Ratification of Earlier Board Actions

Chair Landon discussed the Supreme Court decision on the six Regents whose terms expired on June 30, 2008, but were continuing as “holdover” Regents beyond June 30, 2008, pursuant to the Governor’s request. The Court’s decision is that those Regents’ terms should have ended on June 30, 2008. Under this ruling, the Board, therefore, did not have its full complement of 15 Regents. Under the transition provision of Act 56 (see section 4), the number of Regents needed to constitute a quorum to conduct business is 7, and the concurrence of 7 is required to validate any action. When the Board achieves its full complement of 15 Regents, the quorum and majority increase to 8.

Consequently, all agenda items since July 1, 2008 that were approved by less than 7 of the 9 Regents whose terms have not expired are subject to reconsideration. Reconsideration may include ratification, rejection, or deferral.

Chair Landon reviewed the specific prior Board decisions that require reconsideration. The first item was election of Board Chair and Vice Chair in August 2008. With respect to the election for Vice Chair, the votes pursuant to written ballot were recorded, but the identity of the Regents voting was not required. Therefore, it is not possible to determine if 7 of the 9 Regents voted in favor of Vice Chair Karr. With respect to the vote for Chair, Chair Landon recused himself, leaving only 6 non-holdover Regents voting by acclamation to seat Regent Landon as Chair.

Regent Migita moved to ratify the election of Allan Landon as Chair and Howard Karr as Vice Chair, seconded by Regent Haynes. By unanimous vote, the election of these Board officers was ratified.

The September 19, 2008, meeting included one item that required reconsideration: the expansion of construction and financing of the Biomedical Sciences Building. At that meeting, several of the sitting Regents involved in banking recused themselves from voting on this item, because the Administration was exploring the possibility of bank financing. Since that September meeting, the proposed funding for that project changed to public revenue bond financing, rather than private bank financing. There being no grounds for recusal due to conflict of interest, all Regents are now able to vote on this item.

Upon motion by Regent Haynes and second by Regent Tajiri, the approval to expand the scope of work for construction and financing of the Biomedical Sciences Building was unanimously ratified.

The October 23, 2008, meeting was attended by only 6 of the 9 mid-term Regents. To address a potential challenge to quorum, all agenda items required reconsideration. These were:

2. Approval of Regents’ Medal of Distinction to Winona Beamer.
3. Approval of the Establishment of the Accuity, LLP Accounting Faculty Fellowship Endowment, Shidler College of Business.
4. Approval of the Establishment of the Barbara Cox Anthony Chair in Aging.
5. Approval to Extend the Consulting Contract of The Implementation Group.
6. Approval of the UH Operating Budget.

Regents Karr, Migita and Carlson were not present at the October 23rd meeting, but all stated that they had reviewed all agenda items and the supporting materials and would support the approvals.

Upon omnibus motion by Regent Tajiri and second by Vice Chair Karr, the approvals of all agenda items of the October 23, 2008 meeting were unanimously ratified.

It was also noted that the amendments to the U.S. – China Center lease, approved by 7 of the 9 mid-term Regents at the November 2008 meeting at Kaua’i Community College, did not need reconsideration.

Approval of Awarding of Honorary Degree to Princess Abigail Kinoiki Kekaulike Kawānanakoa

UH West O’ahu Chancellor Gene Awakuni requested approval of the awarding of an honorary degree to Princess Abigail Kinoiki Kekaulike Kawānanakoa. He added that the original request did not include the information that Princess Kawānanakoa was a member of the Board of Trustees of Campbell Estate which conveyed 200 acres of land to the University for the new UH West O’ahu campus.

President McClain reported that he supports the Chancellor’s request as does the Council of Chancellors.

Board Secretary Pang informed the Regents that the Board office received 7 written testimonies from the following persons, all in support of the awarding of the honorary degree to Princess Abigail Kinoiki Kekaulike Kawānanakoa: Arthur A. Ushijima, President, The Queen’s Medical Center; 24 members of the Hawai‘i State Senate; Richard P. Bettini, CEO of the Waianae Coast Comprehensive Health Center; Kippen de Alba Chu, Executive Director of Iolani Palace; Robert Alm; Timothy E. Johns, President and CEO of Bishop Museum; and Sherry P. Broder, Esq. and Jon M. Van Dyke, Esq.

Chair Landon added that both U.S. Senators were in favor of this award.

Upon motion by Regent Tajiri and second by Regent Karr, the awarding of the Regents’ Medal of Distinction to Princess Abigail Kinoiki Kekaulike Kawānanakoa was unanimously approved.
**Engagement of Consultant to Assist in Presidential Selection**

Chair Landon informed the Board that Kitty Lagareta has stepped down from the UH Advisory Presidential Selection Committee and will be replaced by Regent Carl Carlson.

Chair Landon reported that he received requests from HGEA and the Student Caucus for greater representation on the Committee. He explained that the Committee is not constituent-based but is composed of citizens who are concerned for the University as a whole. Any person can share his/her views with the Advisory Committee. The Chair also noted that all Committee meetings are open to the public, and comments are welcomed and accepted.

Chair Landon requested Donna Tanoue, Chair of the UH Presidential Selection Advisory Committee to update the Board on the status of the engagement of a search consultant.

Ms. Tanoue reported that the Committee has met 4 times in public meetings. It reviewed the firm resumés of 14 search firms, requested written proposals from 5, and conducted interviews with 3: Storbeck-Pimentel & Associates; Isaacson Miller; and Witt/Kieffer. The Committee evaluated the prospective consulting firms’ experience in system searches at the presidential and chancellor levels, the experience of the individuals who would be assigned to the UH search, and the firm’s expenses.

The Committee was impressed with the firm of Storbeck-Pimentel & Associates. This firm has conducted about a third of their searches at the presidential level. They have experience with public university systems (Colorado, Minnesota, Missouri, Nevada State, University of California), major research universities (UCLA, UC Berkeley, UC Davis, UC San Diego, U Michigan), and experience at the top executive levels at land-grant institutions (in the West: California, Oregon, Washington, Idaho, Nevada) and others across the country.

The firm’s personnel who would be directly involved in the search are managing partners Alberto Pimentel and Shelly Storbeck, partner Sharon Tanabe, and principal Susan Van Gilder.

Storbeck is willing to cap its fee at $100,000, rather than the usual one-third of the president’s first year salary. Direct and indirect costs will also be charged.

Upon motion by Regent Migita and second by Regent Haynes, the Regents unanimously approved retaining the firm of Storbeck/Pimentel & Associates to assist in the search and selection of the next UH President.

Ms. Tanoue reported that a committee headed by Vice President John Morton has drafted a list of credentials and experience sought in the new President. Vice President Morton will begin soliciting input and feedback from key constituent groups such as the student caucus and faculty senates. Chair Landon requested the Board to review the draft document and provide comments to Ms. Tanoue or the Regents serving on the Committee, as necessary.
The search firms advised Ms. Tanoue that the pace and timing for the search is dependent on the breadth and depth of the qualified pool of candidates. The hiring target date is July 2009, but if that pool is not satisfactory, the timetable should be extended to solicit more applicants.

Ms. Tanoue discussed presidential compensation, reporting that all of the search firms interviewed for the contract recommended getting guidance from the Board as to compensation and publicizing that range early in the process to create the broadest pool of qualified candidates. It was recommended that for the University to be competitive, a range between $450,000 to $550,000 was workable. Ms. Tanoue said that a survey by the Chronicle of Higher Education indicates that the UH falls in the lower tiers of compensation. A majority of the Regents believed that the search process should use a salary range rather than a single target number during the search and selection process.

Upon motion by Regent Baxa and second by Regent Haynes, a preliminary range of $450,000 - $550,000 was unanimously approved as the salary range for presidential compensation.

Chair Landon commented that the executive’s job has become more complex, leading to higher compensation. This has resulted in increased public scrutiny of high executive compensation in higher education. The Board will be mindful to be prudent in its use of public monies in the hiring of the chief executive.

Chair Landon thanked Ms. Tanoue and her Committee for its work.

With respect to housing for the President, Chair Landon informed the Board that he has discussed repairs to College Hill with President McClain. As President McClain reaches the end of his term, this is a good opportunity to repair College Hill for the incoming President. Chair Landon will authorize President McClain to initiate the repairs which are estimated to cost $700,000 and may include structural work to address safety risks. The repairs are quite extensive and will require the President and his family to vacate College Hill some time during the spring semester.

IV. ANNOUNCEMENTS

Chair Landon announced that the meeting scheduled for January 9, 2009, has been deferred. The next meeting is tentatively scheduled for February 20, 2009, unless a special meeting is called before that date.
V. ADJOURNMENT

Upon motion by Vice Chair Karr, second by Regent Tajiri and unanimous approval, the meeting was adjourned at 3:00 p.m.

Respectfully Submitted,

[Signature]

Presley W. Pang, Esq.

Interim Executive Administrator
and Secretary of the Board