

Notice of Meeting

UNIVERSITY OF HAWAI'I

**BOARD OF REGENTS COMMITTEE ON PERSONNEL AFFAIRS & BOARD
GOVERNANCE**

Members: Regent Randy Moore (Chair), Regent Eugene Bal (Vice-Chair), and Regents
Doctor Sparks, McEnerney, Portnoy, Wilson, and Yuen

Date: Wednesday, November 1, 2017

Time: 2:00 p.m.

Place: University of Hawai'i at Mānoa
Information Technology Building
1st Floor Conference Room 105A/B
2520 Correa Road
Honolulu, Hawai'i 96822

AGENDA

I. Call Meeting to Order

II. Approval of Minutes of September 7, 2017 Meeting

III. Public Comment Period for Agenda Items: All written testimony on agenda items received after posting of this agenda and up to 24 hours in advance of the meeting will be distributed to the board. Late testimony on agenda items will be distributed to the board within 24 hours of receipt. Written testimony may be submitted via US mail, email at bor@hawaii.edu, or facsimile at 956-5156. Individuals submitting written testimony are not automatically signed up for oral testimony. Registration for oral testimony on agenda items will be provided at the meeting location 15 minutes prior to the meeting and closed once the meeting begins. Oral testimony is limited to three (3) minutes. All written testimony submitted are public documents. Therefore, any testimony that is submitted verbally or in writing, electronically or in person, for use in the public meeting process is public information.

IV. Agenda Items

A. For Information & Discussion

1. Report to the Board of Regents on Guidelines Used for Executive Managerial Salary Adjustments
2. Board of Regents Policy Reviews (Chapters 1 to 4)
3. Review of Association of Governing Board publication entitled, "Consequential Boards – Adding Value Where It Matters Most"
4. Governance Matters from Board Retreat

V. Adjournment



UNIVERSITY
of HAWAII
SYSTEM

UNIVERSITY OF HAWAII
BOARD OF REGENTS

17 OCT 26 AM 55

October 23, 2017

18549

David Lassner
President

RECEIVED

MEMORANDUM

'17 OCT 22 PM 58

TO: Jan Naoe Sullivan
Chair, Board of Regents

UNIVERSITY OF HAWAII
PRESIDENT'S OFFICE

FROM: David Lassner
President

SUBJECT: REPORT TO THE BOARD OF REGENTS ON GUIDELINES USED FOR
EXECUTIVE AND MANAGERIAL SALARY ADJUSTMENTS

SUMMARY OF REPORT:

Act 002, 2017 Special Session Laws of Hawai'i, *Relating to Public Employment*, appropriated approximately \$800,000 for salary increases and other cost adjustments for state officers and employees associated with but excluded from collective bargaining unit 7 (i.e., Executive and Managerial (EM) personnel). In accordance with Regents Policy 9.212, and as more fully described below, this memorandum sets forth the guidelines used by the President to distribute this appropriation to eligible EMs through a combination of adjustments to the base salary and a one-time payment. Any adjustments to EM salaries that are fully or partially paid by non-general funds will continue to be paid with non-general funds.

RECOMMENDED EFFECTIVE DATE:

Effective January 1, 2018.

APPLICABLE REGENTS POLICY:

Regents Policy 9.212, Executive and Managerial Personnel Policies, provides:

F. Salary Adjustments

1. To ensure that EM salaries are competitive, salary adjustments may be granted based on merit, subject to the availability of Board-authorized funds for salary adjustments.

2444 Dole Street, Bachman Hall
Honolulu, Hawai'i 96822
Telephone: (808) 956-8207
Fax: (808) 956-5286

An Equal Opportunity/Affirmative Action Institution

2. The Board shall establish guidelines and approve salary adjustments for positions reporting directly to the Board. The President shall establish guidelines and approve salary adjustments for all other positions, an authority which shall not be further delegated. The President shall report to the Board on guidelines used for salary adjustments for positions under the President's delegated authority.

DISCUSSION

All EMs are subject to an annual evaluation by their supervisor that takes into consideration the following:

- Self-Assessment that identifies accomplishments and progress in previously agreed upon goals and objectives that align with the department's and University's strategic initiatives.
- A 360-Degree Survey anonymously completed by subordinates, peers and constituents that numerically rate EMs on a scale of 1 – 7 in the following areas: Leadership, Relations with Others, Planning, Decision Making, Problem Solving, Communication, Organizational Abilities, and EEO/AA, Work Environment, and Student Success
- An evaluation completed by the EM's supervisor that reviews accomplishments and advancement in previously agreed upon goals and objectives that align with the department's and University's strategic initiatives. In particular, the EM shall be evaluated against the following criteria:
 - Quality: Achieves goals reflecting a high standard and degree of excellence. This criterion is characterized by successful completion of identified projects, programs, goals and objectives in a manner, which exemplifies success, creativity, innovation, leadership, organizational abilities, problem solving, judgment and planning.
 - Quantity: Achieves high volume of completed projects, programs, goals and objectives that have a positive impact on the institution that is in alignment with overall strategic initiatives.
 - Planning and Timeliness: Plans and prioritizes initiatives in support of organization goals to meet objectives and deadlines.
 - Resource management: Manages the organization's resources, including all financial, technological, human and material resources, in an efficient and effective way to maximize results. Exercises accountability, transparency and effectiveness in resource management and use.

- Interpersonal impact: Promotes collegiality, cooperation, consideration and goodwill amongst colleagues, peers, subordinates and critical constituents in a positive work environment. Understands and fosters effective working relationships with internal and external constituencies. Supports, mentors and develops subordinate faculty and staff.
- Decision-making: Understands the impact of a decision by soliciting feedback and gathering information to provide timely direction in the achievement of goals and objectives.
- Equal opportunity/affirmative action/gender equality: Demonstrates commitment to the University's goals of diversity, equity, equal opportunity, and affirmative action.

Final ratings are then completed by the supervisor for EMs as follows:

- Does Not Meet Expectations: Performance failed to meet expectations in essential areas of responsibility and/or the most critical agreed upon goals were not met.
- Meets Expectations: Performance consistently met expectations in all essential areas of responsibility and the quality of overall work was very good. The most critical annual agreed upon goals were met.
- Exceeds Expectations: Performance consistently exceeded expectations in all essential areas of responsibility and the quality of overall work was excellent. Annual agreed upon goals and objectives were met.
- Exceptional: Performance far exceeded expectations due to exceptionally high quality of work performed in all essential areas of responsibility and either:
 - Included the completion of a major goal or project; or
 - Made an exceptional or unique contribution in support of agreed upon unit, department or University objectives.

This rating is achievable by any employee though given infrequently.

GUIDELINES

Effective as of January 1, 2018, the President recommends a salary adjustment for those EMs who were in the position as of October 1, 2016, through a methodology based on performance during the period April 1, 2016 – March 31, 2017 as follows:

- "Meets Expectations" Rating = \$2,400 adjustment to base salary
- "Exceeds Expectations" Rating = \$2,400 adjustment to base salary and a one-time payment of 2% of base salary
- "Exceptional" Rating = \$2,400 adjustment to base salary and a one-time payment of 3% of base salary

In summary, there are a total of *approximately* 174 out of 198 current EMs that are eligible for receiving an adjustment in one or more groups; however, because the effective date of the adjustment is January 1, 2018, this number may decrease depending on separations that occur before then.

OTHER COMPARABLES:

For the similar period in question, all HGEA UNIT 08 employees (i.e., Administrative, Professional, Technical or "APT") received an across the board increase of approximately 3.2% to the base salary during FY 2018 and 3.45% during FY2019.

Additionally, all UHPA UNIT 07 employees received an across the board increase of 2.13% plus \$500 to the base salary in FY 2018 and 2.82% plus \$500 to the base salary during FY 2019.

In addition to faculty and APT increases, the following salary survey information is provided for reference purposes for both the local and higher education markets.

- *Hawai'i executive data.* Hawai'i Employers Council reported in its 2017 Salary Adjustment Survey that the median actual increase for Hawai'i executives for the period July 2016 to June 2017 was 3%, which is the same as the national median reported. For the period July 2017 to June 2018, the projected median reported for Hawai'i executives is 2.5%, with the national median projected to be 3%. The actual pay adjustments reported for the previous three years were 3% (2014), 3% (2015), and 3% (2016).
- *Higher education institutions.* The CUPA-HR Administrators in Higher Education Salary Survey for the 2016-17 academic year reported that the median salary increase for public institutions was 2.7%. The median salary increases for public institutions for the past three years were 2.5% (2014), 2.5% (2015), and 2% (2016). The 2016-17 survey was completed by 1,125 higher education institutions, where 49% were public institutions.

CONCLUSION

In accordance with Regents Policy 9.212, this concludes the report of the President on the guidelines used for salary adjustments for eligible EMs.

MINUTES

BOARD OF REGENTS COMMITTEE ON PERSONNEL AFFAIRS & BOARD GOVERNANCE MEETING

NOVEMBER 1, 2017

I. CALL TO ORDER

Committee Chair Randy Moore called the meeting to order at 2:06 p.m. on Wednesday, November 1, 2017, 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 Randy Moore; Committee Vice Chair Eugene Bal; Regent Norma Doctor Sparks; Regent Michael McEnerney; Regent Ernest Wilson Jr.

Committee members excused: Regent Jeffrey Portnoy; Regent Stanford Yuen

Others in attendance: Regent Simeon Acoba; Regent Brandon Marc Higa; Regent Wayne Higaki; Regent Lee Putnam; Regent Douglas Shinsato; (ex officio committee members); President/Interim UH-Mānoa (UHM) Chancellor David Lassner; Vice President for Administration Jan Gouveia; Vice President for Community Colleges John Morton; Vice President for Legal Affairs/University General Counsel Carrie Okinaga; Vice President for Academic Planning & Policy Donald Straney; Executive Assistant to the Board of Regents Melissa Matsuura; and others as noted.

II. APPROVAL OF MINUTES OF THE SEPTEMBER 7, 2017 MEETING

Regent Wilson moved to approve the minutes of the September 7, 2017 meeting, seconded by Committee Vice Chair Bal and the motion carried unanimously.

III. PUBLIC COMMENT PERIOD

Executive Assistant to the Board Melissa Matsuura announced that the Board Office received no written testimony, and no individuals had signed up to give oral testimony.

Regent McEnerney arrived at 2:10 p.m.

IV. AGENDA ITEMS

A. For Information & Discussion

1. Report to the Board of Regents on Guidelines Used for Executive Managerial Salary Adjustments

The committee clarified that the guidelines are being presented for information only as required under Regents Policy 9.212, Executive & Managerial Personnel Policies, no

board approval or action is required. The only salaries the board approves are the president and his direct reports, which will be done at a future meeting.

VP Gouveia reported on the methodology applied by the president for Executive & Managerial (EM) salary adjustments. The methodology is based on performance ratings as outlined in the action memo, and can be a combination of an adjustment to base salary and/or one-time payments. To be eligible for an adjustment, EM employees must be in their positions as of October 1, 2016, and any adjustment would go into effect January 1, 2018. EM employees not in their position as of the effective date or who do not meet expectations will not be eligible to receive a salary adjustment. Currently 175 of the approximately 198 EM employees are eligible to participate in salary adjustments, which may decrease depending on separations that occur before then. This is the first time salary adjustments in the form of a one-time payment are being offered, which is primarily in response to regent requests for a more diversified method of applying EM salary adjustments. As required by Section 89C-4, Hawai'i Revised Statutes, a list of all EM salary adjustments will be posted with a future agenda. The funds for these salary adjustments were appropriated by the Legislature.

2. Board of Regents Policy Reviews (Chapters 1 to 4)

Committee Chair Moore noted that the board is required to review Regents Policies regularly, and the Personnel Affairs & Board Governance Committee is responsible for ensuring that happens. Chapters 1 to 4 were scheduled for review during the 2017-2018 Academic Year, and VP Morton is leading the effort.

VP Morton explained that the 28 policies in Chapters 1 to 4 were assessed and placed into one of four categories: (1) policy should remain unchanged; (2) policy should be modified for editorial clarity or consistency with the previous board actions or policy changes not accurately reflected in the policy; (3) policy should undergo a substantive review and modification; (4) policy should be repealed. Recommended actions were contained in the action memo and the policy review summary. Only six or seven policies are being recommended for substantive review, and one new policy is being suggested.

Discussions held regarding the consultation process. VP Morton explained that policies impacting employee working conditions will require consultation before the policy can be adopted. Other policies will not require formal consultation. Proposed policy revisions will come before the appropriate board committee(s).

The committee commended the administration for the thoroughness of the process and procedure.

3. Review of Association of Governing Board publication entitled, "Consequential Boards – Adding Value Where It Matters Most"

The committee reviewed the Association of Governing Board (AGB) publication, "Consequential Boards – Adding Value Where It Matters Most." The next step is to prepare a matrix of the AGB's best practices for consequential governance adding value with where the board is currently, and see if there are any practices the board wants to change as a result.

Discussions held regarding the underlying definition of what shared governance means. Shared governance for a single campus board is different from a system board. It would be useful to have a commonly understood meaning of shared governance and governance elements, so the committee has a way to discuss how to engage others to come up with these. It was noted that AGB recently came out with a publication entitled "Consequential Board Governance in public Higher Education Systems" that might provide a basis for the conversation, and will be circulated to the committee. There were no objections to Committee Chair Moore proceeding with developing the matrix.

4. Governance Matters from Board Retreat

This item was a placeholder to discuss any governance matters that arose from the October 31, 2017 board retreat. The self-assessment survey and responses discussed at the board retreat indicated the regents were generally satisfied with what was being done. No further comments were raised.

V. ADJOURNMENT

There being no further business, Committee Vice Chair Bal moved to adjourn, and Regent McEnerney seconded, and with unanimous approval, the meeting was adjourned at 2:36 p.m.

Respectfully Submitted,

/S/

Melissa Matsuura
Executive Assistant
to the Board of Regents