

House of Representatives
Committee on Higher Education
January 29, 2008
2:40 p.m.

LATE TESTIMONY

H.B. No. 2583 Relating to Government Operations

On behalf of the University of Hawaii Professional Assembly, our union representing the 3,300 faculty members of the UH System supports the passage of this bill. The changes proposed in this legislation will allow meaningful public comment on proposed salaries and salary increases for excluded managerial and executive administrators in the UH System. Under the Board of Regent's current interpretation of the Uniform Information Practices Act, the public is caught in a classic "catch-22" where they may not know the salary proposal until after the action is taken, at which time any public comment would have no impact on the decision.

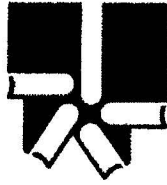
In the last five years, the salaries paid to UH administrators have gone up astronomically. This began with the salary paid to then President Dobelle that was two and half times more than that being paid to President Mortimer. President Dobelle then proceeded to make additional new administrative hires at salary levels that were unprecedented in the history of the University of Hawaii, and also increased the salaries of continuing executive administrators commensurate with these new salaries. Internal Regents' policy tied managerial and executive salary levels to position title descriptions in such studies as those produced by the College and University Personnel Association (CUPA—see www.cupahr.org/surveys/salarysurveysinfo.html.) Even as one could debate the relationship of these titles and salaries to the duties of specific administrative positions in the UH System, executive administrators have been hired, and received special salary increases, beyond the CUPA benchmarks.

These salaries and salary increases continue to be approved by the Regents, and they do appear as action items on the Regents' Meeting Agenda, but there's a catch. Under the "Sunshine Law" (HRS Chapter 92, Part I) the Regents can go into executive session to consider "personal decisions" that specifically deal with hiring, evaluation, dismissal, or discipline. Establishing salaries, however, is not listed. The Regents have determined that when they discuss any administrative salary or recommended salary increase, the provisions allowing an executive session apply. Action on setting the salary is then taken

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in executive session and never substantively reported on the record. HRS Chapter 92 provides that both the individual salaries of faculty members in bargaining unit 7 and the salaries of excluded administrators employed by the University of Hawaii are subject to public disclosure by name. These are the only public employees subject to such personal disclosure of salaries. Still, when the public is informed, through the agenda of the Regents, that an administrative salary will be considered, the amount of the increase or the salary amount is not disclosed. These are the highest paid public employees in the State of Hawaii, yet the public cannot comment on the appropriateness or impact of these salaries on the programs of the University since they are not disclosed. After the Regents have taken action, and approved the salaries, the public can then request disclosure of the salary that was approved, but at that point have no venue to provide testimony to influence the decision.

Considering the importance of these decisions with respect to the University of Hawaii and the State of Hawaii, we do not believe that it is unreasonable for the Regents' agenda to state the amount of salary proposed for an excluded administrator **prior to action by the Regents** to approve the salary. The ultimate decision on setting administrative salaries still rests with the Regents. Generally, the Regents discuss administrative salary requests in the meeting prior to them being scheduled for formal decision-making. It does not seem unreasonable for the Regents to then disclose to the public those salaries on the agenda for the meeting when they will be formally accepted. The decision will still be in executive session.

In the private sector, a different set of standards can be applied to the disclosure of salary data. In the public sector, salaries can be considered separately from hiring decisions and discharge related matters that require strict confidentiality. If this were not the case, the Legislature would not have approved public disclosure of salaries, exclusively, for the faculty and administrators of the University of Hawaii.

Respectfully submitted,

for 
J. N. Musto, Ph.D.
Executive Director

UNIVERSITY OF HAWAI‘I SYSTEM LEGISLATIVE TESTIMONY



LATE TESTIMONY

HB 2444 – MAKING AN APPROPRIATION FOR THE UNIVERSITY OF HAWAII

Testimony Presented Before the
House Committee on Higher Education and
House Committee on Education

January 29, 2008 at 2:40pm

by
Virginia S. Hinshaw
Chancellor
University of Hawai'i at Mānoa

Testimony Presented Before the
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LATE TESTIMONY

HB 2444: Making an Appropriation for the University of Hawai'i

Chairs Chang and Takumi, Vice Chairs Bertram and Berg, and Members of the Committees:

Thank you for this opportunity. The University cannot support this bill because of our pressing priorities, such as R&M and health and safety issues, which are critical to our ability to perform our core mission.

We appreciate that this might be an important priority for the state, so we wanted to provide the following information to assist you in your decision-making.

HB 2444 describes the intended functions of the Office of School Redesign (OSR), which is currently housed in the College of Education. Initiated in 2003 as a joint effort of the College of Education and the DOE, OSR has been funded through June 2008 by the DOE through a Memorandum of Agreement with the UH as an office outside the Department of Education that serves as a catalyst for rethinking how high schools can be organized and operated to instill relationships, relevance, and rigor.

Hawai'i's high schools average among the nation's second largest. As Dr. Mary Anne Raywid has documented, the evidence is now extensive that small schools have major benefits over large ones, including: higher attendance and graduation rates; higher levels of academic achievement; fewer students dropping out; a stronger sense of connectedness on the part of students and higher levels of participation in extracurricular activities; greater parent involvement; and better student behavior and fewer disciplinary incidents. Further, students from minority and low-income families are particularly handicapped by large schools and benefitted by small ones.

With meager funding of about \$75,000 per year, the OSR initiated and supported school efforts to redesign our very large high schools into smaller learning communities. Working with 12 schools, OSR has convened regularly scheduled Professional Learning Teams of school administrators to collaborate on school redesign and best practices; in collaboration with administrators statewide OSR completed a Principals' Compact establishing goals and agreed upon principles for school redesign; and OSR convened statewide student conferences resulting in the High School Student Compact describing what the primary stakeholders, students, want their schools to become.

With the changes in funding allocations within the DOE to weighted student formula, the funding stream for OSR is in jeopardy, as the DOE will no longer have discretionary funds at the state level to maintain such efforts. The College of Education does not have the funds to support OSR. Funding support would provide stability for OSR, further the partnership with the DOE, and provide external resources and support at a time when our public schools are struggling to reinvent themselves.

Thank you for the opportunity to testify today.

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TESTIMONY STRONGLY SUPPORTING H.B. 2583
AND URGING TWO PROVISIONS TO STRENGTHEN IT
PRESENTED TO THE HOUSE HIGHER EDUCATION COMMITTEE
BY BEVERLY ANN DEEPE KEEVER, PH.D.
JANUARY 29, 2008, CAPITOL ROOM 309

Chairman Chang, thank you for being among the House members to introduce this important bill. And thank you Committee members for hearing it so easily expeditiously.

I strongly support this bill, as a member of the public and as a journalism professor at the University of Hawaii voicing my own professional opinion. Moreover, I urge you to strengthen the bill in two ways, which I'll detail below.

The bill is especially timely during the Centennial of the University of Hawaii:

- when it is seeking so much money and support from the public,
- when students are in the second year of paying the biggest tuition rate increase in the University's history,
- when the effects of its lack of top executive leadership and lack of accountability have been so glaringly spotlighted by the national as well as local news media and the State Auditor (see Reports No. 07-08, 07-03, 05-15, 04-13, 04-8), and
- when it is hiring more administrators and paying them as well the head football coach exorbitant sums without giving taxpayers and students the opportunity to comment.

BILL MAKES POSSIBLE INFORMED PUBLIC PARTICIPATION

As a way to encourage public information and participation and to restore public trust in government, H.B. 2583 is vitally important for two reasons:

- it provides an essential way for the Legislature to stop the Board of Regents from shutting the public out of how and why it makes its decisions and policies, and
- it requires for the first time that the public to be given six-day notice in a public meeting and

the opportunity to comment on the ranges of salaries being offered to persons under consideration for head athletic coaching and top executive positions—which are becoming more numerous.

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BILL SHOULD BAR SECRET DONORS & SECRET "GOLDEN PARACHUTES"

However, I urge the Committee to strengthen Section 2 of the Bill by adding two provisions stating:

- that none of the compensation offered to persons under consideration—and those currently on the payroll—be paid by monies from secret donors or sources; the precedent of 25 percent of June Jones' \$800,000 salary being paid by secret donors should be barred by the Legislature from being repeated because secrecy so breeds suspicion and distrust in government—and in athletics too, and
- that the "golden parachute" compensation being paid to top executives as they leave UH service also be disclosed to the public so that they may comment on it in a public meeting for which they have been given six-day notice.

BOARD OF REGENTS ABUSES "DELIBERTIVE PROCESS PRIVILEGE"

The Board of Regents has violated the spirit of Hawaii's Sunshine Law by abusing the deliberative process privilege to withhold from the public documents and reports it has placed on its public-meetings agenda.

Even more frustrating, Board members then discuss in the open meeting the secret documents among themselves and with top University of Hawaii officials.

For example, last August just as the fall semester began, the Board of Regents provided proper notice and held its public meeting on University of Hawaii budget documents—but then kept much of the information secret by refusing to disclose the documents.

The secret documents contained a breakdown of proposals in UH's \$389 million supplemental budget requests for construction and operating funds that wound its way to the governor and then to this session of the Legislature.

"We're not talking about national security secrets here," J.N. Musto, executive director of the University of Hawaii Professional Assembly (the faculty union), was quoted in the *Honolulu Star-Bulletin* as telling the Regents during this meeting.

The *Star-Bulletin* said Musto asked how the public could let Regents know what they think about the budget proposal if they cannot see the details of what is in it.

Musto said UHPA might sue. The Manoa Faculty Senate passed a resolution urging the Board to adhere to the spirit and letter of Hawaii's Sunshine Law. The *Star-Bulletin* editorialized that the Regents had turned an informational briefing "into a riddle" by concealing budget documents while commenting on them in an open meeting.

I have sent you separately links to the *Star-Bulletin* news story and editorial and to an article I wrote on secret donors to June Jones' contract and published in the *Honolulu Advertiser* and on www.HawaiiReporter.com.

Thank you for considering this testimony sent by e-mail to HEDtestimony@capitol.hawaii.gov.

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