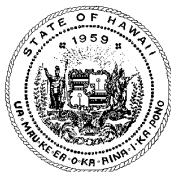


SB2620

University of Hawaii Board
of Regents; Abolishes
Candidate Advisory Council
EDU, WAM



EXECUTIVE CHAMBERS
HONOLULU

NEIL ABERCROMBIE
GOVERNOR

Wednesday, February 8, 2012, 1:15 PM
State Capitol Room 225

Testimony of
NEIL ABERCROMBIE
Governor, State of Hawaii

To the Senate Education Committee
Senator Jill Tokuda, Chair
Senator Michelle Kidani, Vice Chair

SB 2620 - Relating to the University of Hawaii

Chair Tokuda, Vice Chair Kidani, and members of the Committee:

Thank you for the opportunity to provide comments on SB 2620. The bill repeals Section 304A-104.5, HRS, abolishing the Regents Candidate Advisory Council for the Board of Regents of the University of Hawaii.

I support the intent of SB 2620 in providing the Governor more authority to appoint Regents for the University of Hawaii.

However, a candidate advisory council was established by 2006 constitutional amendment that required the Governor to appoint Regents from "pools of qualified candidates presented to the Governor by the candidate advisory council for the Board of Regents of the University of Hawaii, as provided by law." Subsequently, Section 304A-104.5, HRS established RCAC in an enabling statute in 2007, and the statute was then amended in 2008, 2010 and 2011.

Thus, the action proposed by SB 2620 should be accompanied by a proposal for a constitutional amendment, such as provided by SB 2004, or should provide for an alternative to RCAC as described in HRS 304A-104.5, such as SB 2546.

Thank you for your consideration.

Regent Candidate Advisory Council
University of Hawaii

THE HONORABLE JILL N. TOKUDA, CHAIR
Senate Committee on Higher Education
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawai' i

February 6, 2012

LEGISLATIVE TESTIMONY IN OPPOSITION TO
S. B. 2620
RELATING TO THE BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII

Hearing Date:
February 8, 2012, 1:15 pm Conference Room 225

Submitted by:
OFFICERS OF THE REGENT CANDIDATE ADVISORY COUNCIL
UNIVERSITY OF HAWAII

Chair Tokuda, Vice Chair Kidani, and members of the Senate Committee on Higher Education:

The Officers of the Regent Candidate Advisory Council of the University of Hawaii submit testimony in opposition to S. B. 2620.

We call to the committee's attention language in your own Standing Committee Report #317, dated February 14, 2007, which called for the creation of the Regent Candidate Advisory Council (RCAC) after the Hawaii Board of Regents Candidates Act, a 2006 legislatively referred constitutional amendment regarding the selection process for the Board of Regents of the University of Hawaii which was overwhelmingly supported by Hawaii voters.

The Committee Report specifically stated that the creation of the RCAC was ***"the Senate's efforts to address the concerns raised by Hawaii's voters, through their approval of a constitutional amendment regarding the composition of the Board of Regents of the University of Hawaii and other related provisions of the law. Through this measure, the Senate endeavors to ensure that the law reflects the spirit of the constitutional amendment that was approved by the people of Hawaii. The public has called for change, and we must see to it that the change is real, meaningful, and productive."***

This proposed legislation repeals the RCAC. Such proposed legislation goes against the clear mandate Hawaii's voters overwhelmingly approved in 2006. It is an abrupt and total change in the position this committee and the 2007 Legislature took when it passed legislation to create the RCAC. The Legislature also went through the extraordinary effort to override Governor Lingle's veto and her objections over the establishment of the RCAC. Her administration bills, S.B. 1517 and H.B. 1431, proposed to place the appointing control of the RCAC under the control of the governor failed. The 2007 Legislature fully concurred with the Senate Higher Education Committee that ***"the Governor should not be solely responsible for appointing a separate body that qualifies and presents candidates for appointment to the Board of Regents."***

Approximately six years have lapsed since the passage of the constitutional amendment and the creation of the RCAC. All 15 members currently serving on the UH Board of Regents were selected by the Governor from lists provided by the RCAC. To the best of the Council's knowledge, we believe all members of the Board or Regents selected under the RCAC process have served or are serving with honor and distinction.

We know of no issue that adversely hampers the work of the Council and do not recall receiving any communication from either the Executive or Legislative Branch that adversely questioned or identified any RCAC process that adversely affected the final selection of appointees during the Senate confirmation process.

For these reasons, we strongly urge the Committee to table this bill.

Karl Fujii, Chair
Neil Bellinger, Vice-Chair
L. Thomas Ramsey, Secretary
Regents Candidate Advisory Council
University of Hawaii
808.692.1218
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**Association of Emeritus Regents
University of Hawaii**

THE HONORABLE JILL N. TOKUDA, CHAIR
Senate Committee on Higher Education
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawai' i

February 7, 2012

LEGISLATIVE TESTIMONY IN OPPOSITION TO
S. B. 2004, S. B. 2005, S. B. 2620, and S. B. 2546
RELATING TO THE BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII
February 8, 2012, 1:15 pm Conference Room 225

Submitted by:
THE OFFICERS OF THE ASSOCIATION OF EMERITUS REGENTS
UNIVERSITY OF HAWAII

Chair Tokuda, Vice Chair Kidani, and members of the Senate Committee on Higher Education:

The Association of Emeritus Regents is comprised of former regents of the University of Hawaii. The purpose of the Association is to be a resource of knowledge, support, and counsel for the Board of Regents and the University of Hawaii. Stanley Mukai and Roy Takeyama are officers of the Association and submit testimony in opposition to S.B.2004, S.B.2005, S. B. 2620, and S.B. 2546 These bills proposed to abolish or adversely amend the intent and autonomous operations of the Regent Candidate Advisory Council (RCAC).

Approximately six years have lapsed since the passage of the constitutional amendment and the creation of the RCAC. All 15 members currently serving on the UH Board of Regents were selected by the Governor from lists provided by the RCAC. To the best of our knowledge, we believe all members of the Board or Regents selected under the RCAC process have served or are serving with honor and distinction.

As former university regents and board chairs, without doubt, the RCAC selection process is much more rigorous and comprehensive than previously screening processes used; all of which we believe is for the better.

Legislative Testimony

In Opposition of S. B. 2004, S. B. 2005, S. B. 2620, and S. B. 2546

February 7, 2012

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Since members of our Association have served or are serving on the RCAC since its inception, we know firsthand that the Council's selection process is completely transparent. The compilation of candidate regents lists occur only after the RCAC completes its comprehensive review and selection process. Their processes are solely and exclusively merit-based.

We also know firsthand that triggering the need for a list of regent candidates, as well as the submittal of the Council's candidate lists strictly follow prescribed processes and procedures set forth in either state statutes or the Council's administrative rules.

Rest assured that the RCAC continues to actively solicit our Association and other University stakeholders for input on identifying potential regent candidates and well as what complementing skills we believe could further strengthen board governance and synergy giving our Associations knowledge of ongoing challenges at the University.

For these reasons, we strongly urge the committee hold these bills in committee.

Stanley Mukai, Chair

808.529-7483

Roy Takeyama, Secretary

808.526-2416

Emeritus Regents Association

University of Hawaii

emertiusregentsassociation@gmail.com

TESTIMONY OF HOWARD H. KARR
SENATE COMMITTEE ON EDUCATION
THE TWENTY-SIXTH LEGISLATURE
REGULAR SESSION OF 2012
WEDNESDAY, FEBRUARY 8, 2012
1:15 P.M.
CONFERENCE ROOM 225
STATE CAPITOL
415 SOUTH BERETANIA STREET
HONOLULU, HI 96813

SB 2620 RELATING TO THE UNIVERSITY OF HAWAII BOARD OF REGENTS

Chairwoman Tokuda, Vice Chairwoman Kidani and Members of the Senate Committee on Education:

Good afternoon. My name is Howard Karr and I am here today to provide testimony OPPOSING SB 2620.

By background, I am locally born and educated in Hawaii's public school system. I graduated from the University of Hawaii in 1963 with a BBA in Accounting. I am a certified public accountant and retired as Vice Chairman and Chief Financial Officer of First Hawaiian Bank in 2002, after 29 years with the Bank.

I have served 17 years as a Trustee of the University of Hawaii Foundation, the University's fundraising arm, and chaired this organization three times. In late 2007, I applied, was nominated, appointed, and confirmed to the Board of Regents (BOR) in 2008 under its new appointment process. I served as its Vice Chairman for AY 2008 – 2009 and as its Chairman for AY 2009 - 2011.

This Senate bill would abolish the Regents Candidate Advisory Council (RCAC). This abolishment requires a change to the State Constitution. In November 2006, the voters of Hawaii mandated a change and voted to amend the State Constitution to allow for qualified applicants to be vetted and nominated by the RCAC. Enabling legislation provided that the seven (7) members of the RCAC be appointed by the governor (1), president of the Senate (1), the speaker of the House of Representatives (1), and several of the University's constituent groups – All Campus Council of Faculty Senate Chairs (1), Executive Council of the University of Hawaii Student Caucus (1), Association of Emeritus Regents (1), and the University of Hawaii Alumni Association (1).

In 2010, the Executive Council of the University of Hawaii Student Caucus was replaced with a seven-member student advisory group.

By background, the Hawaii State Constitution established the University of Hawaii as a constitutionally independent corporation and is not an administrative or executive agency according to Attorney General's Opinion 61-84. The BOR reports to the people as opposed to the Board of Education which reports to the Governor.

Section 304A-104.5, Hawaii Revised Statutes, the current enabling legislation, states that:

- RCAC shall be selected in a wholly nonpartisan manner;
- RCAC appointees shall have a general understanding of the purposes of higher education, the University's mission and the responsibilities of the BOR;
- RCAC appointees shall be individuals who are widely viewed as having a high level of prominence in their respective professions and are respected members of the community.

In accordance with its legislative directive, the RCAC has developed comprehensive rules, procedures, Regents' duties and selection criteria of Regents. In its description of the duties and responsibilities of the BOR, the RCAC has effectively captured the major functions and governance responsibilities of the BOR. As summarized below, the BOR:

- hires, evaluates, fires the chief executive officer;
- establishes policies which management utilizes to run and operate the University;
- develops and updates strategic plans;
- is an independent policy-making body that reflects the public interest and defends the institution from "undue influence" and pressure from political and special interests;
- acts as a unit – one body, one voice.

As a matter of information, the attached summarizes the key statistics of the RCAC efforts in the selection of the Regents for the 2007 – 2012 BOR recruitment process. The RCAC has done an exceptional job in its mission.

A testament to the RCAC selection process is evident from the many accomplishments of the University and BOR in the last five years and which will have positive future implications. During this period, major accomplishments have included:

- Hired MRC Greenwood as its first woman President. She has provided effective and strong leadership during these economic times and budget cutbacks. She possesses the vision, commitment and energy to take the University to greater levels;
- Successful labor negotiations resulted in a six-year pact with the faculty. University administration, with consultation with the BOR, and collaboration with the faculty resulted in this settlement;

- Also, in collaboration with the University's administration and faculty union, the voluminous BOR policies (over 600 pages), were reviewed, rewritten, and approved. The number of pages has been reduced by 70%, to under 150 pages. Much of the policies have been incorporated into executive policies with the relevant responsibilities delegated accordingly with BOR oversight;
- The University has proven to be an economic stimulus to Hawaii's economy in the last few years. Through major capital improvement projects – completion of the CMORE building; construction of the new Cancer Research Center which will be completed in late 2012 (project was restructured and revitalized after a prolonged delay); construction of a new West Oahu campus to be ready for classes in the fall 2012; a new IT building with construction to start in 2012; expansion of the UH-Manoa Student Campus Center in 2012; construction of a new UH-Hilo College of Pharmacy building to start in 2012, revitalization of the Mauna Kea 30-meter telescope project (a \$1.2 - \$1.5 billion project), and several other major/minor deferred repairs and maintenance projects. These projects in the last couple years have exceeded \$400 million per year, which has provided a stimulus to the construction industry. General obligation and revenue bonds with the assistance of the Legislative and Executive branches facilitated this team effort. Also, many of the above construction projects were done under a pilot exception (Act 82, Session Laws of Hawaii 2010) in the State's procurement code which expedited the procurement of construction services while maintaining fairness and transparency;
- Despite increased student enrollment at all ten campuses coupled with the economic downturn, the University was able to manage a tight budget with less public funds (\$100 million per year in the last biennium);
- Acceptable and reasonable student tuition increases for the next five years to offset state budget cuts and increasing operating costs were passed recently;
- Memberships in the more prestigious and formidable Mountain West and Big West Conferences were confidentially accomplished with the Administration's leadership and consultation with the BOR;
- Over \$300 million was raised in private funds in collaboration with the University of Hawaii Foundation, which is the largest capital campaign to date. Going forward, the University and Foundation are focused on an even larger capital campaign.

These are some of the major accomplishments under a nonpartisan BOR. Many of us would not have served under the old system.

In changing the present process for RCAC, extreme caution should be exercised as not to jeopardize the University's accreditation. The BOR selection process, in all phases, must be independent and free of political influence. Independence of the BOR in governing the University of Hawaii is extremely crucial for its continuing accreditation through its governing accrediting association, the Western Association of Schools and Colleges.

Testimony of Howard H. Karr – SB 2620

February 8, 2012

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The present process is working. As the old adage goes – “If it ain’t broken, don’t fix it.”

Personally, my experience and actions on the BOR were always with the student, University and State in mind. Without speaking for the other Regents, I believe they share the same concern.

Thank you for giving me an opportunity to testify.

2007-2012 BOR RECRUITMENT STATISTICS

	# of Men	# of Women	TOTAL
<u>2007-2008 RECRUITMENT (12 Vacancies)</u>			
Completed Applications Received	64	22	86
Names of Finalists Sent to Gov. Lingle (<i>Wingstrom, Teichman</i> —1 Student seat; <i>Albano, Lagareta, Dahilig, Motosue, Rasmussen</i> — 2 At Large seats; <i>Tajiri, Terry, Carlson, Scarr</i> —2 Hawai'i Hawai'i County seats; <i>Campaniano, Ching, Fukunaga, Gee, Hirota, Karr, Martinson</i> —5 Honolulu County seats; <i>Cooper, de la Peña</i> —1 Kaua'i Countys seat; <i>Baxa, Horikawa</i> —1 Maui County seat)	17	5	22
Governor's Appointments (<i>*Wingstrom, *Teichman, Dahilig, **Lagareta, **Rasmussen, Tajiri, Carlson, Fukunaga, Gee, Hirota, Karr, Martinson, de la Peña, Baxa</i>) (*Wingstrom's name for Student seat withdrawn by Gov. Lingle and appointed Teichman) (**Lagareta (At Large seat) denied Senate consent so Gov. Lingle appointed Rasmussen)	12*	2**	14**
<u>2008-2009 RECRUITMENT (3 Vacancies - City & County of Honolulu only)</u>			
Completed Applications Received	14	3	17
Names of Finalists Sent to Gov. Lingle (<i>Ching, Holzman, Lee, Martinson, McCoy</i>)	4	1	5
Governor's Appointments (<i>Holzman, Martinson, Lee</i>)	3	0	3
<u>2009-2010 RECRUITMENT (3 Vacancies - City & County of Honolulu, Maui, Student)</u>			
Completed Applications Received	24	14	38
Names of Finalists Sent to Gov. Lingle (<i>Fujii, Gee</i> —1 Honolulu seat; <i>Ota, Montgomery</i> -- 1 Maui seat; <i>Jasper, Miyamoto, Williams</i> —1 Student seat))	4**	3	7
Governor's Appointments (<i>Gee, Williams, Montgomery</i>) (**Maui County seat unfilled) (**Montgomery (Maui County seat) denied Senate consent)	3	0	3
<u>2010 Special Recruitment for Hawai'i County Seat (East) due to resignation of East Hawai'i regent Tajiri)</u>			
Completed Applications Received	7	3	10
Names of Finalists Sent to Gov. Lingle (<i>Dias, Naughton</i>)	2	0	2
Governor's Appointments (<i>Dias</i> on interim appointment beginning 5/10/10 as legislature had adjourned)	1	0	1
<u>2010-2011 Recruitment [4 Vacancies - City & County of Honolulu (2), Maui, Hawai'i West])</u>			
Completed Applications Received	10	20	30
Names of Finalists Sent to Gov. Abercrombie (<i>Fujii, Fukunaga, Matayoshi, Saito, Sullivan, Vieira</i> —2 Honolulu seats; <i>Carlson, **Scarr</i> —1 Hawai'i seat) ; <i>Dodson, McMillen, Ota</i> —1 Maui seat)	4**	7	11
Governor's Appointments [<i>**Scarr</i> (W. Hawai'i), <i>Sullivan, Matayoshi, Ota</i> and <i>Naughton</i> (instead of <i>Dias</i>) for E. Hawai'i seat from a previous list of finalists <i>**Scarr and Naughton denied Senate consent.</i> <i>Carlson (W. Hawai'i) was held over by Gov. Abercrombie</i>	0	4	4
<u>2011 Special Recruitment for Hawai'i County Seat (East)</u>			
Completed Applications Received	4	3	7
Names of Finalists Sent to Gov. Abercrombie (<i>Chun, Mizuno</i>)	2	0	2
Governor's Appointments (<i>Mizuno</i> - interim appointment beginning 8/10/11)	1	0	1
<u>2011-2012 Recruitment (4 Vacancies - At Large, O'ahu, Kaua'i, Student)</u>			
Completed Applications Received	39	22	61
Names of Finalists Sent to Gov. Abercrombie	??	??	??
Governor's Appointments	??	??	??

NOTE: Interim regent Mizuno and holdover regent Carlson will need to be confirmed by the Hawai'i State Senate during the 2012 session of the Hawai'i State legislature.

THE HONORABLE JILL N. TOKUDA, CHAIR
Senate Committee on Higher Education
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawai' i

February 7, 2012

LEGISLATIVE TESTIMONY IN OPPOSITION TO
S.B. 2004, S. B. 2005, S.B. 2620, and S.B. 2546
RELATING TO THE BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII
February 8, 2012, 1:15 pm Conference Room 225

Submitted by:
Joe Blanco

Chair Tokuda, Vice Chair Kidani, and members of the Senate Committee on Higher Education:

My name is Joe Blanco. I had the honor and privilege to served as a member of the UH Board of Regents, served as its BOR chair, worked in the Executive Chambers of the Capitol during the Cayetano administration, chaired of the Emeritus Regents Association, and currently serve as a member of the Regent Candidate Advisory Council (RCAC).

Based on these collective experiences, I submit testimony of why I oppose the passage of S.B.2004, S.B.2005, S. B. 2620, and S.B. 2546. These bills proposed to abolish or adversely amend the intent and operations of the RCAC, which in my humble opinion, is a regressive step from the outstanding work the State Legislature has done over the years towards expanding the autonomy of the University of Hawaii.

I know first hand that the RCAC selection process is much more rigorous and comprehensive than the screening processes I experienced during my nomination and confirmation process. Over 15 years has lapsed since I served on the BOR; UH has grown into a much larger and more sophisticated enterprise and the governance of the institution much more time and mission-critical, challenging, and complex.

Given the growth of the University, the RCAC was the natural progression of improving the governance of the University. While I first had reservations about the creation of the Council, I now fully appreciate the wisdom, leadership, and foresight this Committee and the 2007 Legislature took to create the RCAC. The Legislature, led by its Higher Ed Senate committee, steadfastly stood it ground against Governor Lingle's attempt to

Legislative Testimony

In Opposition of S. B. 2004, S. B. 2005, S. B. 2620, and S. B. 2546

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create the Governor's Candidate Advisory Council (H.B. 1431 and S.B. 1517) promoting instead the passage of the Regents Candidate Advisory Council.

What this legislative body created in 2007 was a major milestone in further preserving the autonomy of the University. Please know that that the Council's selection process is completely transparent. The compilation of candidate regents lists occurs only after the RCAC completes its comprehensive review and selection process. The Council's processes are solely and exclusively merit-based. Events that trigger the need for the RCAC to generate a list of regent candidates, as well as the submittal of the Council's candidate lists to the Governor, follow strict prescribed processes and procedures set forth in either state statutes or the Council's administrative rules. Having worked in the Executive Chambers, I am certain the 5th Floor would be hard pressed to invest the time and effort screening potential candidates.

Current RCAC Processes not Overwhelming

Our processes are not overwhelming, but rather thorough and comprehensive -- as it should be given the important governing duties UH regents must deal with. Rest assured the RCAC goes through great lengths to solicit input from many stakeholders on the types of complementary skills sets that would further strengthen board governance and synergy and help guide the institution's strategic directions in teaching, research, and community service.

The Current System is Working

Approximately six years have lapsed since the passage of the constitutional amendment and the creation of the RCAC. All 15 members currently serving on the UH Board of Regents were selected by the Governor from lists provided by the RCAC. Without doubt, all BOR members selected under the RCAC process have served or are serving with honor and distinction.

Executive Branch Accountability

The Legislature has made great strides in granting the University increasing autonomy. Since the BOR selects its chief executive officer, the appropriate accountability is for the Governor and the Legislature to hold the President and the University Regents fully accountable for what happens at UH.

In closing, I respectfully urge the committee hold these bills in committee.

Testimony in opposition to Senate Bills SB 2004, 2005, 2620 and 2546

February 7, 2012

My name is Robert Cooney and I am currently Chair of the University of Hawaii at Manoa Faculty Senate. I wish to convey my strong opposition to the proposed bills, SB 2004, SB 2005, SB 2620, and SB2546 that would eliminate the role of the candidate advisory council in the selection of candidates for the Board of Regents of the University of Hawaii. The purpose of the Regents Candidate Advisory Council of the University of Hawai'i is to identify qualified and ethical candidates for the university system's governing Board of Regents. The council presents pools of qualified candidates to the governor of Hawai'i from which candidates are nominated and, with the consent of the state senate, appointed by the governor. The advisory council consists of seven members who establish the criteria for qualifying, screening and forwarding candidates for membership on the UH Board of Regents. The council is composed of diverse and representative members of the community with relevant experience and understanding of the proper qualifications and role for Regents in the governance of the University of Hawaii. To remove this body from the selection process is to disenfranchise faculty, students, and the community at large from the governance of the University and return the selection process to the cronyism and corruption that characterizes so many governing entities here in Hawaii. Such unethical behavior in the years before the creation of the Council endangered accreditation, fostered mediocrity within the University, and resulted in the waste of precious university resources through the award of contracts to unqualified and unscrupulous contractors and suppliers. While the Council alone cannot eliminate corruption in the processes of University of Hawaii governance, it is one beacon of light attempting to bring reason, transparency, and ethics to the forefront of decision-making within the university. While we have a long way to go in this regard, I urge you not to take a step backward and enable corruption once again to rule the selection of those charged with overseeing one of the most important institutions in Hawaii and ask that you vote against this legislation to eliminate the candidate advisory council which places the selection process solely in the hands of politicians. The University of Hawaii deserves a Board of Regents that places the interests of the University and its primary mission to provide opportunities for higher education to the citizens of Hawaii far above self interest, greed, and politics.