I. CALL TO ORDER

Committee Chair Jeffrey Portnoy called the meeting to order at 3:17 p.m. on Wednesday, January 21, 2015, at University of Hawai‘i at Mānoa, 2465 Campus Road, Campus Center Ballroom, Honolulu, Hawai‘i 96822.

Committee members in attendance: Committee Chair Jeffrey Portnoy; Committee Vice Chair Michelle Tagorda; Regent Barry Mizuno; Regent Stanford Yuen.

Others in attendance: Regents’ Chair Randy Moore, Regent Chuck Gee, Regent Lee Putnam, Regent Simeon Acoba (Ex-Officio committee members); President David Lassner; Vice President Legal Affairs and University General Counsel, Darolyn H. Lendio; Interim UH Mānoa Chancellor Robert Bley-Vroman; UH-Hilo Chancellor Don Straney; Executive Administrator and Secretary of the Board of Regents, Cynthia Quinn; and others as noted.

II. APPROVAL OF MINUTES OF NOVEMBER 10, 2014

Upon motion by Regent Gee and seconded by Regent Putnam, the minutes of the November 10, 2014 meeting were unanimously approved.

III. PUBLIC COMMENT PERIOD

Executive Administrator and Secretary of the Board of Regents Cynthia Quinn announced that no written testimony was received and no individuals had signed up to provide oral testimony.

IV. AGENDA ITEMS

Update on Status of UH Mānoa Athletics Management and Programs

Athletic Director Ben Jay provided a handout (See Attachment 1) to the committee on the Athletics Department revenues and expenses. He indicated the projected net income deficit was still holding at $3.5 million. Expenses are holding true, but there were some upgrades and small downgrades in revenues, the most significant being a conservative estimate of a $400,000 Mountain West Conference distribution due to Boise State’s participation in the Fiesta Bowl game. ‘Ahahui Koa Ānuenue (AKA) has a few projects planned for spring to raise additional monies and hope to hit their $2.9 million donation target. Men’s and women’s basketball and men’s volleyball ticket sales are hitting projections and there have been no change in those revenues.
Committee Chair Portnoy asked for a status update on the deficit reduction plan for the Athletics Department and if it would include the projected $2.0 million in new expenses that are being incurred from the NCAA. AD Jay responded the plan was being worked on and was targeted to be done by the end of January with information on projected future budgets, revenues, and options to be provided to the committee in February. He said the Big 5 are at $1.5 to $2.0 million in additional costs, but the amount for Hawai‘i is unclear. The cost of attendance calculations still need defining and most of the numbers given by the NCAA have been averages. The bigger concern for athletic directors is financial aid that directors at individual schools can decide the cost of attendance amounts on an individual player basis. It is a little confounding right now and the NCAA has said further information would be forthcoming as to cost of attendance. AD Jay indicated there would be an assessment on the impact of the increased costs included in the materials being prepared. He noted that the concerns among Division I-A athletic directors are how costs of attendance will be calculated, managed, and disbursed.

The committee raised concern about the level of public and private funding in comparison with other schools and whether corporate partnership levels reported are overly optimistic. AD Jay responded that from a fundraising standpoint UH was middle of the road, the differential comes in the amount of state funding. State funding for UH’s 40 peer institutions varied, but not all schools get state funding.

As to corporate partnerships, the sales team had set goals and was still working hard to reach that goal, with $200,000 to $300,000 more to raise.

Regent Mizuno noted that there was very little change in total loss of $3.5 million since the last forecast in November and asked if there were any soft spots in the forecast that could potentially increase the deficit. AD Jay responded that the Mountain West Conference distribution, which is still being figured out, and noted that AKA’s contribution could fluctuate, but even with the $400,000 Mountain West contribution, the department is still at a $3.5 million deficit.

President Lassner referred to “The Economic Impact of the University of Hawai‘i at Mānoa Athletics Department, Fiscal Year 2013-2014” study in the materials that was collaboratively prepared by the Athletics Department and the Shidler College of Business which showed the substantial economic impact that the athletics program has on the community outside the university. The university does not run this program for its sole benefit, it is a point of pride in the community and generates substantial economic activity that is independent of the university’s internal finances. The total direct Hawai‘i spending on labor and goods and services for fiscal year 2013-2014 was estimated to be over $66.0 million and that spending generated $128.0 million of Hawai‘i business sales, counting the direct indirect, and induced effects, and $36.9 million of income for Hawai‘i workers. In addition, the $66.0 million of spending added $7.0 million to the State’s tax collection and created over 860 jobs in Hawai‘i. The committee suggested the report should be sent to the Hawai‘i Tourism Authority.

Committee Chair Portnoy noted that for the two basketball games UH played during the holidays there was different officiating crews two nights in a row, which concerned him
because of the cost and he asked AD Jay if it was something mandated by the opposing teams. AD Jay responded that the conference officiating coordinator controlled assignments.

Regent Gee noted that the study used tourism multipliers, and there was a way to disaggregate the number of visitors who attend games or come to Hawai‘i because of games, which would be useful in discussions with HTA on providing funds to UH for its efforts that result in providing sports entertainment for tourism. AD Jay responded that the ticket office had started tracking sales by resident/non-resident.

**UH Mānoa Student-Athletes Academic Progress Report (APR)**

AD Jay provided a supplementary handout (See Attachment 2) summarizing information contained in the APR for 2013-2014. The multiyear (4 year) rate is up in every sport compared to last year except for one. Coaches and athletes are getting the work done and graduating. The only sport they are cautious about in the coming year and monitoring closely is men’s basketball due to the loss of two players, which will impact the APR. He was pleased with the progress, but things can always be better and improvements are in progress. He has always stressed to coaches the responsibility the university has to graduate student athletes with a degree from UH. He added that there would always be a 1.5% attrition rate due to players getting homesick or having issues with playing time.

**Status Report on the Search for the UH Mānoa Athletic Director**

Interim Chancellor Bley-Vroman reported that a search committee had been formed and the position had been advertised both locally and nationally. The search committee is chaired by Warren Haruki, and other members include John Dean, David Ericson, Elizabeth Ignacio, Marilyn Moniz-Kaho‘ohanohano, Amanda Paterson, Allen Uyeda, and Kelley Withy. The decision was made to not hire a search firm because UH has in-house executive search capacity. The committee has met, set forth next steps and a tentative schedule. The ad was published on January 14, 2015, and applications would be accepted for a 30-day period. Due diligence and reference checks would be done until about mid-February, and initial interviews would be held in early March. He noted this was a very tight and urgent schedule, but the committee felt it was important to make a decision about the athletic director as quickly as possible. The search was currently in a quiet phase and the committee was not discussing who had applied or the number of applicants.

Interim Chancellor Bley-Vroman clarified a comment made by Dave Shapiro in *The Honolulu Star-Advertiser* on the embarrassment search candidates have to undergo by being paraded about to different campuses. He said athletic director searches have never been done that way and there was no intent to subject them to that process. This search will be conducted in the same manner as other executive searches, which was a different process than a search for a chancellor, dean or president.
Regent Acoba asked if there was a basis or criteria for choosing the non-University members of the search committee. Interim Chancellor Bley-Vroman said there were 4 members from the community (Haruki, Dean, Ignacio, Uyeda) and four from UH (Ericson, Moniz-Kaho‘ohanohano, Paterson, Withy). He consulted with many people and considered many options, and was particularly interested in people who had some knowledge of athletics, but were not heavily involved themselves and could have some degree of objectivity. He also wanted people who understood businesses, because athletics was a very significant business; had roots in the community; understood the importance of this position to the community, because it is paramount the athletic director can interact in the Hawai‘i community. This was not a constituency-based list, and the overarching concern was to create a search committee that could work as a team without individuals pushing particular agendas, and he was confident in the abilities of this search committee to do so.

Committee Chair Portnoy requested that at some point there be interaction between the search committee and members of the Intercollegiate Athletics Committee to have an understanding of the role of the Board of Regents, and some dialog on skills and qualifications needed for the position. Interim Chancellor Bley-Vroman responded that he was working on a way for that to occur and noted the search committee wanted to be informed by the regents as well.

V. EXECUTIVE SESSION

Upon motion by Regent Mizuno and second by Committee Vice Chair Tagorda, the Committee unanimously approved convening in executive session, pursuant to HRS §92-5(a)(4)). The committee convened in executive session at 4:51 p.m. Following a motion to come out of executive session by Regent Mizuno and second by Committee Vice Chair Tagorda, which was unanimously approved, executive session was adjourned at 5:00 p.m.

The meeting reconvened at 5:01 p.m. and Committee Chair Portnoy said they received an update on the NCAA investigation in Executive Session pursuant to HRS §92-5(a)(4)). He indicated there has been no change in status and they are still waiting to hear from the NCAA.

VI. ADJOURNMENT

Having no further business, Chair Moore moved and Regent Mizuno seconded the motion to adjourn. Having no objections, the meeting adjourned at 5:01 p.m.

Respectfully Submitted,

/S/

Cynthia Quinn
Executive Administrator and
Secretary of the Board of Regents