

UNIVERSITY OF HAWAI'I

Board of Regents

PRESS RELEASE

April 2, 2004
5:00 p.m.

Contact: Patricia Y. Lee, Chairperson
or David Iha, Executive Administrator and Secretary of the Board
956-8213 or (after hours) 1-808-291-3952
University of Hawai'i Board of Regents

Re: President Evan S. Dobbelle's Final Annual Evaluation 2002-2003
Expectations and Performance Guidelines 2003-2004

On March 25, 2004, the Office of Information Practices (OIP) rendered an opinion to a request from Keoki Kerr of KITV News and Craig Gima of the *Honolulu Star-Bulletin* that the University's Board of Regents ("Board") must disclose President Dobbelle's latest performance evaluation and expectations. In that opinion letter, the OIP concluded: "The Evaluation and the Expectations are public...Accordingly, UH cannot withhold the Evaluation and the Expectations, as disclosure would not be a clearly unwarranted invasion of personal privacy under section 92F-13(1), HRS." OIP Op. Ltr. No. 04-07 at 17 (March 25, 2004). OIP further clarified that its opinion does not imply that the evaluation of any other State employee is public.

In light of OIP's opinion letter, the Board of Regents voted this week to release the President's Evaluation and Expectations. The Board complied with OIP's suggestion to allow the President five business days to challenge OIP's opinion in court. The President declined to do so. The Board had previously refused to release these documents, considering them to be a private, personnel matter pertaining to an employee.

Chairperson Lee stated: "The second year evaluation conducted in 2003 included all former Regents who had worked with the President during the prior year and they provided information on the President's performance to the current Board members. All current Regents have reviewed and affirmed the Evaluation and Expectations. The Board also gathered testimony from major constituencies, including student leaders and Faculty Senate representatives, labor leaders, legislators and the State Auditor to obtain a balanced and comprehensive assessment of the President's performance. Those providing testimony were asked to comment on the President's performance in the five areas listed in the Board policy: Academic Management; Administrative Management; Planning, Budget, Financial Management and Fund-Raising; Internal Relations; and External Relations. The process of gathering additional information was validated by OIP.

The Board expended much time and effort to ensure that the process was fair, that the President had full opportunity to respond in writing, that Board policies were followed and that a dialogue between the Board and the President took place on more than one occasion. In response to the President's request for more direction from the Board, the Board provided and reviewed with him the Expectations and Performance Guidelines 2003-2004."

The only information redacted from the Evaluations and Expectations are the names and information pertaining to the job performance and function of other University employees, for whom the President is responsible. To obtain a copy of the Evaluation and Expectations, please contact David Iha at the Board of Regents' Office.

UNIVERSITY OF HAWAII

Board of Regents

C-O-N-F-I-D-E-N-T-I-A-L

University of Hawai'i Board of Regents'
Annual Evaluation of President Evan S. Dobbelle
October 16, 2003

Introduction

The Regents who authored the Board's policy, "Evaluation of the President," were keenly aware that paramount to the functioning and climate of this institution was the vitality in the relationship between the governing board and its President. They believed that in order for the Board and President to maintain a respect and appreciation of their respective roles that it was essential to have a mechanism through which an annual opportunity would be afforded for a dialogue on the developments of the previous year and to reflect mutually on their expectations for the future.

The Regents' policy on the evaluation of the President, in part, reiterates that the Board is responsible for the effective management of the University, ensuring that the citizens of the State of Hawai'i are provided with the finest possible higher education opportunities. Whether in 1982, when the policy was established, or in 2003, the sense of Regents remains constant that vital to their constitutional and statutory responsibilities is the trust placed on the President for it is primarily through that office that the Board's institutional expectations are realized. It is necessary, therefore, that there exist not only a unity of purpose between the Board and the President but also a "clear recognition of the incumbent's integrity, character and institutional commitment." Mindful of the challenges inherent in such an interdependence it is incumbent upon the Board to provide a means of fostering a continuing dialogue whereby perceptions and expectations are shared in an effort to perpetuate a vitality in the relationship.

As part of the evaluation process and pursuant to current Board policy, commencing from the second year of service and every year thereafter, the Board is to provide you with a preliminary evaluation draft to which you may provide a written response. The Board's evaluation reflects an extensive information-gathering, fact-finding, and fact-verification process, as provided by policy. Consequently, our analyses and evaluation are not based on mere singular, unverified statements but rather on information gathered from multiple sources, cross-checked, and verified for reliability. The evaluation process is an opportunity to establish mutually agreed upon goals, expectations and priorities, and for the Board to provide the direction you requested to enable you to strengthen your performance, thus reaffirming the Board's accountability towards institutional governance. It is in the spirit that we are collectively working in the best interest of the University of Hawai'i that we transmit the following comments in furthering our dialogue on the following areas of stewardship.

Academic Management

The Board commends your leadership throughout the WASC review process. Having the University receive accreditation is testimony to the seasoned professionalism of your academic executives. The WASC Commission did commend the University for creating a true system that will potentially provide for more balance and direction to the entire University.

While your self-assessment highlighted only complimentary aspects of the WASC reports, we should, in balance, address the concerns enunciated by the WASC accreditation team. You stated that you believed that your self-assessment might eventually be made public and therefore it was not a critical analysis of your performance. The Board, however, believes that in order for the purposes of the evaluation policy to be truly realized, there must be a "transparent" exchange of perceptions. Furthermore, University General Counsel has assured the Board that under Hawai'i Revised Statutes your self-assessment remains confidential unless you decide to make it public.

The WASC team was aware of your politicizing of the University. You stated that [REDACTED] had given you permission to endorse a gubernatorial candidate. Frankly, this was not corroborated. What is more disconcerting is the fact that you had told a Regent that you were not endorsing any political candidate even up to the day before the televised endorsement. The Regents received a fax together with your solicited opinion from General Counsel informing the Board of your intent the same day that the endorsement ran. Your contradictory statements were circulating as to whether you acted independently or at the request of Hawai'i's Senior Senator. This has tested the Board's trust in its President and has given rise to widespread doubt throughout the University and the community, particularly our faculty, as to whether they could actually count on your experience as a "seasoned politician" to serve their best interests.

The WASC team also cites the need for greater clarity and definition in a number of areas regarding the role of the system. When the President publicly announces, for example, the establishment of programs such as a film school without the Board's knowledge, and when the President makes public announcements regarding the contract of the head football coach, the role of the System vis-a-vis the role of the Chancellors, according to WASC, becomes muddled. The Mānoa Chancellor's Office indicated that it had no knowledge that you were using Mānoa's budget to pay for the Interim Vice President for Research; no knowledge that [REDACTED] salary would be coming out of Mānoa's budget while serving as Interim Chancellor of Hawai'i Community College; and little knowledge of the details of Coach Jones' contract. You have been critical of the Board micro-managing. The Board fully concurs and hopes that in the future you will allow your Chancellors to oversee their respective campuses rather than your reaching down to micro-manage their high visibility programs.

The role of each Vice President and his or her relationship to the campuses needs to be defined and more clearly understood at the campus level. This is particularly evident where your Vice Presidents are currently negotiating directly with deans and other campus administrators. There is also a need, according to WASC, to identify the size of the staff for each of these Vice Presidents and to develop a clearer picture of the costs and sources of support for this new system infrastructure. While you have attempted to meet with the various structural groups such as the Chancellors, campus faculty, and student governments, roles and jurisdiction are not well-defined or understood by the participants. Whether this is your strategy to maintain control, WASC perceives that your organizational structure now requires greater clarification. While WASC looked favorably on a true system infrastructure, the Board expects that you will follow through with sound implementation to maximize the return on investment for this major financial commitment.

Your academic vision remains unclear, and even the Strategic Plan was praised more for its process than its content. The WASC report does, however, commend the University for its Strategic Plan. There was widespread appreciation of the fact that its development was one of the most inclusive processes in many years. Several constituencies are concerned that the broad concepts enunciated in the Strategic Plan may be implemented in a unilateral manner and they hope the collegial process will

continue as these concepts are implemented.

The ACCJC was much more critical of your leadership in its report. It is understandable, therefore, that while you mentioned the ACCJC visit in your self-assessment, there was, as one Regent writes, "a significant and disturbing credibility gap between what the UH President tells the Board and the reality of a given situation." In its report ACCJC stated, "This team encourages the President to learn more about the vocational/technical education and workforce training missions of the (community) colleges so that he can promote that mission to the public as well as support it within the community college structures and the University of Hawai'i system structure." The visiting team also found your vision to be, "one focused on the UH Mānoa campus and the university-level components of the system." They go on to say, "Furthermore, he was frank about continuing plans to change the names of the community colleges to remove the word 'community' which he considers to be stigmatized. The team was left with the feeling that the University President does not fully support the multiple missions of the community college." The ACCJC team also found that the so-called "stigmatization" as identified by you, was "narrowly held."

While the Board supported your proposed reorganization, it was nevertheless unclear as to how the campuses will be managed without having them eventually compete for resources and duplicate programs. ACCJC seemed to concur, stating, "The Commission is concerned that the staffing and costs associated with the new university system office have not yet been completely defined, making it impossible to determine whether the structural change can be funded."

The Board commends you for having been proactive in responding to community interests such as the film school, an idea finding genesis from a survey. The Board only wishes that it did not have to learn about this from the media. Furthermore, the Regents remain concerned over your practice of making public statements such as announcing the establishment of the film school without diligent planning nor first informing the Board. Thus we are still totally unaware of how this school is to be funded, its direction, and whether this is to be a degree program or a State economic priority. Chris Lee repeatedly states both in public and in the media that when he accepted the position he was unaware that the program had not been and still has not been approved by the Board.

Students have expressed their appreciation of your efforts in seeing that articulation becomes a reality. Understanding that the process is rather complex, there needs to be stronger leadership and follow-through in seeing that articulation issues are resolved.

While the Board reserves judgment on your academic vision and leadership, it is concerned that you have not made the academy's core mission, undergraduate education, a priority by way of resources. Your perception that all is well "in the trenches" is a view not shared by faculty who have informed the Regents of case after case of departments not being able to offer needed classes and instructional facilities not being maintained due to insufficient resources. The faculty, therefore, were "devastated" and "demoralized" by the establishment of your Chief-of-Staff position and the filling (and continued filling) of administrative positions at "outrageous" salaries. The Board reluctantly supported these appointments to allow you to realize your preferred staffing design but will now hold you accountable for their commensurate productivity and benefit to the institution, particularly its academic and research mission. Furthermore, with the additional Chief-of-Staff position along with your executive assistants, there should now be no reason for the constant delays in getting material to the Board in a timely manner and responding to Board inquiries. Between meetings, recommendations, responses, and information should be transmitted to the Board Office as they become available rather than waiting until the

deadline.

Your reorganization plan and team need to be tested, and performance needs to be measured by your actual leadership of the University under this plan. If you wish to spend as much as 50-70% of your time fund-raising as you have stated, there are concerns that you may not be able to provide leadership and follow through to all units that now report to you. Will the various constituencies have access to you? If not, further clarity will be needed as to the role of your Chief-of-Staff and Vice Presidents vis-a-vis the flow and jurisdiction of academic and non-academic decisions at the system level. Ultimately, however, as our Chief Executive Officer, the Board will hold you accountable and not your staff.

Faculty are currently divided on your academic leadership. While most regarded your arrival as "a breath of fresh air" and attest to the fact that you had initially raised faculty morale, there is a growing sense throughout the faculty that the "freshness has since faded" and faculty are now skeptical of your priorities, especially in the academic sector. The high executive salaries along with your failure to make good on your promise to raise faculty salaries continues to have an effect on faculty morale. Similarly, students and faculty feel that you have given very little attention to the academic side of the house, seeming to spend most of your time on what they perceive as "deal-making."

Students and faculty alike acknowledge that two years may be too short a period to judge your academic achievements. They, nevertheless, express disappointment in your lack of attention to the academic sector and your sense of priorities. While you take credit for increasing enrollment, faculty and professional staff all realize that in bad economic times enrollment at universities throughout the nation tends to increase and did increase at most higher education institutions in Hawai'i. The media reported enrollment increases throughout the nation since 9/11 and in many instances the earlier efforts of previous administrations are now coming to fruition. To allow classes to close despite your claims to the contrary, to not empower and support your Deans and Chancellors, particularly those overseeing high demand programs such as computer science and information science, nursing, and teacher education, are issues you will be accountable for in future evaluations and we will look forward to greater accomplishments in this area.

In the research sector the University is fortunate to have eminent researchers and scholars who continue to attract research and training grants. For the most part you have allowed those who know best how to do research to "run their own show." Research and training grants have increased, but the trajectory was well established before you took office. With the recent hiring of an Interim Vice President for Research and an Interim Vice Chancellor for Research, the respective roles must be clarified prior to allowing for these positions to be filled on a permanent basis.

Administrative Management

Now that the Board has supported your desired organizational structure and with your senior staff fully in place, the Board expects quicker responses to its inquiries and that the Board be kept better informed. You stated that the Chief-of-Staff position existed during previous administrations, however, the position was not a creation of the previous administration.

The Board's perspective, as well as that of the long-standing University community, is that the Chief-of-Staff position is a newly created, highly

compensated position, above and beyond any previous executive staff. The Board, therefore, fully expects to see a closer working relationship with the Board and its staff afforded by this additional senior executive position. We will expect you to follow through with sound implementation of the reorganization and maximize the return on investment for this major financial commitment.

You state that the hiring of Herman Frazier and Aviam Soifer demonstrate that the University can attract highly talented professionals. Yet, in another instance, when the search committee produced less than stellar candidates, you stated that it was understandable because of the inferior level of the university at that point. These and other statements are often contradictory and are becoming widely noticeable as self-serving.

The notices or "pink slips" sent to Es and Ms which were retracted almost a year later resulted in a demoralized administration. You had promised to evaluate quickly your executives so you could retract some pink slips. Unfortunately, however, you allowed many who loyally served the University to suffer unnecessarily even up to as late as November. Non-tenured administrators did not know whether they had a job in January and some Deans decided to step down. You were asked throughout the year what your plan was for dealing with the notices. If you truly believed in validating those who have served the University well, the notices and lack of a plan had the opposite effect.

The inconsistent treatment of salaries has created internal and public concerns over equity, fiscal responsibility, and priorities of the University. Salaries of your CFO and VP for External Affairs exceeded that of the former UH President, and both the internal as well as external communities are questioning the justification for such salaries for less experienced staff. These and other individuals were brought to Hawai'i at considerable expense and in certain cases, housed at the Halekulani for interviews at extraordinary cost to our taxpayers. Since arriving, your [REDACTED] has managed to decrease his workload while retaining his original classification and salary. In addition, your [REDACTED] appears to regard his foremost responsibility as being your personal public relations agent rather than [REDACTED] servicing the entire University.

This wholesale escalation of executive salaries has resulted in the state having to bear the burden of the accompanying retirement benefits and employment taxes and costs. What is troubling is your disregard for the Es and Ms who were already here and who have loyally served the University. The Board had asked you and your administrators on numerous occasions for a plan to address the inequities with no results and no plan. Consequently, there still are Es and Ms being paid below appropriate CUPA levels in direct violation of Board policy. Attempts by certain administrators to adjust those below appropriate levels to merely comply with Board policy were turned down by you. Yet, you encouraged the Board to allow [REDACTED] to take sabbatical leave at his interim administrative salary rather than reconstructing his faculty salary. The reason, you stated for this exception to Board policy was that he deserved it. The Board found this to be inconsistent and inequitable.

Hiring your former contacts is widely viewed as "cronyism" by the public and by the internal community. The continuation of funds flowing out of State without any sincere attempt to first explore the availability of capable local consultants led many to question your commitment to this State and its people. Gilbane, Gordon King, Cambridge, Campanella, an athletic consultant, an enrollment management consultant, and others, have many, including RCUH, wondering about your motives and perception of Hawai'i and its rich resources of talent. Assertions from the University's internal community suggest that these consultants were not able to discover or provide anything of relevance that

could not have been accomplished by a local consultant at less cost. The "non-hiring" of [REDACTED] from Trinity College and the unprecedented perquisites and faculty housing afforded him have outraged some faculty. Similarly, the University community in general was somewhat shocked by your importing of mainland administrators and special assistants with very little higher education background and at excessive salaries. Your special assistants, for example, were hired at salaries above many deans and chancellors with years of proven service and extensive academic dossiers. Responsible hiring and compensation along with a commitment to Hawai'i are owed the taxpayers of this State who pay your salary.

The Board wishes to caution you about your administration's propensity to use RCUH to manage major projects prior to receiving Board approval. The Medical School and now the planning of the West O'ahu campus should never have been service ordered to RCUH without first receiving Board approval. In addition, the Board continues to be concerned about "hidden" costs such as the more than \$600,000, not including travel and other expenses, expended for Gilbane to duplicate what could be done by RCUH, UH personnel, and project consultants.

Budget Planning, Financial Management and Fund-Raising

Budgeting and financial management remain a serious concern for the Board. It is very frustrating to continue in a situation where your [REDACTED] and the Regents seem to have become ships passing in the night. There is an obvious communication gap when the Board feels it can never get straight answers on finances, and your [REDACTED] in all sincerity, truly believes that the administration has laid out the financial landscape of the University in clear and understandable fashion. However, the view of the Regents is shared widely not only within the University but externally as well. The primary reason given for the recent legislative audit was the Legislature's inability to "obtain straight answers from the University administration relative to its budget and finances."

The Board has on numerous occasions, relative to the salary adjustments, creation of new positions, the reorganization, and the addition of several new positions in the Mānoa Chancellor's office, inquired, "where are the funds coming from?" The reply is often conflicting or nebulous. When front-line middle managers provide one answer, the CFO provides another, and the auditors provide still another, one can begin to understand the Board's frustration. It is confusing when the President and his CFO claim that sufficient funds are available and the field provides data to the contrary. It is confusing when the President and his CFO assure the Board that the University will end the year with a balanced budget and yet serious concerns are raised by the State Auditor about the management and use of RTRF funds to balance the University's budget and for inappropriate purposes. When the Board is given one figure for the cost of the reorganization and learns that the real cost is several times higher, trust is eroded. When the Board is told that funds for the high executive salaries will not affect academics and yet the Board is informed of classes being cut, supplies being nonexistent, and facilities not being maintained, it raises the question of priorities and credibility, not only within the Board but throughout the entire University community.

The WASC Commission also had serious concerns regarding the budgeting and financial monitoring process. The visiting team described the budgeting process as "flawed" and in need of a more coherent process. It cited significant confusion over the rationale or operational basis for resource allocations, especially where differences between campuses despite enrollment changes were neither explained nor understood. It also expressed concern over the level of financial monitoring and reporting by each campus and at the system level.

Several high profile incidents have exacerbated the perception of poor fiscal management and overspending of limited financial resources. They include: (1) the high salary increases related to the reorganization for positions within the administration, including extraordinary high increases for certain individuals over and above their current compensation levels; (2) the inability of the administration to provide a credible report on the total cost of the reorganization; (3) the inability of the administration to work with the UH Foundation to provide a credible comparative financial report on its activities, especially given the increased fees and cost reimbursements committed by the University; (4) the lack of a clear plan and progress report on fund-raising for the medical school; (5) the lack of follow-up on fund-raising to cover the cost of the College Hill renovations; (6) the accelerated payment of the UH logo contract and the poor handling of the entire project; (7) the critical report by the State Auditor; and (8) the use of the president's protocol fund for inappropriate purchases such as rock concert tickets for a few donors along with your staff, select senior executives, and their families. While some of these items are insignificant in amount, they nevertheless created the perception of a cavalier and irresponsible attitude towards public funds and fiscal management.

The administration will be expected to improve in this area, placing a high priority on providing adequate financial reports to the Board. These reports should compare "apples to apples" and contain projections and other reports that track results and provide feedback on projects that the Regents have been asked to approve. In addition, it would be appropriate to establish quantitative annual goals for fund-raising, grants, enrollment, academic ranking, cost control, and other areas of importance.

You were hired as someone who had professed to be a successful fund-raiser. Your self-assessment and public statements, however, suggest that you believe that you were hired to be a change agent. Former Regents will corroborate that you were hired primarily as a fund-raiser and an academic leader – not as a politician and not primarily as a change agent. The position specification used in your recruitment points out that a prime responsibility of the new president would be development as well as governmental relations. While the Board is willing to recognize that two years is perhaps too short a period to judge you as a fund-raiser, it is nevertheless concerned that while your travels and that of your entourage have cost the University significantly we have yet to see returns or at least detailed reports of your efforts.

In no uncertain terms, the Legislature expects you to raise the \$150 million for the medical school from new private funds. Attempting to "spin" this obligation to include government funds, simply because of your testimony will only lead to further your already strained relationship with legislators. Furthermore, while it is reasonable for Dean Cadman to be your partner in this endeavor, it is unreasonable to transfer the major task of raising the matching funds to him. In her most recent correspondence, State Senator Donna Mercado Kim verifies this understanding and further comments about her visit with U.S. Senator Inouye who did not corroborate your characterization of the forthcoming federal funds. It was embarrassing for the Board to have received this letter.

Internal Relations

While you take credit for the new collective bargaining agreement with UHPA, whether you served the best interest of the University and the State is questionable. Recognizing that it was necessary to build trust between the faculty and the administration, there were, nevertheless, a number of ways to do so besides "buying" their temporary and fleeting favor at the expense of the taxpayers. Your definition of "negotiating," from many

perspectives, merely amounted to "giving away the store." In doing so you purposely kept the Board, including its representatives to the collective bargaining team, in the dark until the eleventh hour. Statements from several sources verified that you had made verbal commitments without checking with the Board on the negotiated items. The result of those commitments recently surfaced in a *Honolulu Advertiser* article on August 28th reporting on the classes being closed due to your concessions on workload reduction. When asked if there would be funds to cover the cost of workload reduction, you and your CFO assured that tuition funds would be available. It was later discovered that the so-called "available" funds had already been earmarked by the campuses to pay for banner, leading to the condition described in the August 28th article. The fact that you allowed [REDACTED] to take the lead in this process rather than [REDACTED], your most experienced negotiator, is a clear indication that your intent was not to negotiate. It is not your role as President of the University to determine the approach of collective bargaining at the University of Hawai'i. You could and should have consulted with the Board.

Students have expressed disappointment in the fact that you have not kept your promises to them. They have become quick to realize that you often make "off the cuff" promises with no clue as to whether you will make good on those commitments." You had announced that you would be visible to students and yet only when confronted by the Student Caucus did you agree to meet periodically with them. It is also evident by your self-assessment that students play at best a secondary interest to your administration, for you make no mention of your accomplishments nor your vision for student affairs despite their being the fundamental component of the University's internal constituency.

The faculty were very enthusiastic about your hire. They remained somewhat hopeful and optimistic after experiencing the exceptionally broad consultative process in formulating the University's strategic plans. Their optimism is beginning to turn into skepticism and disappointment. The faculty even felt early on that a politician might make an acceptable President. They were therefore understandably disappointed and embarrassed by your exercise of poor judgment in endorsing a political candidate.

Recent experiences have added to serious doubts regarding your consultative process and desire for "transparency." Specifically, faculty and students have observed that while they may be included in advisory groups, they are either given "limited options" or the committees are "stacked" in order to produce predictable recommendations. The selection of the [REDACTED], the advisory group to make recommendations on the dismantling of the Community Colleges, and the budget preparation advisory committee were all cited as examples of your "open but limited" strategy to choreograph outcomes. Members of your senior staff have also found this strategy useful, such as during the recent mishandling of the logo design.

Your relationship with the Board could take the better part of this evaluation. It is noteworthy that like the students, the Board was also left out of your self-assessment. This speaks to one of your major challenges. Should you continue to take a "you versus us" posture and continue to rely on counsel and your staff for loopholes to circumvent the Board, our relationship will not improve. It will only improve through a conscious decision on your part to work harmoniously with the Board, to become a trusted partner, and to provide the Board the truth. For example, in response to our concerns over the high executive salaries, you misrepresented the overall cost when you told the Board you had actually reduced personnel costs by having fewer E and M positions than the previous administration. The Board discovered that the reduction in M positions was due to their conversion to APT. As such, under your administration, overall personnel costs have increased. The Board feels you need to understand the marked difference between the constitutional and statutory fiduciary duty of the Board of a public university as opposed

to the trustees of a small private college. The bottom line is that you must regain the Board's complete and unconditional trust.

The Board has expressed its concern over your lavish spending and has requested closer scrutiny of your travel expenses. You have publicly stated that your contract "requires" you to travel first-class. The possibility of upgrading is mentioned in your side letter but you are in no way "required" by contractual obligation to travel first-class. Traveling with your executive assistants and other members of your staff on national and international trips are luxuries that bespeak to an insensitivity to the economic and budgetary constraints currently facing the University and State of Hawai'i.

WASC did note that we were seeking a closer partnership with the President, and indicated that regular and systematic reporting to the Board is a next challenge for the President and his administration. This is in keeping with the Board's current feeling that communication between the Board and the President needs to be strengthened and can only be accomplished through a sincere appreciation of the Board's role - a role that unlike the Trustees of your former private institution, places a constitutional and statutory fiduciary obligation on us as Regents.

External Relations

There remains a consensus in the community that "the jury is still out." The Legislature and the Governor need to see results that can be clearly attributed to you and your administration. These attributable results must include raising the \$150 million for JABSOM and funds for the College Hill renovations, for unlike your many public promises, these will not go away. You need to improve your relationship with these constituencies and you cannot do so while there remains a trust and credibility gap. Contrary to your perception, the political endorsement had very little to do with that gap. Rather, it is a result of your disrespect of the Legislature and the Governor. For example, you had told the Joint Senate and House Education Committees that you would not be able to attend the hearing on the Legislative Auditor's audit of the UH Foundation. Legislators, however, felt you could have been available but chose not to. Furthermore you made no provision for anyone with knowledge to be in attendance at the hearing. The legislators believe this was disrespectful.

Conclusions

Since becoming President, you have taken on your challenges with a sense of enthusiasm and urgency. Your vision and ability to bring creative approaches to the table are widely recognized and the Board has received several positive comments about this. You have at least lifted the sights for all of us, making us believe that there is no reason the University of Hawai'i cannot be one of the leading institutions in the nation. But vision must be buttressed by performance and commitment; otherwise the hope you stated you have engendered will quickly turn into disappointment and a feeling of deception.

The academic sector requires greater attention and a commitment to increasing resources for the University's core mission, namely instruction and research. You need to insure that classes are restored, that students are able to receive the services they need, graduate on time, and attend classes in facilities conducive to learning. Recent reports detailing the inability of campuses to offer needed classes due to your "negotiated" reduced faculty workload will be both costly and detrimental to the quality of instruction. You and your CFO had assured us that funds were available to cover the added personnel

costs. Furthermore you assured the Board that students would not be affected by this "give away." The Board, therefore, will expect you to honor your commitment without borrowing resources from other areas of instruction, student services, community colleges, research, nor tuition. Furthermore, we look forward to your restoring RTRF monies to those doing research and your CFO should be instructed that those funds are to remain in the research sector.

The WASC and ACCJC reports and recommendations must be taken seriously, particularly WASC's concerns over the budgeting and finance reporting processes, internal communication, West O'ahu, and politicizing the University. The Board will observe how you address the concerns expressed by ACCJC regarding a genuine appreciation for the community college mission.

With the addition of a Chief-of-Staff, the Board expects your administration to work more closely with the Board's staff and respond more efficiently to our inquiries. We will expect material to be transmitted to the Board Office as soon as possible rather than your holding on to everything only to deliver a mountain of material at the close of day on the date of the deadline. Also, with respect to administrative affairs, the Board is concerned about your continuing cronyism. Free housing for [REDACTED] while junior faculty go hunting for adequate housing; project management of a project that is already over managed; arranging for dorm space for visiting Trinity students while other UH students were turned away from housing, are examples that reflect a disrespect for the very people and institution you were hired to lead.

WASC, external auditors, and the Legislative Auditor have all expressed concerns over your leadership in the budget and finance sector. The Board looks forward to improvements in these areas along with results in your fund-raising efforts. More precise and comprehensive travel reports will help us at least to understand where you've been, for what purpose, whom you are approaching for private funds, and the results of such encounters. The Board anticipates these reports on your personal fund-raising efforts, especially your progress in raising the matching \$150 million in private funds for the medical school project at Kaka'ako and for the College Hill renovations.

Our analyses and evaluation are not based on singular statements, but have involved speaking with several constituency groups, verifying facts, and cross-checking testimonies. Throughout the evaluation process, it became apparent that there were common threads running throughout the statements and information gathered by and submitted to the Board: "arrogance," "disrespectful," "cronyism," "lavish spending," and "condescending." In addition we found a growing skepticism of your leadership throughout the State. Some corporate leaders have distanced themselves from the University and have lost confidence in your leadership. Other corporate leaders have expressed a reluctance to make further donations to the University under your administration. We remain hopeful at this time that as a seasoned administrator, you will be able to make the transition and validate our earlier desire for a master fund-raiser and academic leader.

As you expressed to the Board and to various audiences, this past year was somewhat of a struggle, made more demanding by changes in the Board's chairmanship and composition. What the future holds, in large part, will depend on your willingness to regain the trust of the Board, the University community, the Legislature, the Governor, and the public. To reiterate the Board's policy, the evaluation is to reinforce a unity of purpose between the Board and the President, and "to recognize the President's integrity, character and institutional commitment." This simple, straightforward policy statement captures the essence of this evaluation process. We hope that the period before us will bring transition, for we can no longer allow the relationship between you and the Board to

flounder in distrust. We need to regain a unity of goals, unity of commitment, and unity of mind and trust. You have stated that you were often forced to act unilaterally, independent of the Board because the Regents were not providing you with needed or clear direction. While several Regents disagree with your assertion, the Board will be setting forth written guidelines which we hope will clarify its expectations. With greater trust, communication, transparency, and mutual respect, we are hopeful that we can achieve our mutual goals for advancing the University for the benefit of the students and ultimately, the State of Hawai'i.