MINUTES
UNIVERSITY OF HAWAI'I BOARD OF REGENTS' MEETING

May 16-17, 2007

I. CALL TO ORDER

Chairperson Kitty Lagareta called the meeting to order at 9:06 a.m. on
Wednesday, May 16, 2007, at the Kapolei Hale, Conference Room A, City and County
of Honolulu, 1000 Ulu‘ohi’a Street, Kapolei, Hawai‘i 96707.

Regents in attendance: Chairperson Kitty Lagareta; Vice Chair Ronald K. Migita; Andres
Albano, Jr.; Byron W. Bender, Ph.D.; Michael A. Dahilig; Ramón de la Peña, Ph.D.;
Marlene M. Hapai, Ph.D.; James J.C. Haynes II; Allan R. Landon; and Alvin A. Tanaka.

Others in attendance: President David McClain, Ph.D.; Vice President for
Academic Planning and Policy Linda Johnsrud, Ph.D.; Vice President for Administration
Sam Callejo; Vice President for Budget and Finance/Chief Financial Officer Howard
Todo; Interim Vice President for Community Colleges John Morton, Ph.D.; Vice
President for Information Technology Services David Lassner, Ph.D.; Vice President for
Legal Affairs and University General Counsel Darolyn Lendio, Esq.; Interim Executive
Administrator and Secretary of the Board Presley Pang, Esq.; and others as noted.

II. APPROVAL OF MINUTES

Regent Dahilig moved to approve the minutes of March 15-16, 2007, seconded
by Regent de la Peña. The minutes were unanimously approved.

Regent Haynes moved to approve the minutes of April 13, 2007, seconded by
Regent de la Peña. The minutes were unanimously approved.

III. PUBLIC COMMENT PERIOD

Board Secretary Pang indicated that about 73 emails and letters were received,
all in support of the creation of the Hawai‘i‘nulū‘akea School of Hawaiian Knowledge. They
have been posted on the Board’s secured web site, and hard copies were circulated
among the Regents at the meeting.

The following presented oral testimony in support of the School of Hawaiian
Knowledge:
1. Joe O'Mealy, Interim Dean of the College of Languages, Linguistics, and Literature, UH Mānoa, said that although his College will be losing Hawaiian, one of its defining languages, the host culture and its language should be housed under the same administrative roof. The School of Hawaiian Knowledge will create a synergy that will ensure the continued revitalization of both the culture and the language of the Hawaiian people, and may serve as a model for the University. The School will fulfill the wishes of a generation of students, teachers, and administrators. Hawaiian language faculty have worked for years on the merger, with the full support of the Dean's office.

2. Robert Huey, Director of the Center for Japanese Studies, spoke on behalf of Ned Shultz, Interim Dean of the School for Hawaiian, Asian and Pacific Studies. He said that the faculty and students in the School for Hawaiian, Asian and Pacific Studies support the new School because it meets an unstated obligation when the University first took shape 100 years ago, and it meets a promise made when Hawai'i became a State in 1959, and it meets a mission the University holds to all the people of Hawai'i.

3. Manu Kajama, Instructor in the Shidler College of Business Administration, UH Mānoa and at Kamakakūokalani Center for Hawaiian Studies, said that Hawaiian Language and Hawaiian Studies have been separated, but should now be merged into one program. This merger will assist in securing funding for the School.

Regent Haynes asked the meaning of the Hawaiian word Hawai'i'iniūākea. Professor Lilikala Kame'elehiwa explained that it is the old name for the homeland of Polynesia, referring to the area between Hawai'i to Aotearoa to Rapa Nui. Nui means Great, Ākea means Wide or refers to the Sky Father Ulākea. Hawai'i'iniūākea is that homeland reached by using traditional navigation, using Ulākea, or Orion, which straddles both southern and northern hemispheres.

4. Kaiwipuni Lipe, academic advisor for the Hawaiian language program at UH Mānoa, supported the merger to help retain current students; to help recruit students; and because it makes sense to the Hawaiian community. Students wishing to double major in Hawaiian Studies and Hawaiian Language take longer to graduate because many of their Hawaiian Studies courses do not meet the required 104 arts and science credits. The merger will also aid the collaborative work that the student services staff does.

5. Alohali Brown, UHM graduate of Hawaiian Language and Anthropology, said that Hawaiian Studies and Hawaiian Language are two areas of study that overlap, yet are separated into two different schools. Merging would increase the productivity of faculty and staff in teaching and recruiting.
IV. AGENDA ITEMS

Approval of the Creation of the Hawai‘inuiākea School of Hawaiian Knowledge, UH Mānoa

UHM Interim Chancellor Denise Konan requested approval of the Hawai‘inuiākea School of Hawaiian Knowledge, which merges Hawaiian Language and Hawaiian Studies into one School. Enrollment in Hawaiian programs have grown tremendously—Hawaiian Studies 107 has the largest enrollment on campus. The Hawai‘inuiākea School of Hawaiian Knowledge, once created, will be one of the campus’ largest schools, and also the largest school of indigenous knowledge in the nation and possibly the world. Chancellor Konan said that the cost for creating this School is minimal, since faculty and staff are already in place. Additional funding will be needed to establish a dean’s office. UHM now has a 12.6 percent Native Hawaiian student population, which makes the campus eligible for federal funding under Title III and Title V. The campus hopes to secure private funding as well.

Chancellor Konan said that the new School fulfills a core element of UHM’s strategic plan, as well as the UH System’s strategic plan, and indicated that incoming Chancellor Virginia Hinshaw fully endorses this School.

Chancellor Konan called on Maya Saffery, specialist in the Hawaiian Languages Program; Kapa Oliveira from Hawaiian Language; and Jon Osorio, Director of the Kamakahōolani Center for Hawaiian Studies to present the basic framework of the Hawai‘inuiākea School of Hawaiian Knowledge.

Ms. Saffery explained that the request is to reorganize the Kamakahōokalani Center for Hawaiian Studies, the Kawaihuelani Hawaiian Language Program, and the Ka Papa Lo‘i o Kānawai Cultural Garden into a single unit called the Hawai‘inuiākea School of Hawaiian Knowledge. Kamakahōokalani and Kawaihuelani serve about 2,000 students per semester and mentor over 200 undergraduate and graduate majors.

Director Osorio highlighted three factors supporting the establishment of the new School. Historical rationale: In 1986, a task force of native Hawaiian educators and community leaders recommended the creation of a single Hawaiian studies program incorporating language, culture, and history. Curriculum and research: Interdependence between language and studies has been demonstrated, evident in collaborative efforts to establish complementary graduate programs in Hawaiian Language and Hawaiian Studies. Administrative issues: To efficiently manage the growth in Hawaiian programs, there must be a school of Hawaiian knowledge.

Kapa Oliveira said that the Hawai‘inuiākea School of Hawaiian Knowledge will allow increased opportunities to acquire extramural funding from state, federal, and private sources. Siting the School on O‘ahu will aid the University to reach the world’s
largest Hawaiian population with very little cost to the University, because the majority of required funding is already included in Mānoa’s biennium budget request. The School will also become a one-stop shop for the community to access Hawaiian knowledge and cultural expertise. Ms. Oliveira ended with a Hawaiian proverb symbolic of the establishment of the Hawai‘inuiākea School of Hawaiian Knowledge: E kuahui like ika hana — Let everyone pitch in and work together.

President McClain commented that this proposal is about amplification of power because there is no better way to understand a culture than through its language. The new School will promote indigenous cultures generally and the Hawaiian culture in particular, and he supported this proposal.

Regent Tanaka asked if there was a long-range plan for sufficient physical facilities for the School. Chancellor Konan acknowledged that there currently is a space problem for the School. The campus is identifying private funds to help support construction of a new building. Mānoa’s Long Range Development Plan includes a site to accommodate the School. Regarding the immediate space problems, staff are working on reorganizing current space availability.

Regent Albano commented that changes are being made before the LRDP is in place. He asked if the LRDP delay is due to additional need for facilities. President McClain clarified that the University made a commitment to the City and County of Honolulu to update the LRDP to obtain the permits for student dormitories. Vice Chancellor Kathy Cutshaw explained that the LRDP is in the final stages and will be brought to the Board in September.

Regent Landon asked if distance learning would be used to deliver the program to other areas, and encouraged the School to use technology to expansively disseminate culture across the Islands. Ms. Oliveira noted that they have a media specialist to coordinate these efforts, and outreach to the Neighbor Islands will be further developed. Director Osorio indicated that the Center for Hawaiian Studies is creating a WASC proposal to make its MA program a distance delivery degree. Regent Hapai recommended that the program should accept students transferring not only from community colleges but from four year campuses throughout the UH System.

Regent Haynes commented that the Dalai Lama was recently on Maui, and when asked how a culture is preserved, his response was “Know your language.” Regent Haynes also noted that the 12 percent Hawaiian population is very impressive; when he attended UH Mānoa, it was 7 percent, and he attributes the increase to having a program that attracts Native Hawaiians.

Regent Dahilig asked how academic advising would be handled. The response was that academic advising currently and in the near future will be handled by the academic units. In the future, as the program grows, additional advisers will be needed.
Regent Dahlilig commented that he took a class from Director Osorio, and learned the importance of language in learning the culture, and supports the proposal.

Regent Albano moved to approve the creation of the Hawaiʻinuiākea School of Hawaiian Knowledge and the renaming of the School of Hawaiian, Asian and Pacific Studies to the School of Pacific and Asian Studies, and the Department of Hawaiian and Indo-Pacific Languages and Literature to the Department of Indo-Pacific Languages and Literature at the University of Hawai‘i at Mānoa, effective July 1, 2007. Regent de la Peña seconded the motion. The motion was unanimously approved.

RECESS

The meeting was recessed at 9:55 a.m. and reconvened at 10:06 a.m.

EXECUTIVE SESSION

Regent Dahlilig recused himself from the agenda item on the land purchase and development agreement regarding the West O‘ahu campus. Regent Landon disclosed his bank’s lending relationship with entities affiliated with the developers which are not involved with or connected to the West O‘ahu campus project. After discussion, it was decided that Regent Landon need not recuse.

Regent Albano moved to adjourn to executive session to consult with attorneys. The motion to adjourn, with a second, was unanimously approved. The meeting was adjourned at 10:08 a.m., pursuant to HRS § 92-5(a)(4). The public meeting was reconvened at 11:16 a.m.

IV. AGENDA ITEMS (continuation)

Authorize Public Hearing on Proposed Amendment to Chapter 20-12, Hawai‘i Administrative Rules, University of Hawai‘i at Mānoa Parking Regulations

Regent Landon moved to authorize a public hearing on a proposed amendment to Chapter 20-12, Hawai‘i Administrative Rules, UH Mānoa Parking Regulations, seconded by Regent Dahlilig. The motion was unanimously approved.
Approval of Lease of Warehouse Space at 99-142 Koaha Place, ‘Aiea, for the University of Hawai‘i Press

Vice Chancellor Neal Smatresk explained that the University Press would like to renew their lease of warehouse space in ‘Aiea. The cost has increased, but still below market value.

Regent de la Peña moved to approve lease of warehouse space at 99-142 Koaha Place, ‘Aiea, seconded by Regent Hapai. The motion was unanimously approved.

Approval of Resolution for the School of Ocean and Earth Science Technology (SOEST) to Apply for Surplus Federal Land Known as Ordy Pond at Kalaeloa

Vice Chancellor Kathy Cutshaw explained that UHM is trying to acquire Ordy Pond at no cost to the University. The pond has been important for research in climate history. Dr. Judy Rubano and Professor Jane Schumacher explained that although the pond was originally used to dispose of metals, the Navy has cleaned it and done environmental assessments. The researchers are interested in the sediments in the pond.

Regent Tanaka asked if there was funding for operations. Dr. Rubano confirmed that funds are available from their research and training revolving funds.

Regent Haynes expressed concern over possible pollution. General Counsel Lendio explained that the military is responsible for any type of contamination or ordinance removal prior to UH’s use. There may be problems in the future over responsibility, but for the present, the military is accountable. Counsel Lendio clarified that the conveyance documents are not final, and what is being requested is authorization to proceed with the application.

Regent Hapai expressed her concern over the health and safety of the students who would be working at the pond. Professor Schumacher explained that the researchers don’t enter the pond to obtain samples; in the lab, protective measures are taken, so contact with the material is minimal.

Regent Haynes moved to approve SOEST proceeding with the application for Ordy Pond, seconded by Regent de la Peña. The motion was unanimously approved.
Approval of Extension of Long-Term Lease at Dole Office Building for Hamilton Library, University of Hawai‘i at Mānoa

Vice Chancellor Cutshaw requested approval to extend the lease of approximately 4,500 square feet of space currently serving as a temporary processing and storage facility for incoming flood replacement materials for the government documents and maps section of Hamilton Library destroyed by the October 2004 flood. The request is to extend the lease from May 1, 2007 to June 30, 2009 to allow completion of Hamilton Library's ground floor reconstruction. The total cost of the extension is approximately $293,000, which includes rent, common area maintenance, parking, and is an allowable reimbursable FEMA flood relief expenditure.

Regent Dahilig moved to approve the extension of the long-term lease, seconded by Regent Hapai. The motion was unanimously approved.

Approval of the Establishment of a Bachelor of Arts Degree in Women’s Studies, College of Social Sciences, University of Hawai‘i at Mānoa.

Vice Chancellor Smatresk requested approval of the Bachelor of Arts in Women’s Studies. The program has been offered since the 1970s through Interdisciplinary Studies. The infrastructure, advising, staff, faculty, and physical space are already in place. The request is to formalize and simplify the program, thereby making it easier to execute and expand.

Regent Hapai moved to approve the program, seconded by Regent Haynes.

In response to Regent Landon's question, Susan Hippensteele, program chair, explained that their students have dual advising between Interdisciplinary Studies and Women’s Studies, which is inefficient for them. She also said that because the program is currently under Interdisciplinary Studies, an accurate count of Women’s Studies majors is difficult to obtain. Vice Chancellor Smatresk indicated that faculty for this program are in other programs; e.g., Dr. Hippensteele shares an appointment in Psychology.

Regent Hapai asked how many other students take Women’s Studies courses. Dr. Hippensteele responded that a foundations course just received approval that will enroll about 300 students per semester.

The motion to approve a Bachelor of Arts degree in Women’s Studies in the College of Social Sciences, UH Mānoa, effective Fall 2007, was unanimously approved.
Approval of Lease Agreement with Island Pacific Academy for Classroom Space in Kapolei, University of Hawai’i at West O’ahu

UH West O’ahu Chancellor Gene Awakuni requested approval of a lease agreement for classroom space in Island Pacific Academy in Kapolei, to allow instruction of the first freshman class this fall in Kapolei. The lease agreement is for two years for five classrooms, with the possibility of increasing the number of classrooms if needed.

Regent Landon moved to approve the lease agreement with Island Pacific Academy, seconded by Regent Haynes. The motion was unanimously approved.

Land Purchase and Development Agreement Regarding West O’ahu Campus, University of Hawai’i at West O’ahu

Regent Dahilig recused himself.

Chancellor Awakuni requested approval of the purchase and sale agreement between the University and Hunt Building Corporation, as discussed in executive session.

Regent Albano moved that the Board of Regents give authority to Chancellor Awakuni and President McClain to finalize and enter into a purchase and sale agreement regarding the University of Hawai’i West O’ahu consistent with the terms as presented to the Board in executive session in which major terms are outlined in the executive summary provided to the Board; and to perform any acts necessary to consummate the transaction, including finalizing and entering into any other documents. Regent de la Peña seconded the motion. The motion was approved by 9 Regents, with 1 recusal.

Chair Lagareta indicated that the Regents would like to have the agreement finalized as soon as possible.

Regent Dahilig returned to the meeting.

V. REPORT OF THE PRESIDENT and THE UH FOUNDATION

President McClain expressed his appreciation to Chancellor Konan for her two years of service as interim chancellor. He said that she has done an exceptional job in organizing the campus to celebrate the University’s Centennial, and has provided significant leadership in the direction of focusing on a student-friendly campus. She has taken the lead in positioning the campus for energy efficiency and getting involved in the
global debate on climate change. He noted a resolution by the ASUH recognizing Chancellor Konan that’s richly deserved.

President McClain also expressed his appreciation to Vice Chancellor Neal Smatresk, who is leaving for the position of provost at the University of Nevada Las Vegas. President McClain said that Vice Chancellor Smatresk made the Mānoa campus more efficient, and was able to provide 8 percent more classes without additional instructors.

Chair Lagareta, on behalf of the Board, thanked both Chancellor Konan and Vice Chancellor Smatresk for their leadership and service to the University.

President McClain made the following announcements:

• Emeritus Professor Norman Abramson received the 2007 IEEE Alexander Graham Bell medal for contributions to development of modern data networks through fundamental work in random multiple access. Dr. Abramson created the Aloha protocol, which is now widely used in nearly all forms of wireless communication.

• Emeritus Professor Klaus Wyrtki has been admitted to the American Academy of Arts and Sciences.

• Emeritus Professor Roger Long, former Associate Dean of Arts and Humanities, recently passed away. Dr. Long taught classes in Southeast Asian theatre, contemporary Asian dramatic literature, and Asian acting for the western actor. He directed and produced many performances at Kennedy Theatre and the Mānoa Valley Theatre.

• Dr. Clark Llewellyn has been appointed Dean of the School of Architecture at UH Mānoa. President McClain recognized former dean Raymond Yeh’s contributions to the School.

• Christine Sorenson has been appointed Dean of the College of Education at UH Mānoa. President McClain recognized interim dean Don Young’s contributions to the College.

• The Ka’ie’ie program has been established as a dual-enrollment, dual admission program for students who are admitted to a four-year degree program at UH Mānoa but choose to begin their studies at Kapi’olani Community College. The ultimate goal of the program is to promote cooperative, successful undergraduate educational experiences for students who attend both institutions. Students enrolled in the clear and explicit degree pathways of the Ka’ie’ie program will maximize the benefits afforded
by the two institutions: access to UHM’s student support resources and KCC’s high quality, affordable instructional programs.

• Maui Community College awarded its first bachelor’s degree in Applied Business and Information Technology.

• Vice President Linda Johnsrud has been appointed Commissioner of the Western Association of Schools and Colleges.

• The University’s emergency response system was tested on April 30th, and went well.

• President McClain reported that the UH Foundation will attain $60 million this year, which is $180 million of the $250 million goal.

Distinguished Alumni Association dinner is May 23rd at the Sheraton Waikiki, honoring Tom Gill, Walter Kirimitsu, and Jay Shidler.

August 18th is the official kick off of the public phase of the centennial campaign.

• Vice President Howard Todo reported that the Legislature has allowed the University bonding authority up to $100 million for CIP projects without legislative approval, but with the Governor’s approval.

The Legislature has appropriated some of its budget surplus of $26.4 million to the University in the first year of the biennium, rising to $37.3 million in the second year, which is more than the executive budget.

The Legislature shifted projects among UH Mānoa’s budget tiers. UH Hilo received what they had requested. UH West O‘ahu did well, as did the Community Colleges.

• Vice President Sam Callejo reported that the Board approved 27 projects at $697 million. The Governor approved 7 projects at $300 million. The Legislature approved $340 million for 13 of the 27 projects, and added 3 more as legislative initiatives.

The Legislative-approved budget was for the first year only; the University can request its second year of the biennium in the supplemental budget.

• The Office of Technology Transfer and Economic Development will be presenting information on its heart-sensing radar life reader technology at the World’s Best Technology (WBT) showcase in Texas. The WBT is the
premier event showcasing the world’s largest collection of undiscovered technologies from top universities. The technology enables detection of people from a distance through walls by monitoring heart and respiration, and doesn’t require any personal contact. This technology was awarded third prize among 200.

- The University has updated its seal, to be used for graphic presentations. The old seal will continue to be used for official documents.

RECESS

Regent Haynes moved to recess for lunch, seconded by Regent de la Peña. The motion was unanimously approved. The meeting was recessed at 12:10 p.m., and reconvened at 1:13 p.m.

IV. AGENDA ITEMS (continued)

Approval of Easement Agreements with Island School, Kaua‘i Community College, and Authorization of the President to Finalize and Execute

Kaua‘i Community College Chancellor Peggy Cha requested approval of an agreement to construct a secondary road access for the College. The agreement and the various implement easements for roadway, water, sewer, power, and communications is among and between the College, Island School, a private school on adjoining property, and the Wilcox Trust. The Chancellor also requested that the President be authorized to finalize the forms of the agreement and the easement.

Chancellor Cha explained that the roadway will provide the College, as well as Island School, with a second signalized access to both properties. Funding will be by the State and Island School, which is funding the majority of the cost for the road.

Regent Landon moved to approve the request, seconded by Regent de la Peña.

Regent Hapai expressed concern over possible sewer problems with the adjoining properties. General Counsel Lendio clarified that any expansion of the sewer system will be funded by Island School.

The motion was unanimously approved.
Approval of Appointment of Christian Veillet to the Mauna Kea Management Board

UH Hilo Chancellor Rose Tseng explained that the Mauna Kea Management Board has seven members, each serving a specific purpose. Dr. Christian Veillet will serve in the astronomy position. Dr. Veillet is supported by the other astronomers and the community.

Regent Hapai moved to approve the appointment of Dr. Christian Veillet, seconded by Regent Albano. The motion was unanimously approved.

Authorization for the Establishment of the Bachelor of Business Administration Major in Accounting, University of Hawai‘i at Hilo

Chancellor Tseng requested approval of the Accounting major in UH Hilo's BBA program, effective 2008.

Regent Landon moved to approve the Accounting major, seconded by Regent Haynes.

Chair Lagareta noted that a letter of support had been received from the Hawai‘i Society of CPAs.

Following a request from Regent Hapai to clarify certain cost figures in the exhibits, the motion was unanimously approved.

Approval of a Long-Term Lease with Law Library Microform Consortium (LLMC), Windward Community College

Vice President John Morton explained that the Law Library Microform Consortium has been occupying an abandoned building on the Windward Community College campus. They have funds to renovate the building, but need a long-term lease to do so. Windward CC has no long-term need for the building.

Regent Dahilig moved to approve a long-term lease, seconded by Regent Haynes.

There was discussion led by Regent Landon regarding renegotiation of future rent and the finding of tenant improvements.

The motion was unanimously approved.

Approval to Change from Provisional to Established Status of the Associate in Science Degree in New Media Arts, and Termination of the Information Architecture Specialization, Kapi‘olani Community College

Kapi‘olani Community College Interim Chancellor Leon Richards requested approval of the change in program status from provisional to established of the New
Media Arts program, and the termination of the Information Architecture specialization. Chancellor Richards said that the program offers continuing education and training, and addresses the work force need for both small business professionals and professionals in animation and interface design. He mentioned that a short animated film by students in the New Media Arts program that was submitted to the student film festival won the platinum award.

Regent Albano moved, seconded by Regent Haynes, to change the status to established, and to terminate the Information Architecture specialization.

Regent Hapai questioned why 78 credits were required, when the normal two-year program requirement is only 60 credits. Vice Chancellor Louise Pagotto confirmed that the program is longer than normal, due to prerequisite courses and the high technology skills which require additional time.

Regent Hapai commented that if the trend of more required credits and longer completion time continues, these larger credit programs may need to be measured differently than the standard credit programs.

The motion was unanimously approved.

Approval of the Termination of the Certificate of Achievement in Diagnostic Medical Sonography (DMS), Kapiʻolani Community College.

Chancellor Richards explained that a student must have a two-year degree in Radiologic Technology before entering the Certificate of Achievement program in DMS. Within the last four years, the CA program has been offered only once, in partnership with a local hospital. Additionally, the program needs updating and significant modifications. The demand for sonographers has decreased, thus the request for termination. Should employment conditions change and demands warrant, the College will revise the curriculum and re-submit the program for approval.

Regent Dahilig moved to terminate the program, seconded by Regent de la Peña.

In response to Regent Hapai's concerns about suspending the program until the need arises rather than terminating it completely, Chancellor Richards said that the program has been archived for the last four years, and much has changed in the field, so to offer it again, the curriculum would have to be revised. The College prefers to terminate the current program now, and institute a modified program when the need arises.

The motion was unanimously approved.
Approval of Award of Tenure and Promotion

Vice President Linda Johnsrud requested the awarding of tenure and promotion of the persons submitted for approval. She distributed an amended list which corrects Catherine Thomas listing for both tenure and promotion.

Vice President Johnsrud explained that the process requires that an individual provides a comprehensive dossier of their teaching, research and service as appropriate, and this dossier is reviewed at multiple levels, starting with their departmental, out to a larger personnel committee, by department chairs, deans, campus-wide, review committees through vice chancellors and finally to chancellors.

Vice President Johnsrud indicated that the total percentage of tenured faculty in the UH System is about 63 percent, and has stayed between 63 and 70 percent over the last ten years. She also indicated that 47 percent of those who were hired five years ago are being tenured.

General Counsel Lendio advised that the Board would need a two-thirds vote to add the name of Catherine Thomas to the agenda, then the second motion would be to move to approve the entire list as amended for tenure and promotion.

Regent Tanaka moved to add Thomas to the list, seconded by Regent Bender. The motion was unanimously approved.

Regent de la Peña moved to approve the corrected listing of individuals for promotion and tenure, seconded by Regent Bender.

Chair Lagareta noted that all Regents received a binder of the details supporting the tenure and promotion requests. The Chair further noted that the Regents’ Personnel Committee had met in executive session about a week prior to this meeting and carefully reviewed the request. Regent Migita, Chair of the Committee on Personnel Affairs, confirmed that the Committee had met and recommends that the full Board approve the requested award of tenure and promotion.

The motion to approve the award of tenure and promotion was unanimously approved.

Acceptance of University Audit Reports

Vice President Howard Todo requested the Board acceptance of the audit reports, which were presented to the Board Committee on University Audits in March 2007. The three reports are: the University of Hawai‘i Consolidated Financial Statements and Internal Control and Business Issues Report; the University of Hawai‘i Financial and Compliance Audit; and the University of Hawai‘i Bond System Financial Statements and Internal Control and Business Issues Report. Vice President Todo stated that the reports indicate that the University is in a strong financial condition. There are no “material weaknesses” and only one reportable condition regarding timeliness of cost sharing certificates.
Regent de la Peña asked about the difficulty in recruiting personnel. Vice President Todo responded that the job market in accounting is very tight, making it extremely difficult to hire qualified accountants. The University is experiencing difficulty in hiring new people, as well as retaining current staff, who go on to higher-paying positions elsewhere.

Regent Landon moved to approve and accept the audit reports, based on the review of the Audit Committee and previously presented drafts; seconded by Regent Albano.

Regent Landon asked if there were any comments in the business practices report that required the attention of the Regents. Vice President Todo responded that the University agrees with the findings and is taking action on them. He indicated that last year there were some material weakness in compliance and reportable conditions, but they have since been resolved to the satisfaction of the auditors. Cory Kubota, with Accuity LLC, reiterated his concern for adequate staffing.

The motion was unanimously approved to accept the audit reports.

**Authorization for the Administration to Accept an Offer from The Nature Conservancy for the Purchase of Real Property in Polk County, Florida**

Regent Haynes recused himself from this agenda item.

Vice President Sam Callejo explained that The Nature Conservancy would like to purchase 1.25 acres of undeveloped real property in Florida that the University received from a donor. The donor’s will directed the Board of Regents to invest the trust principal, valued in 1992 at $185,000, with the income to be used to provide scholarships for journalism students needing financial aid. The fund is valued today at about $450,000.

The Nature Conservancy owns about 2,000 acres around the University’s 1.25 acres, and is offering $2,000 for the purchase.

Regent Hapai moved, seconded by Regent Dahilig.

Regent Albano asked what guidelines could be used to determine if the $2,000 offer was appropriate. Vice President Callejo said that the assessed value was used, based on the annual property taxes of about $20. $2,000 is a good price, considering that four years ago, the offer was for $600.

The motion was approved by 9 regents, with one recusal.

Regent Haynes returned to the meeting.
Approval of the Capital Improvements Program (CIP) and Repairs and Maintenance Project (RMP) Contracts for Construction Projects

Vice President Callejo requested re-approval of five projects, due to their estimated construction costs of over $500,000:

- Lyon Arboretum, phase 1: $751,000
- Hamilton Library: $24 million
- Les Murakami Stadium: $2 million
- UH Hilo business education and chemical storage building: $1.2 million
- UH Hilo Panaewa research farm: $700,000

Regent Albano moved to accept the projects, seconded by Regent Haynes. The motion was unanimously approved.

Vice President Callejo said that he was asked at a prior meeting to provide a list of consultant contracts for the last five years, showing the number of contracts and the total dollar amount for each consultant. He provided the listing to the Regents.

Vice President Callejo also provided a chart showing construction contracts approved by the Board, with related consultant and design costs, along with footnotes that explained the variance between actual and estimated amounts.

Regent Albano expressed his appreciation to Vice President Callejo, stating that the list makes the University’s awards on professional consultants and construction contracts transparent and public, allaying misconceptions that only certain contractors are receiving University business.

In response to Regent Albano’s concerns, Vice President Callejo indicated that staff will include as many consultants as possible to be awarded contracts within the context of the procurement code.

Regent Haynes noted that the Board approved $1,044,000 for a project that increased to $2,623,000, and asked where the difference came from. Vice President Callejo explained that the difference came from deferred maintenance lump funds.

Approval of the University Audit Plan, July 1, 2007 to June 30, 2008

Secretary of the Board Presley Pang explained that he was representing the Internal Audit Office, since it reports directly to the Board, and the director retired and has not been replaced. The proposed Audit Plan encompasses mandated audits, such as the OMB A-133 compliance, and the bond system, and discretionary audits performed by outside auditors or by the Internal Audit office. Secretary Pang said that the Audit Plan was not presented to the Audit Committee.

Regent Landon recommended that the Board approve the Audit Plan because the bulk of the audits are obligatory audits that should be approved before the end of the
fiscal year. He suggested that the Audit Committee review the Internal Audit Office to maximize the value of an internal audit staff and maintain a risk-based focus for the University. Regent Landon moved to approve the University Audit Plan, seconded by Regent Haynes. The motion was unanimously approved.

**Quartely Financial Status Report (information only)**

Vice President Todo reported that the University is in strong financial condition, and that net assets continue to increase substantially. The University is well within its budget.

**Report of the Investment Monitor, Smith Barney, for the Quarters Ending December 31, 2006 and March 31, 2007 (information only)**

Regent Landon recused himself from this agenda item.

Vice President Todo indicated that the University’s endowment funds are managed by the University, not by the UH Foundation. The funds are in strong, stable condition, and earnings are in line with the benchmarks.

Regent Albano asked how the University fared on return on investment. President McClain responded that the University-managed funds did not perform as strongly as the UH Foundation’s. In response to Regent Albano’s query as to why the funds couldn’t be consolidated, President McClain said that he is looking into this. The important difference is that the UH Foundation is a private entity, and the University is a public entity, so there may be differences in the types of investments permitted, levels of fiduciary responsibility, and risks involved.

Regent Landon returned to the meeting.

**VI. GIFTS, GRANTS AND CONTRACTS**

Interim Vice President Jim Gaines reported that through the end of April 2007, the University was running ahead of last year in terms of research grants, but slightly behind in the training grants. It doesn’t appear likely that the year will end with a record over last year, which had an unusual 22 percent increase over the previous year.

Regent Bender moved to accept the gifts, grants, and contracts, seconded by Regent de la Peña.

In response to Regent Haynes' question on the University's ranking, Vice President Gaines said that by National Science Foundation figures, the University ranks in the low 30s, while other rankings put the University in the top 25 for research universities. The National Science Board will be visiting in June to make recommendations on possible projects and to review current supported projects to the National Science Foundation.
President McClain noted that Attachment A3 concerns a contract to furnish, deliver and install dorm furniture for UH Mānoa residence halls. The President said that the furniture was procured pursuant to advertised invitation, which solicited interest from 12 vendors, resulting in three bids. The low bid was chosen. Funding for the purchase is from revenue bond for student housing projects.

The motion to accept the gifts, grants, and contracts was unanimously approved.

VII. EXECUTIVE SESSION

At 2:40 p.m., upon motion and second, which was unanimously approved, the Board recessed the public session and convened in executive session to consult with attorneys on powers, immunities, and liabilities, pursuant to HRS § 92-5(a)(4), and to deliberate on various personnel actions under HRS §92-5 (a)(2). The Board reconvened in public session at 5:40 p.m. Regents Landon and Haynes were excused.

VIII. APPOINTMENTS, CHANGES IN APPOINTMENTS, LEAVES OF ABSENCE, PROMOTION, TENURE, WAIVER OF MINIMUM QUALIFICATIONS, EMERITUS TITLES, SHORTENING OF PROBATIONARY PERIOD, SALARY ADJUSTMENTS, POSITION ACTIONS, CLASSIFICATION, PRICING; RESIGNATIONS AND RETIREMENTS OF BOARD OF REGENTS’ APPOINTEES AND CIVIL SERVICE EMPLOYEES.

Regent Bender moved to approve the appointments, changes, leaves, promotion, tenure, salary adjustments, position actions, classification, pricing, resignations and retirements, as set forth in B-1; seconded by Regent Hapai. The motion was unanimously carried. [Chancellor Denise Konan’s professional leave is effective for six months, effective August 1, 2007.]

VIII. ANNOUNCEMENTS

Chair Lagareta recognized outgoing Regent Alvin Tanaka’s service and tenure on the Board, citing his vice chairmanship and work on the compensation committee, as well as his good counsel, perspective and judgment.

Regent Migitia thanked Regent Tanaka for his wise counsel.

President McClain expressed his appreciation to Regent Tanaka on behalf of the Administration. He said that Regent Tanaka consistently emphasized good management, while keeping the University’s mission firmly in mind—that it serves the people of Hawai‘i. The President stated that he has not met a more dedicated Regent and one who pushed the University to be better and better.

Regent Bender expressed his pleasure in working with Regent Tanaka, describing him as having a warm and big heart.
Regent Albano expressed his appreciation to Regent Tanaka, and said that he will be missed.

Regent Tanaka said that he was honored to be of service to the University, and felt that he and the other Regents hopefully accomplished enough that the system now has forward movement, and hoped that the remaining Regents continue to make decisions moving the campuses forward.

IX. NEXT MEETING OF THE BOARD

Chair Lagareta announced that the next meeting of the Board will be on July 26-27, 2007 at Leeward Community College.

X. ADJOURNMENT

Regent Bender moved to adjourn the meeting, seconded by Regent de la Peña. The motion was unanimously approved. The meeting was adjourned at 5:50 p.m.

Respectfully Submitted,

[Signature]

Presley Pang
Interim Executive Administrator
and Secretary of the Board