I. CALL TO ORDER

The meeting was called to order by Chair Allan R. Landon at 9:10 a.m. on Wednesday, July 23, 2008, at the University of Hawai‘i at Mānoa Campus Center Executive Dining Room, 2465 Campus Road, Honolulu, Hawai‘i 96822.

Regents in attendance: Chair Allan Landon; Artemio Baxa, Esq.; Byron Bender, Ph.D.; Ramón de la Peña, Ph.D.; Marlene Hapai, Ph.D.; Dennis Hirota, Ph.D.; Howard Karr; Kitty Lagareta; Ronald K. Migita; Teena Rasmussen; and Harvey Tajiri. Excused: Carl Carlson; Michael Dahilig; James Haynes, II; and Jane Tatibouet.

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

II. PUBLIC COMMENT

No public comments were offered.

III. ORIENTATION FOR NEW REGENTS

[Secretary’s Note: This meeting was designed as an orientation on the University of Hawaii System for Regents appointed to the Board on July 1, 2008. For convenience, presentation materials are attached to these minutes. These minutes summarize the oral discussions and comments.]

Overview of the UH System and Ten Campuses

President McClain noted the following:

- The University’s impact on the state is probably greater proportionately than any other university in the nation. Including noncredit and credit students together, every week the ten campuses serve 80,000 people, or about 1 out of every 14-15 adults in the State.

- The University is a $1.6 billion enterprise.
• The System is administered by a cadre of vice presidents, and each campus is led by a chancellor.

• The United States is not producing enough graduates. The leading countries have a greater percentage of their population with college degrees than the U.S.

• Public universities are heavily subsidized by taxpayers. Community colleges are subsidized at about 80-85 percent. UH Mānoa is subsidized at about 65-70 percent.

• The common purpose of the UH System is to serve the public by creating, preserving and transmitting knowledge in a multi-cultural environment. The University can take advantage of Hawai’i’s unique location, physical and biological environment, and rich cultural setting.

• The UH System is unique because it is one system—most states have multiple systems of higher education. Community colleges on the mainland often have their own governance systems.

• The University has three missions in one system: a flagship research university at Mānoa; comprehensive education at UH Hilo and UH West O'ahu; and educational access for the broad population via the community colleges.

• The UH System has 4 areas of focus: increasing educational capital of the state; developing the work force; diversifying and contributing to the economy; addressing the needs of under-represented groups, in particular Native Hawaiians, and under-represented regions of the State.

• The President’s goals and objectives are to maintain accreditation; formulate the biennium budget; integrate strategic planning and financial planning; achieve the centennial campaign goal of $250 million; support the Regents Candidate Advisory Council; provide access for success, especially for Native Hawaiians; address capital renewal and deferred maintenance; implement a future leaders program; and build out new education facilities (e.g., UH West O'ahu) and research facilities. (Attachment 1: September 5, 2007 Convocation Remarks of the President.)

• The Association of Governing Boards (AGB) espouses four principles that governing boards should heed: preserving the autonomy of the institution; permitting the institution to be a self-governing institution; ensuring academic freedom of inquiry; and preserving the public purpose of the institution.

• Because the Board and the President have full responsibility for the University, they need to act together as one, and need to focus on student outcomes and institutional financing.
Vice President for Community Colleges John Morton presented an overview of the seven Community Colleges in the UH System:

- More than half of the System’s students are in the community colleges. The Community Colleges provide access through multiple locations, multiple classes throughout the day and evening, low tuition, open admissions, remedial education, work force development, and permit transition into baccalaureate programs.

- Hawai‘i Community College is expanding its West Hawai‘i campus to the property above the airport in the Palamanui subdivision. The Hilo campus was rated by Atlantic Monthly as the 16th best community college in the country.

- Maui Community College has expanded its curriculum to offer a bachelor’s degree in Applied Business and Information Technology and is considering additional baccalaureate programs.

- Kapi‘olani Community College is the largest campus and has the largest international student enrollment. It also is the largest source of transfer students into the Mānoa campus.

- Honolulu Community College is the only college in the country that enrolls more men than women, due to its trade and technical programs.

- Leeward Community College will be growing significantly as a result of the population increase in the West O‘ahu region.

- Windward Community College has some of the best faculty in the sciences and performing arts. It now has the facilities to accommodate the Windward communities.

- Kaua‘i Community College is the smallest campus. It is led by a chancellor, Helen Cox, a former Hawai‘i resident, who is succeeding retiring Peggy Cha.

**Strategic Planning**

Vice President for Academic Planning and Policy Linda Johnsrud reviewed the UH System strategic plan (Attachment 2: Strategic Plan 2002-2010).

Regent Hirota suggested attracting students to the STEM fields (science, technology, engineering, and math) before they leave high school.

Vice President Johnsrud said that the University is producing 368 teacher candidates; the goal is 518.

Regent Karr commented that the University should consider seeking Legislative funding for additional positions.
Chair Landon recommended that the Board look at resource allocation and effectiveness on a regular basis.

**Constituents and Shared Governance**

Vice President Johnsrud reviewed the history and principles of “shared governance” in the academic setting. (Attachment 3).

Interim Associate Vice President Karen Lee said that the Student Caucus is composed of 22 students representing all 10 campuses. They meet monthly. They also advocate at the Legislature for budget requests affecting students.

Regent Lagareta commented that the accrediting body has criticized the Board for not practicing shared governance and establishing appropriate levels of authority. She said that it is a challenge to make people understand that there are structures and a governance process that need to be followed.

_(Lunch recess 12:15 p.m. to 12:57 p.m.)_

**Academic Programs and Research**

Vice President for Research Jim Gaines provided an overview of research activities and funding (Attachment 4).

Regent Hirota asked what incentives do faculty have to bring in grants. Vice President Gaines responded that faculty wish to develop their expertise and reputation in their field.

President McClain asked how much it would cost to attract a promising scholar. Vice President Gaines gave an example that a start-up package for a chemist would be about four to six hundred thousand dollars over time to get this chemist’s research program up and running.

In response to Regent Karr’s question, Vice President Gaines said that the University recovers about $40 million for indirect costs, relative to research revenues of approximately $350 million.

In response to Regent Hirota’s question, Vice President Gaines confirmed that a higher indirect rate could be charged if funds were used for research facilities, maintenance and infrastructure.

President McClain cautioned that if federal research funds shift from the physical sciences toward the biological sciences, the indirect cost recovery that the chancellor’s office at Mānoa retains may not be enough to reallocate to the biological sciences. The University is heavily funded in the physical sciences by the NSF, and may need to move toward biological research funded by the NIH.
Regent Karr asked about the amount of assistance provided by Hawai‘i’s congressional members. Vice President Gaines responded that legislative earmarking is diminishing, and the University receives no more than $20 million, or 5 percent, annually from congressional assistance.

**Accreditation**

Vice President Johnsrud provided an overview of how academic programs are established and accredited.

- The chief academic officers of all ten campuses meet monthly to review new program proposals.
- Approved proposals are sent to the President for recommendation for Board approval.
- The Board approves provisional status for one full cycle.
- After the provisional program has graduated students and has had a review, the Board is requested to confer established status for the program.
- At the four-year campuses, a program review is done every seven years; at the two-year campuses, every five years.

There are two kinds of accreditation. Professional accreditation covers specific programs such as business, nursing, and teaching. About 54 programs at Mānoa, 3 at Hilo, and about 25 at the Community Colleges are subject to professional accreditation.

The other type of accreditation is regional. The UH comes under the Western Association of Schools and Colleges (WASC), which has two commissions, a senior commission for the four-year campuses, and the Accrediting Commission of Community and Junior Colleges for the seven Community Colleges. No other region other than WASC has two separate commissions.

WASC has four standards of accreditation:

- Defining institutional purposes and ensuring objectives.
- Achieving educational objectives through core functions of teaching, learning, scholarship and support of student learning.
- Resources.
- Becoming an organization committed to learning.

The accreditation process involves:

- Submitting an institutional proposal.
- A visit by the accreditation team upon approval of the proposal.
• A follow-up visit one year later to evaluate educational effectiveness.

If the campus meets approval, it is accredited for a period up to ten years.

Regent Lagareta stated that accreditation helps to strengthen the campuses. WASC will work with the regents, but it also expects the regents to help themselves, and be fully responsible.

Vice President Morton explained that the accreditation standards for community colleges are quite different, in part due to the dominance of California, which has 110 community and junior colleges, versus Hawai‘i’s 7. He said that California’s boards are locally elected by their districts, so there are 110 different boards. (Attachments 5 & 6).

The accreditation standards balance keeping the institutions responsive to their local communities, but preventing special interest on the board from dominating the institution. Unlike the senior commission which has very broad standards, the junior commission has very specific standards on board behavior.

Vice President Morton informed the Board that Maui Community College, by agreement with the senior and junior commissions, can offer one bachelor's degree and still continue under the jurisdiction of the junior commission. If MCC offers a second baccalaureate program, it will either be removed from the junior commission or perhaps moved to the senior commission. The Administration is discussing these options with WASC.

**Budget and Finance**

Vice President for Budget and Finance and Chief Finance Officer Howard Todo provided an overview of the budgeting process (Attachment 7).

Vice President Todo clarified that the bond system takes all projects such as the Campus Center, student housing, parking, and bookstores that are financed by bonds, and places them into one system, the revenues of which are available to support the debt service on all bonds.

Vice President Johnsrud explained that tuition revenues are becoming an increasingly important part of the budget. Setting tuition is a Board responsibility. In May 2005, the Board approved a six-year tuition schedule effective fall 2006 to fall 2012 with a goal to have tuition set at the average of the campuses’ peer group. To mitigate the increase in tuition, the Administration made a commitment to quadruple need-based financial aid over the same time period. In 2000, about $5 million was available for need-based aid which will exceed $20 million by 2012.

Interim Associate Vice President for Student Affairs Karen Lee said that tuition waivers have been changed to monetize the type of aid to cover other expenses. Need-based aid, merit-based aid, and special aid for Pacific Islanders, whose tuition was also raised in 2006, are available.
In 2006-2007, the University awarded about $7.5 million of need-based aid. This past year close to $10 million was awarded.

**Capital Improvement Projects (CIP)**

Vice President for Administration Sam Callejo provided an overview of the University’s CIP (Attachment 8).

The CIP program provides for the construction of new buildings or major renovations of existing buildings. The main revenue source is state-issued general obligation bonds.

The planning and design is outsourced and the construction is bid according to the procurement process and awarded to the lowest responsible bidder. The Office of Capital Improvements begins the process by requesting an allotment from the state Department of Budget and Finance. The Governor may or may not release the funds the Legislature has appropriated.

The President is delegated authority to approve construction projects up to one million dollars, and up to $300,000 for consulting contracts. Contracts above these thresholds require Board approval.

The UH system of campuses include about 13 million square feet of building spread out across 708 buildings, and has a current replacement value of $4.175 billion.

The current maintenance backlog is $351 million. The President’s initiative is to eliminate this backlog over the next six years. This plan would require $58 million. An additional $58 million is needed to maintain the $4 billion inventory.

For this current fiscal year, the Board requested a capital renewal and deferred maintenance budget of $97.9 million, which was reduced to $58.5 million by the Governor and the Legislature.

President McClain noted that Brian Minaai advised that although $117 million is needed to maintain the facilities and address the deferred maintenance, current staffing can support less than $40 million. Thus, additional staff is being requested in the biennium budget.

Regent Hapai and Chair Landon expressed concern over outsourcing. Chair Landon commented that deferred maintenance presents organizational challenges, management challenges, and priority challenges. The University may need to examine fundamentally how many facilities it is able to maintain.

President McClain noted that the Mānoa administration estimates that they can maintain about half of their buildings on an ongoing basis.

Vice President Todo clarified that the University does not have the infrastructure support to push through $58 million worth of projects to maintain existing buildings; therefore, the biennium budget will request additional positions and funds to increase staffing at the System for regular maintenance. The other $58 million would be used to
complete deferred maintenance, and would not need to be continued once the backlog is reduced. The amount of deferred maintenance is due to the decreased legislative funding over the past 15 years, and the decision to maintain academic programs rather than facilities in the face of budget cuts and resource limitations.

Chair Landon commented that, in the past, the University did the bare minimum to pay the bills and keep it running. Today, we have a longer term shift of priorities, and it will take a while to get through.

**IV. ANNOUNCEMENTS**

**Selection of Board Officers**

Chair Landon observed that officers for the Board were not selected until September 2007. A task group consisting of Regents Lagareta, Hapai, and Haynes was appointed to examine the process of selecting officers and to report on recommendations. In view of Regent Hapai’s interest in an office, Chair Landon asked Regent Karr to substitute for Regent Hapai, and further asked the task group to report on its findings and recommendations at the meeting of the Board scheduled for July 31, 2008. He would like the Board to act upon the recommendations and elect officers by its meeting in August 2008.

Upon motion by Regent de la Peña, and second by Regent Bender, the revised membership of the task group and its mission and deadlines were approved unanimously.

**EXECUTIVE SESSION**

Upon motion by Regent Bender and second by Regent de la Peña, the Board unanimously approved moving to executive session to consult with its attorney on Board responsibilities, duties, immunities, including legal authority, and laws of statewide application, and to review personnel matters.

Executive session commenced at 3:25 pm. and ended at 4:25 p.m. when the Board reconvened in public.

**Further Announcements**

The next public meeting will be held on July 31, 2008, at Leeward Community College.
V. ADJOURNMENT

Upon motion by Regent Tajiri, second by Regent Hirota, and unanimously approved, the meeting was adjourned at 4:30 p.m.

Respectfully Submitted,

[Signature]

Presley W. Pang, Esq.
Interim Executive Administrator
and Secretary
Regents, distinguished members of the legislature, chancellors and vice presidents, my colleagues on the faculty, members of our dedicated staff…

Aloha and welcome to our annual convocation honoring those among us who have been leaders in teaching, research and service to our community.

This is my fourth convocation as your president; in 2004 and the years since I’ve invoked the observations of a wide range of authorities, including the 17th-century Japanese poet Basho, Jim Collins of "Good to Great" fame and 20th century journalist and novelist Henry Adams…along with the lyrics of the Beatles and the Supremes.

Not to worry…I only sing in even numbered years.

Last year as I reviewed the state of the university, I counseled that we need to match the "gaiatsu" of outside pressure for better performance with a spirit of self-generated "naiatsu" (inside pressure) to operate more efficiently—and to insure that students who have access to UH achieve success as well, with less remediation, better articulation and transfer, better retention and improved graduation rates.

Last year I also talked with you about the wonderful example of centenarian Anna Sloggett. Anna, a contemporary of Gladys Kamakakuokalani Brandt, our former regent for whom the UH Manoa Center for Hawaiian Studies is named, taught third grade at public and private schools on Maui, O‘ahu and Kaua‘i. She celebrated her 100th birthday last year by playing in a golf tournament in her honor and concluded her birthday party by dancing the hula.

This year finds us in the midst of our own 100th birthday party, and it certainly has been a time of joy and celebration, of memories and nostalgia.

Most of you have heard me talk about our humble beginnings…about our first football game in 1909, which we won, against McKinley High School.

I’ve spoken about the lives we’ve touched, one by one and generation by generation.

And I’ve recalled with pride the fact that, in the last century, UH has done more to advance social justice and economic self-reliance than any other institution in our state.

I know you are proud of these accomplishments too.

Today I want to focus on the university’s future and, in particular, on the power of philanthropy and partnerships to transform a very good university into a great one.

At the O‘ahu launch of the public phase of our Centennial Campaign on Aug. 18, 2007, I cited the vision of Jay and Wallette Shidler, who last fall invested more than $25 million at UH Manoa with a goal of moving the Shidler College of Business into the top 25 public business schools by 2013.

As Jay put it, it’s like the Beach Boys song, "Be true to your school."

One year later, the Shidler gift continues to make headlines across our university and in our community, and it will in perpetuity.

Pacific Business News, after taking a tour of the Shidler College of Business, declared, "Plants, pride and optimism seem to be growing everywhere."
In a nutshell, that is the power of philanthropy.

Each gift to benefit the University of Hawai’i has impact. Not many of us can give an eight-figure gift, but the act of giving has deep meaning.

The sum of those gifts and how they are used can result in the difference between accomplishing dreams and merely dreaming.

To date, the Centennial Campaign has raised some $185 million toward our mid-2009 goal of $250 million.

I’m optimistic about our chances of exceeding that goal because potential donors know our partners are, well, doing their part. Permit me to give you some examples:

- Since I became the chief executive officer of the UH System, the legislature has appropriated and the governor has approved
  - $200 million in additional and continuing operating funds for the university,
  - and $377 million in additional capital improvement funds financed by general obligation bonds,
  - including $166 million earmarked for capital renewal and deferred maintenance, and health and safety.
- We’re using public private partnerships to address the state’s higher education needs, building out new dormitories on Maui and Manoa, and creating whole new campuses in West O’ahu and West Hawai’i.
- We’re making headway on improving the education pipeline from early childhood to the university. Our P–20 initiative, a partnership with the Good Beginnings Alliance and the Department of Education, recently received a $10 million grant from the Kellogg Foundation to insure that all eight year olds can read on grade level by 2015. The American Diploma Project and the Achieving the Dream initiatives, financially assisted by the Castle Foundation, the Office of Hawaiian Affairs and Kamehameha Schools, are also promoting college readiness.
- We’re responding to workforce development issues by creating construction academies in 26 public high schools, and this year by creating STEM (science, technology, engineering and math) academies in 14 public high schools, and the innovative MELE program at Honolulu Community College.
- And we’ve started the President’s Emerging Leaders Program, to grow our own leaders; we had 125 applications for the first cohort, which begins tomorrow with 32 participants.

Also key to our fundraising success is our governance process, which received high marks last year by the Western Association of Schools and Colleges in its visit to the UH System. As the newly formed Regents Candidate Advisory Council screens candidates for the Board of Regents, it will want to select individuals able to sustain this record of accomplishment.

In many respects, UH is better off today than we were three years ago, and we can all be proud of that. But there’s more to be done.

- First, we need to improve our college going rates, our retention and transfer rates and our graduation rates, setting and reaching specific goals that will bring us to the levels achieved by our peers.
- Second, we need to do more to insure the safety of students on our campuses. In the coming days, we’ll release a report of a survey I commissioned in collaboration with the Commission on the Status of Women which will indicate the degree of unreported sexual and relationship violence experienced on and off campus by our students across the system. UH is not unusual in comparison with other campuses nationwide, but that’s little comfort to the individuals surveyed who have experienced such violence. We need to do more to address this social issue.
Our supplemental operating budget request contains as its top priority $8 million in funding for additional security on our campuses, building on the funding received in the last three years.

- Third, we need to do more to improve the quality of our facilities and to create additional housing for students…and for faculty. In the coming decade, retirements will force us to compete for new faculty talent, but our ability to do so will be compromised by high housing costs.

In this regard, I’m pleased to report a measure of success on three fronts. First, the legislature approved and the governor signed authority for UH to issue, with approval of the governor, up to $100 million in special purpose revenue bonds, which will allow us to address our student—and faculty—housing needs.

We’re exploring with local financial institutions and with the UH Foundation a program similar to one used by some private schools for their faculty, under which the school (in this case it would be the UH Foundation) guarantees the down-payment for new faculty.

In addition, effective with next spring’s faculty recruiting cycle I am directing Vice President and Chief Executive Officer Howard Todo to restart the university’s mortgage assistance program, suspended several years ago. We will start with an initial capitalization of $1 million, to be increased if the initiative with local financial institutions and with the UH Foundation doesn’t bear fruit.

- Finally, we need to do more to insure access with success for students in underrepresented groups, particularly Native Hawaiians, whose culture and values are at the core of the university’s strategic plan through the year 2010.

To be sure, we’ve made significant strides in promoting Hawaiian language, culture and values in our curriculum. At UH Hilo, we’ve launched a doctorate in indigenous language revitalization; at UH Manoa, we’ve created Hawai‘inuiakea, the School of Hawaiian Knowledge. Both are pathbreaking in a global context.

At our community colleges, as noted above, with the help of the Office of Hawaiian Affairs and Kamehameha Schools the Achieving the Dream project is focused on insuring both access and success for Native Hawaiians.

We need to do more than we have done to insure that Native Hawaiians have access to these curricula.

In fact, we need to do more than we have done to insure that Native Hawaiians have access to the entire body of remarkable scholarship in the arts and sciences available on all our campuses.

We’re fond of saying that the University of Hawai‘i is "like no place else on earth," and we’re proud that we’re one of the few universities designated a land-grant, sea-grant and space-grant institution.

Or, as someone put it more poetically, our ahupua’a runs from the ocean to the stars.

We need to do more to acknowledge the fact that the remarkable scholarship for which our faculty are renowned occurs in this unique physical and geographic environment, on land first populated many centuries ago by the Native Hawaiians.

Simply put, we need to acknowledge our role as stewards of these Hawaiian lands.
Last year some 3,000 Native Hawaiian students applied for financial aid. While more than 2,300 received some form of federal, state, UH or UH Foundation grant or scholarship, 700 were turned away.

The total value of UH aid provided was almost $2.5 million, including tuition waivers valued at $870,000.

In the spirit of stewardship, we can do better, and we must do better.

Accordingly, as I announced last evening at Nanaikapono Elementary School in Nanakuli, starting with the fall of 2008 we will create a Second Century Scholars program that, by the fall of 2010, will double need-based financial aid to Native Hawaiians to $5 million per year.

The UH System itself will lead this initiative, providing the additional resources to our campuses and working with the Office of Hawaiian Affairs, Kamehameha Schools and other Native Hawaiian education providers to insure that the Second Century Scholars program is well-publicized to undergraduate and graduate students alike.

Fulfilling the vision of our strategic plan, by 2010 many more Native Hawaiian children who aspire to be engineers or doctors or astronomers or marine biologists will know that they can pursue their dreams unfettered by financial restraints.

These Second Century Scholarships for Native Hawaiians with financial need provide a fitting way forward for your university as we embark on our next 100 years.

Speaking of second centuries, I’m pleased to report that Anna Sloggett has now turned 101. Wendie and I look forward to seeing her tomorrow night when we kick off the UH Centennial Campaign’s public phase on Kaua‘i.

Congratulations to all of today’s honorees. We’re grateful for your leadership and your commitment to the university and to the many, many communities we have served since 1907 and will serve in the century before us.
University of Hawai‘i System Strategic Plan: Entering the University’s Second Century, 2002-2010

Questions to be Addressed

- Do the goals of the University of Hawai‘i System Strategic Plan need to be revised or updated?
- Do we need new or revised action strategies?
- How will we know when we have met our goals? Can we identify specific targets and timelines for our action strategies?

What We Know Now That We Didn't in 2002

- US Global competitiveness ↓
- Educational attainment of Hawai‘i ↓
- Leaky educational pipeline
- Gap in workforce supply and demand
- Importance of returning adults
- Population & geographic disparity
- Shift in revenue source for public higher education
UH’s Public Higher Education Agenda

1. Increase the educational capital of the state
2. Expand workforce development initiatives
3. Contribute to the state’s economy
4. Address underserved regions and populations of the state
5. Renew and expand infrastructure

How do these changing environmental factors and the needs of our state affect the University of Hawai’i System Strategic Plan?

SERVING THE STATE OF HAWAI’I:

UH System Strategic Outcomes and Performance Measures, 2008–2015

Office of the Vice President for Academic Planning & Policy
May 2008

Strategic Outcome:
Native Hawaiian Educational Attainment

To position the University of Hawai’i as one of the world’s foremost indigenous-serving universities by supporting the access and success of Native Hawaiians.
**Strategic Outcome:**

**Hawai‘i’s Educational Capital**

To increase the educational capital of the state by increasing the participation and completion of students, particularly Native Hawaiians, low-income students, and those from underserved regions.
Strategic Outcome: Economic Contribution

To contribute to the state’s economy and provide a solid return on its investment in higher education through research and training.
Strategic Outcome: Globally Competitive Workforce

Address critical workforce shortages and prepare students (undergraduate, graduate, and professional) for effective engagement and leadership in a global environment.

Projected Annual Vacancies in Shortage Areas Statewide, 2006–17 and Total UH Output, 2006–07
GOAL: INCREASE 5% PER YEAR

Strategic Outcome: Resources and Stewardship

To acquire, allocate, and manage public and private revenue streams and exercise exemplary stewardship over all of the University’s resources for a sustainable future.
Annual Investment Required to Decrease Deferred Maintenance Backlog to $126 Million by 2015

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<tr>
<td>2012</td>
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UH Funding Sources
GOAL: INCREASE NON-STATE REVENUE STREAMS 3-15% PER YEAR

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<th>Fiscal Year</th>
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<th>Tuition &amp; Fees</th>
<th>SalesServices/Entrepreneur</th>
<th>Private Giving</th>
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<td>2012</td>
<td>813</td>
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</table>

Note: Revenue streams: Federal increases 5% per year; Tuition & Fees: 5-10% per year; SalesServices: 5% or less; Private Giving: (5%) increases to $30m by 2018. Source: General Accounting and Legal. Data: General Computing Office for nonfiscal data.

University of Hawai‘i System Planning

PLAN

- State Priorities
- Institutional Mission

DO

- UH System Plan
- Campus Strategic Plans
- Campus Facilities Plans
- Major Policies
- Specialized Programs
- and Plans

- Strategic Priorities
- Operating & GIP
- Budget Objectives
- Strategic Budget Request
- Budget Implementation

ACT

- Strategic and Operating Planning and Accountability
- Strategic Planning Assumptions and Budget Hearings
- Strategic Report on Performance, Benchmarks and Institutional Effectiveness
- Program Reviews and Health Indicators
- Accreditation Reviews

CHECK

APP Jul 2008

UNIVERSITY OF HAWAI‘I AT MANOA
SPRING 2016
Academic Governance

Linda K. Johnsrud
Vice President for Academic Planning and Policy
July 2008

Why "shared" authority?

- Tradition of the academy
- Nature of "professional" organizations
- Recognition of autonomy balanced with accountability

BOR Policy, 1-10, on Faculty Involvement

With unanimous agreement and understanding that the faculty of an educational institution contributes to its quality, spirit, aspiration, and effectiveness, the Board of Regents issues this policy to provide for organized faculty involvement in the development and maintenance of a collegial approach to academic decision making and policy development. The role of a university faculty governance organization is to advise the administration (primarily at the campus and unit level) on matters impacting and/or relating to the development and maintenance of academic policy and standards to the end that quality education is provided, preserved, and improved.
Faculty Involvement

- Departments/Divisions
  - Admissions, Curriculum, Schedule, Hiring, Promotion, tenure
- Committees
  - Department/Division
  - College
  - Campus
  - System
- Senates (College/Campus)
  - General education
  - New programs
  - Academic policies
  - Academic calendar
  - Support services

All Campus Council of Faculty Senate Chairs (ACCFSC)
- Comprised of college and campus senate chairs
- Meets monthly in conjunction with BOR meeting
- Matters of systemwide concern

Advisory to the President

- President
- ACCFSC
  - Vice President for Academic Planning and Policy, Liaison
- Student Caucus
  - Associate Vice President for Student Affairs, Liaison
- Pūko'a Council
  - President and Vice Presidents

Consultation
- Takes significant time
- Need to provide adequate detail
- Rarely achieve consensus
- Never consulted “enough” with those who disagree
Shared governance works for the routine of the academy

But... political values/principles trump those of shared governance when big/messy issues are at stake

Examples: Program closure, general education, budget cuts, tuition setting


The Rules of Advocacy

- Special interests are defended
- Goals are ambiguous and contested
- Participation is fluid
- Conflict is normal and often public
- Decisions are rarely final—will be revisited
- Welfare of the whole slips from view


External Stakeholders

- Executive Branch
- Alumni
- State Legislature
- Donors
- Business/Employers
- Unions
- Accrediting Associations
- Special Interest Groups

Effective *shared* decision-making

- Mutual trust and respect
- No surprises
- Genuine consultation
- Belief that opinions are heard
- Decisions made & communicated
- Commitment to the common good
UH Board of Regents Orientation

Jim Gaines
Vice President for Research

July 2008

Research Overview

- Research accounts for about one-third of the $1.2 billion UH budget.
- At UHM there are 2400 faculty with 400 active in extramural funding opportunities. 80% of the funding comes from 100 individuals. 1500 active grants/contracts. UHH is gaining in stature but still small.
- Two organizations support the research; ORS and RCUH with OTTED charged with tech transfer.
- UH System administers MHPCC and PDC. UHS has 1 COE in Homeland Security with a 2nd to come this year. UHS is the 5th Navy UniversityAffiliatedResearchCenter.
Data

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>UHH (M$)</th>
<th>ORS (M$)</th>
<th>Total (M$)</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 FY2001</td>
<td>8.9</td>
<td>211.7</td>
<td>220.6</td>
<td>18</td>
</tr>
<tr>
<td>2 FY2002</td>
<td>14.7</td>
<td>245.8</td>
<td>260.5</td>
<td>19.3</td>
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<td>3 FY2003</td>
<td>9.9</td>
<td>301</td>
<td>310.9</td>
<td>7.8</td>
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<td>4 FY2004</td>
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<td>319.7</td>
<td>335</td>
<td>5.3</td>
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<tr>
<td>5 FY2005</td>
<td>16.7</td>
<td>336.2</td>
<td>352.9</td>
<td>-19</td>
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<tr>
<td>6 FY2006</td>
<td>18.6</td>
<td>413.6</td>
<td>432.2</td>
<td>3.5</td>
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<tr>
<td>7 FY2007</td>
<td>16.6</td>
<td>333.3</td>
<td>349.9</td>
<td>3.5</td>
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<tr>
<td>8 FY2008</td>
<td>14.6</td>
<td>348</td>
<td>362.6</td>
<td>7.8</td>
</tr>
</tbody>
</table>

In graphical form
NSF Expenditures Ranking

- In 2002, UH ranked 62 out of 637 institutions in research expenditures (NSF data).
- In 2006, UH ranked 45 out of 637 institutions in research expenditures (NSF data). State supported rank is 30th.
- In growth from 1999, only 7 of the 637 institutions had faster growth. UH is the fastest growing university in NSF, peer reviewed, funding (NSB data).
- If UH was a state university in California, it would rank below UCLA, UCSF, UCB, UCSD, and UCD but above the others.

Indirect Cost Recovery

- The RTRF is administered by the VPR
- Present allocations return 75% to the campus that generated the $.
- This re-investment strategy has given the research units flexibility.
- The System portion supports infrastructure such as ORS, RCUH, high speed internet, etc.
### Astronomy Citations

#### Recent data

<table>
<thead>
<tr>
<th>Institution</th>
<th>Total Citations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Princeton</td>
<td>5000</td>
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<tr>
<td>Stanford</td>
<td>4500</td>
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<tr>
<td>Harvard</td>
<td>4000</td>
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<tr>
<td>Berkeley</td>
<td>3500</td>
</tr>
<tr>
<td>Caltech</td>
<td>3000</td>
</tr>
<tr>
<td>Chicago</td>
<td>2500</td>
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<tr>
<td>MIT</td>
<td>2000</td>
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<tr>
<td>Columbia</td>
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<tr>
<td>Caltech</td>
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<tr>
<td>Stanford</td>
<td>500</td>
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<tr>
<td>MIT</td>
<td>0</td>
</tr>
</tbody>
</table>

![Bar chart showing total citations for various institutions]
Western Association of Schools and Colleges (WASC)
Accrediting Commission for Senior Colleges and Universities

ACCREDITATION STANDARDS

STANDARD 1: Defining Institutional Purposes and Ensuring Education Objectives
- Institutional Purposes
- Integrity

STANDARD 2: Achieving Educational Objectives Through Core Functions
- Teaching and Learning
- Scholarship and Creative Activity
- Support for Student Learning

STANDARD 3: Developing and Applying Resources and Organizational Structures to Ensure Sustainability
- Faculty and Staff
- Fiscal, Physical and Information Resources
- Organizational Structures and Decision-making Processes

STANDARD 4: Creating an Organization Committed to Learning and Improvement
- Strategic Thinking and Planning
- Commitment to Learning and Improvement

New WASC Institutional Review Cycle (in years)

<table>
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<th>-0.5</th>
<th>0</th>
<th>2</th>
<th>3</th>
<th>10</th>
</tr>
</thead>
</table>
Through established governance structures, processes, and practices, the governing board, administrators, faculty, staff, and students work together for the good of the institution.

Standard IV: Leadership and Governance

B. Board and Administrative Organization

In addition to the leadership of individuals and constituencies, institutions recognize the designated responsibilities of the governing board for setting policies and of the chief administrator for the effective operation of the institution. Multi-college districts/systems clearly define the organizational roles of the district/system and the colleges.^

1. The institution has a governing board that is responsible for establishing policies to assure the quality, integrity, and effectiveness of the student learning programs and services and the financial stability of the institution. The governing board adheres to a clearly defined policy for selecting and evaluating the chief administrator for the college or the district/system.

   a. The governing board is an independent policy-making body that reflects the public interest in board activities and decisions. Once the board reaches a decision, it acts as a whole. It advocates for and defends the institution and protects it from undue influence or pressure.

   b. The governing board establishes policies consistent with the mission statement to ensure the quality, integrity, and improvement of student learning programs and services and the resources necessary to support them.

   c. The governing board has ultimate responsibility for educational quality, legal matters, and financial integrity.

   d. The institution or the governing board publishes the board bylaws and policies specifying the board’s size, duties, responsibilities, structure, and operating procedures.

*Standard IVB—Board and Administrative Organization*

ACCREDITATION STANDARDS, approved June 2002
Accrediting Commission for Community and Junior Colleges (ACCJC)
Western Association of Schools and Colleges
Standard IV: Leadership and Governance

e. The governing board acts in a manner consistent with its policies and bylaws. The board regularly evaluates its policies and practices and revises them as necessary.

f. The governing board has a program for board development and new member orientation. It has a mechanism for providing for continuity of board membership and staggered terms of office.

g. The governing board's self-evaluation processes for assessing board performance are clearly defined, implemented, and published in its policies or bylaws.

h. The governing board has a code of ethics that includes a clearly defined policy for dealing with behavior that violates its code.

i. The governing board is informed about and involved in the accreditation process.

j. The governing board has the responsibility for selecting and evaluating the district/system chief administrator (most often known as the chancellor) in a multi-college district/system or the college chief administrator (most often known as the president) in the case of a single college. The governing board delegates full responsibility and authority to him/her to implement and administer board policies without board interference and holds him/her accountable for the operation of the district/system or college, respectively.

In multi-college districts/systems, the governing board establishes a clearly defined policy for selecting and evaluating the presidents of the colleges.
BUDGET AND FINANCIAL BRIEFING
TO UH BOARD OF REGENTS
JULY 23, 2008

Howard Todo
VP for Budget & Finance and Chief Financial Officer

Appropriated Funds

OPERATING BUDGET
By Means of Financing
- General Funds
  - General Appropriations Act
  - Supplemental Appropriations Act
  - Specific Appropriation Bills
- Special Funds
- Revolving Funds
- Federal Funds
Appropriated Funds

CAPITAL IMPROVEMENTS PROGRAM (CIP) BUDGET

By Means of Financing

- General Obligation Bonds
- Revenue Bonds
- Private Contributions
- Federal Funds
- Special Funds

Non-Appropriated Funds

- Agency Funds
- Trust Funds
- Endowment Funds
- Student Loan Funds
- Sponsored Research/Training Awards
Budget Preparation Process for Appropriated Funds

May-08  Jul-08  Sep-08  Nov-08  Dec-08  Jan-09  Apr-09  May-09

Budget and Financial Organization

VP/CFO
Directs Systemwide (SW) Budget and Financial Management Functions

System Administrative Services
Provides Administrative Support to "System" Offices

University Budget Office
Coordinates SW Budget Preparation and Execution

Financial Management Office
Provides SW Financial Support - Accounting, Treasury, Procurement, Disbursing & Payroll, etc.
Sources & Uses of Funds

Capital Financing

- State General Obligation Bonds
- University Revenue Bonds
  - UH Bond Rating
    - Moody’s - Aa3
    - Standard and Poor’s - A+
    - Fitch Investor Service - A+
- Act 161 SLH 2007
  - Expanded BOR authority to issue revenue bonds
  - Appropriated $100 million in revenue bonds
Audits

- Executive Policy E8.204 University Audit Plan
  - Audit plan prepared by President or designee
  - BOR reviews and approves annual audit plan
- Mandatory Audits –
  - A-133/Financial Statements
  - Bond system
  - Athletics
- Discretionary Audits

Financial Statements

- Governmental Accounting Standards Board (GASB) Standards for Public Colleges and Universities
  - Statement of Net Assets
  - Statement of Revenues, Expenses, and Changes in Net Assets
  - Statement of Cash Flows
  - Notes to the Financial Statements
UHM, Campus Center Renovation/Addition, Phase II

UHM, Performing Arts Facility

04/06/2008
UHH, Student Services
Building Addition

UHH, Hawaiian Language
Building, Phase I
KAP, Culinary Institute of the Pacific

LEE, Education and Innovation Instructional Facility
UHM, Frear Hall Redevelopment

UHM, Komohana Agricultural Complex, Phase
### Systemwide Maintenance Backlog

**Current Maintenance Backlog**

- UHM $242.754 Million
- UHH $40.467 Million
- CCS $68.273 Million
- **Total $351.494 Million**

---

### Systemwide Maintenance Backlog

**6 Year Average Requirement to Eliminate Backlog**

\[
\frac{\text{Total}\$351.494\text{ Million}}{\text{6 Years}} = \$58.582
\]

- UHM $40.459 Million
- UHH $6.745 Million
- CCS $11.378 Million
- **Total $58.582 Million**
Capital Renewal Requirements

6 Year Average Requirement

UHM $43,993 Million
UHH $4,733 Million
UHWO $0.059 Million
CCS $9,897 Million
Total $58,682 Million

Average Facility Needs Over 6-Years

- Elimination of Backlog $58,582 Million
- Capital Renewal $58,682 Million
Total $117,264 Million