MINUTES
UNIVERSITY OF HAWAI‘I BOARD OF REGENTS’ MEETING
November 19, 2009

I. CALL TO ORDER

Chair Howard Karr called the meeting to order at 9:04 a.m. on Thursday, November 19, 2009, at Leeward Community College Campus Center Student Lounge, 96-045 Ala Ike Street, Pearl City, Hawai‘i 96782.

Quorum (15) in attendance: Chair Howard H. Karr; Vice Chair Dennis I. Hirota; Artemio C. Baxa; Carl A. Carlson; Michael A. Dahilig; Ramón S. de la Peña; Mark H. Fukunaga; Chuck Y. Gee; James J.C. Haynes II; John C. Holzman; James H.Q. Lee; Eric K. Martinson; Teena M. Rasmussen; Harvey S. Tajiri; and Grant T.S. Teichman (morning only).

Others in attendance: President M.R.C. Greenwood, Ph.D.; Vice President for Academic Planning & Policy Linda Johnsrud, Ph.D.; 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.; Vice President for Information Technology Services/Chief Information Officer David Lassner, Ph.D.; Associate Vice President for Capital Improvements Brian Minaai; Associate Vice President for Student Affairs Karen Lee; Associate Vice President for External Affairs/University Relations Carolyn Tanaka; Chancellor Virginia Hinshaw; Chancellor Rose Tseng; Chancellor Gene Awakuni; Chancellor Manuel Cabral; Chancellor Mike Rota; Chancellor Clyde Sakamoto; Chancellor Rockne Freitas; Chancellor Leon Richards; Interim Executive Administrator and Secretary of the Board Presley Pang, Esq.; and others as noted.

Chair Karr announced with sadness the recent death of former Regent Wayne Panoke on November 13, 2009. Regent Panoke served as a Student Regent from April 1998 to June 1999. He was the first voting student regent. Regent Panoke attended Windward Community College and chaired the Board’s Committee on Student Affairs.

Chair Karr conveyed the University’s deepest sympathy to Regent Panoke’s family and the larger ohana of which he was a part. At the Chair’s request, the Board observed a moment of silence in remembrance of Regent Wayne Panoke.

II. APPROVAL OF MEETING MINUTES OF OCTOBER 15, 2009

Upon motion by Regent Dahilig and second by Regent de la Peña, the meeting minutes of October 15, 2009 were unanimously approved, as amended, with a
correction on page 5 regarding the date of the press release by then President David McClain on the UH's state of fiscal exigency. The correct date of the press release is July 28, 2009.

III. PUBLIC COMMENT PERIOD

1. Moksha McClure, representing the University of Hawai'i Student Caucus, read a letter from the Student Caucus requesting increased communication between the Caucus and the Board via breakfast meetings in conjunction with the monthly Board meetings, and monthly meetings with the Board’s Committee on Student Affairs. [The letter is on file at the BOR office.]

2. Kate Sims, Assistant Professor of English, UH Center West Hawai'i, spoke in support of the Hawai'i Community College West Hawai'i Long Range Development Plan (LRDP).

3. Stacy Rand, UH Center West Hawai'i student, spoke in support of the Hawai'i Community College West Hawai'i Long Range Development Plan.

4. Beth Sanders, UH Center West Hawai'i Interim Director, spoke in support of the Hawai'i Community College West Hawai'i Long Range Development Plan.

Board Secretary Presley Pang reported that, as of November 18, 2009, the Board office received approximately 45 letters in support of Hawai'i Community College’s Long Range Development Plan Update. One letter from Kanoe Case, secretary of the Hawai'i Community College student government, included a petition signed by 47 students in support of the LRDP. [The letters are on file in the Board office.]

IV. REPORT OF THE PRESIDENT

President M.R.C. Greenwood commented that a recent study found that if the youth who do not graduate from high schools in Hawai'i were to graduate, the State would have a billion dollars more in its economy over their lifetime. Education contributes to the economy and is not merely a consumer of taxpayers’ resources. Higher education is the pathway to the future economic health of the State. President Greenwood encouraged everyone to impress upon our Legislators that investing in the University is the best investment that the State can make.

President MRC Greenwood reported on the following:

• A Chancellor Search Advisory Committee has been formed to assist in the search for the UH Hilo chancellor position. Chancellor Rose Tseng will be leaving that position in June 2010. The Committee includes representatives
from the faculty, students, staff, and the community at large. National search firms are also being solicited for assistance.

- Energy usage is being better managed within the University system and has declined at several campuses. Additional energy savings will be realized when building operations will be curtailed during the winter and spring recesses.

- For the period July 1 through September 30, 2009, $8.7 million was raised by the UH Foundation.

- Michael Unebasami, Associate Vice President for Administration, Community Colleges, was selected as State of Hawai‘i Manager of the Year, and Brian Bushe, Researcher in UHM’s College of Tropical Agriculture and Human Resources, was selected as State Employee of the Year. This is the first time that the University’s nominees won both awards in the same year.

- During her trip to Washington, D.C., in mid-October, President Greenwood met with Undersecretary of Education Martha Kanter, Senator Daniel Inouye, Senator Daniel Akaka, Representative Neil Abercrombie, Representative Mazie Hirono, Robert Berdahl, President of the Association of American Universities, and Dr. Linda Weiss, Chief of Cancer Center Branch of the National Cancer Institute.

  President Greenwood also met with distinguished alumni of the Northern Capital Chapter of the UH Alumni Association.

- President Greenwood continues to meet regularly with State Legislators and community leaders.

- President Greenwood recognized the UH Hilo women’s volleyball team which has a 25-1 season and is playing in the NCAA post-season tournament.

President Greenwood invited host Chancellor Manuel Cabral to provide the Regents an update of activities at Leeward Community College.

Chancellor Cabral provided an overview of Leeward Community College. LCC serves the largest number of Native Hawaiians and is the third largest campus in the UH system. The College enrolls 7,500 students and offers 55 associate and certificate degrees. The College has a fine dining restaurant that serves as a learning/teaching environment for its culinary arts program; a Native Hawaiian plant propagation center and medicinal garden; a digital recording studio; and a performing arts theatre which draws almost 100,000 people to the campus annually.

  LCC’s Associate of Arts in Teacher Education program has grown from 24 students in 2006 to more than 400 students in 2009. Of the 381 declared majors, more than 30% are Native Hawaiian and more than 20% are Filipino.

  Leeward CC received a $400,000 federal grant to support student success for Filipino high school students to transfer to baccalaureate campuses.
Chancellor Cabral shared architectural renderings of a new $14 million education building to be added to the campus; presented the impact of the rail system on the campus; and showed photos of the campus' expanded Waianae facilities.

Regent Baxa asked what majors the Filipino students enroll in, and what percentage transfer to UH Mānoa. Chancellor Cabral responded that these students take a broad range of majors, but their transfer rate to Mānoa is relatively low. LCC is partnering in a grant with UH Mānoa to improve the transfer rate.

Chair Karr asked what caused the growth in the teacher education program. Chancellor Cabral attributed the growth to an increase in faculty and staff who are personally vested in the program and who have done extensive outreach in the community to publicize the program. The program is also led by a very enthusiastic and committed director.

V. REPORT OF THE UNIVERSITY OF HAWAI‘I FOUNDATION

UH Foundation President Donna Vuchinich reported that the Foundation has received $13.8 million for this current fiscal year, about 34% of their annual goal of $40 million. She also reported on the following:

- The Ching Foundation grant has been matched by funds appropriated by the Legislature and released by the Governor, allowing improvements to the Ching Athletic Field on the Mānoa campus to proceed.

- The Curb Foundation donation will complete the equipment in Honolulu Community College’s MELE studio.

- The Foundation held a donor recognition ceremony in conjunction with the reopening of Orvis Auditorium on the Mānoa campus. Orvis Auditorium was the first privately-funded building on that campus.

- Participation and donations continue to increase.

Regent Fukunaga asked how the current economic environment has affected fund-raising, and if the Foundation has had to modify its development strategy. President Vuchinich responded that its staff was downsized earlier this year. There has been a slowdown in larger gifts, but gifts in smaller amounts continue to grow. The Foundation has been prepared for the downturn and is re-vamping and re-assessing strategies.
VI. ITEMS FOR BOARD ACTION — PART A

Approval of Establishment of a Bachelor of Science Degree in Computer Engineering, College of Engineering, UH Mānoa

College of Engineering Dean Peter Crouch explained that this proposed B.S. degree in Computer Engineering replaces the Computer Track of the B.S. degree in Electrical Engineering. No additional cost is incurred since the new program will consist of existing courses and faculty in both the College of Engineering and the College of Natural Sciences’ Department of Information and Computer Sciences.

Dean Crouch reported that employers are seeking computer engineers in addition to electrical engineers and computer scientists.

Regent Gee asked if this program was modeled after other programs, and what other universities offer computer engineering. Associate Professor of Electrical Engineering Galen Sasaki responded that the program is similar to programs at University of Illinois and University of Texas.

As a new degree program, this program would have provisional status. After three years, if successful, the Board may approve permanent status.

Upon motion by Regent Dahilig and second by Regent Hirota, provisional status of the Bachelor of Science degree in Computer Engineering at UH Mānoa was unanimously approved.

Approval of Established Status for the Bachelor of Science Degree in Tropical Plant and Soil Sciences, College of Tropical Agriculture and Human Resources (CTAHR), UH Mānoa

Vice Chancellor for Academic Affairs Reed Dasenbrock described this CTAHR degree program as crucial to the State’s agricultural industries and requested “established” status.

Regent Gee asked where the approximately 50 graduates of the program are working. Associate Dean Charles Kinoshita said that they have gone to government agencies, both local and national, and several have begun their own businesses. Dean Kinoshita said that, with diversification of agriculture, more graduates will be forming their own businesses.

Regent de la Peña voiced support for this program, noting that several Kapaa High School students who are graduates of this program are now working for the federal government.

Upon motion by Regent Gee and second by Regent Tajiri, the Bachelor of Science degree in Tropical Plant and Soil Sciences at UH Mānoa was unanimously approved as a permanent program.
Approval of Established Status for the Bachelor of Science Degree in Natural Resources and Environment Management, College of Tropical Agriculture and Human Resources, UH Mānoa

Vice Chancellor Reed Dasenbrock said that this program has graduated 66 students since its inception in August 2001 and requested "established" status.

Dr. Dasenbrock described this program as agriculture in the 21st century, focusing on management of the changing environment and sustainability in the global crisis. There are currently 50 enrolled students.

Regent Dahilig supports the permanent status of this program, noting that a friend of his who graduated from this program is now working for the forestry service and is very pleased with his degree.

Regent de la Peña also voiced his support for permanent status.

Regent Fukunaga commented that there are several environmental science programs, and asked how they are coordinated. Dean Kinoshita responded that the faculty coordinates similar programs, and several courses are shared between programs.

In response to Regent Fukunaga's concern about duplication of resources and an overall collaborative cooperation between programs, Dr. Dasenbrock said that the program has a relatively small instructional FTE commitment, and most of the courses are in the basic sciences. He and Dr. Kinoshita also noted that the focus of this program is applied rather than theoretical, is more local in scope, and trains people for state jobs.

Regent Carlson noted that this program is an attractive program for transfer students from the community colleges, and shows that the "system" of campuses is working.

Regent Martinson commented that it would helpful to the Regents to show how these proposed academic programs fit in the broader context and the overall portfolio of course offerings.

Upon motion by Regent de la Peña and second by Regent Baxa, the Bachelor of Science in Natural Resources & Environmental Management was unanimously approved as a permanent program.

Regent Haynes requested that the Administration provide the Board with a matrix of all academic programs with relevant information such as enrollment, graduation rates, and status (provisional or permanent).

Chair Karr added that financial information should include a comparison between the projected cost and revenue and actual cost and revenue three years later. He suggested that this financial review of provisional programs be provided when provisional programs are submitted to the Board for permanent status.

President Greenwood said that the Administration will provide such reports.
Approval of Memorandum of Agreement between UH Mānoa and the City and County of Honolulu for the Student U-Pass/Transportation Fee

Mr. James Burke, Chief of Public Transit Division, City Department of Transportation Services, reported that the Honolulu City Council authorized an agreement with UH Mānoa and the City Department of Transportation Services to promote a mandatory student UPASS transportation fee of $20 per semester for unlimited access to city bus service.

UHM students Henry Cheng and Kiara Sakamoto provided background on this student-initiated two-year pilot project. This program will provide students with easy and economical access to their classes, to their work sites, and to extra-curricular activities, and alleviate traffic and parking on campus. Similar programs at other universities have been successful.

Regent Teichman acknowledged the work of the students in accomplishing this project. He said that the Community Colleges have indicated an interest in joining this project when it becomes available to them.

In response to Regent Rasmussen’s concern over the administrative costs of this project, Director of Co-Curricular Activities and Programs Jan Javinar said that the administrative costs would be absorbed by his program as part of the student I.D. validation service done every semester.

Regent Baxa asked if this project would be expanded to include the O’ahu community colleges. Ms. Sakamoto responded that upon completion of the two-year pilot program, it will be opened up to the Community Colleges. In response to Regent Baxa’s question as to what areas would be most served, Ms. Sakamoto said that most students will be coming from the Leeward area. Mr. Burke commented that, based on their surveys, there is a need for more service in the downtown and Waikiki areas, and from Kapolei. The Transportation Services Department will be monitoring route usage under this program to determine where changes will be required.

Regent Dahilig expressed his concern over the possibility of counterfeit UPASS stickers by non-UHM students. Dr. Javinar said that they will be monitoring counterfeiting during the pilot project.

Regent Lee asked how the $20 fee was determined. Ms. Sakamoto responded that $20 was based on research during the development of this project. Mr. Cheng reported that $20 is one of least expensive UPASS fees nationally. Other institutions charge anywhere from $30 to $100.

Regent Teichman recommended that the Mōʻiliʻili and Mānoa Neighborhood Boards be kept updated on this project. Mr. Cheng reported that both Boards support this project.

Regent Rasmussen asked if the City Council had any concerns over this project. Mr. Burke said that the Council did not have any major concerns. Most of the concerns had been vetted by the Department’s Fiscal Services.
The Regents and President Greenwood congratulated the students in bringing this project to fruition.

Upon motion by Regent Teichman and second by Regent de la Peña, the Memorandum of Agreement between UH Mānoa and the City and County of Honolulu for a student UPASS/Transportation fee of $20 per semester, effective Spring 2010 – Fall 2011, was unanimously approved.

**Quarterly Endowment Fund Performance Report by Third Party Monitor (information only)**

Mr. Peter Backus of MorganStanley Smith Barney, third party monitor for the UH’s endowment fund, provided an update of the status of the fund.

The endowment fund quarterly results were up 9.7%, slightly above benchmark. Through September, the fund was up 15% after having erased the losses of previous months, so the fund is 2% ahead of the benchmark.

Mr. Backus reported that all of the fund’s managers are doing well, especially those who recently took more risks. There has been a huge spread in corporate bonds. Internationals have performed fairly well. The fixed income markets are increasing.

Mr. Backus said that there are a few items that he would like to address more specifically, and asked if he could bring these to the Board’s Committee on Budget, Planning, Finance, & Facilities. He would like to conduct reviews of some of the fixed income investments and growth managers.

Regent Gee asked how long are companies allowed to under-perform. Mr. Backus responded that there are established policies with criteria on performance. Managers are generally evaluated on a 3-year basis. Most of the current managers are in their second year. Mr. Backus said that the problem with a 2-year performance period is that it is usually dominated by recent performance, rather than cumulative performance. Fund monitors also look at a manager’s process and staff, which can account for poor performance.

Regent Fukunaga asked why the UH portfolio is separately managed from the UH Foundation’s portfolio. Chair Karr indicated that this has been a long-standing issue. He would like to revisit and possibly assess whether both portfolios could be combined and managed by the UH Foundation.

**VII. EXECUTIVE SESSION**

Upon motion by Regent Haynes and second by Regent Dahilig, the Board unanimously approved convening in executive session, pursuant to HRS §92-5 (a)(2), (3), (4).

The Board entered into executive session at 11:25 a.m.
A lunch recess was taken at 12:45 p.m., followed by a continuation of the executive session at 1:45 p.m.

The Board reconvened in public session at 4:30 p.m.

**VIII. ITEMS FOR BOARD ACTION — PART B**

**Approval of Award of the Regents’ Medal of Distinction to Mr. William Kwai-Fong Yap**

UH Mānoa Chancellor Virginia Hinshaw requested approval to award the Regents’ Medal of Distinction to the late Mr. William Kwai-Fong Yap. Mr. Yap was an education advocate who served as the catalyst for the College of Hawai‘i to become the University of Hawai‘i. His efforts to elevate the College to University level were critical in setting a strong foundation upon which the University grew. His outstanding contributions to the University embody the spirit behind the Regents’ Medal of Distinction.

Upon motion by Regent de la Peña and second by Regent Baxa, it was unanimously approved to award the Regents’ Medal of Distinction to Mr. William Kwai-Fong Yap.

**Approval of the Cultural Resources Management Plan (CRMP) and Natural Resources Management Plan (NRMP) for UH’s Management Areas on Mauna Kea**

UH Hilo Chancellor Rose Tseng requested approval of both the Cultural Resources Management Plan (CRMP) and the Natural Resources Management Plan (NRMP) for UH’s management areas on Mauna Kea. Both plans are conditions of the Mauna Kea Comprehensive Management Plan required by the Department of Land and Natural Resources.

Ms. Stephanie Nagata, Interim Director of the Office of Mauna Kea Management, said that the NRMP is based on a scientific framework and includes studies, historical documents and biological inventories. It was developed in consultation with the local community. Both plans identify the resources, the threats to the resources, the human impact, as well as management recommendations to protect and mitigate threats to the resources. The recommendations of the CRMP are designed to preserve the historical and archeological sights, and also preserve and generate awareness of Native Hawaiian culture and practices.

President Greenwood announced that a work group has been formed to work on all of the issues related to the two other sub-plans that are part of the Comprehensive Management Plan.
Upon motion by Regent Haynes and second by Regent Hirota, the Cultural Resources Management Plan and the Natural Resources Management Plan for UH’s management areas on Mauna Kea were unanimously approved.

**Approval of Amendment to Service Order to RCUH on UH West O’ahu**

UH West O’ahu Chancellor Gene Awakuni requested approval of an amendment to a service order which will enable the Research Corporation of the UH to continue the management and oversight of the development to UH West O’ahu’s Kapolei campus. The amendment seeks to a) increase available funding in service ordering $20 million in revenue bonds for construction of the off-site infrastructure; b) extend the award period from December 31, 2011 to December 31, 2012; and c) amend the Memorandum of Understanding to reflect these changes.

Upon motion by Regent Tajiri and second by Regent Hirota, the amendment to the service order to RCUH to continue management of the Kapolei development was unanimously approved.

**Approval of Authorization to Process Real Property Documents for UH West O’ahu**

Chancellor Awakuni requested approval and confirmation that the University of Hawai‘i is authorized to continue to handle and process real property-related documents for development of the Kapolei campus, and to authorize the President and the Chancellor to finalize and execute the UH West O’ahu property documents. Such authorization does not include any permanent or major disposition of the land.

Upon motion by Regent Gee and second by Regent Hirota, the confirmation that the University is authorized to continue to process real property-related documents for the Kapolei campus development, with limited authority delegated to President Greenwood and Chancellor Awakuni, was unanimously approved.

**Acceptance of Anonymous Gift and Naming Approval to Establish the Dr. Alfred A. Yee Visiting Professorship in Civil and Environmental Engineering, College of Engineering, UH Mānoa**

Chancellor Virginia Hinshaw requested approval to accept a $1,010,000 commitment from an anonymous donor to establish the Dr. Alfred A. Yee Visiting Professorship in Civil and Environmental Engineering. The donation will establish a fund in the UH Foundation.

Upon motion by Regent Rasmussen and second by Regent Haynes, the gift and naming of the Dr. Alfred A. Yee Visiting Professorship in Civil and Environmental Engineering was unanimously approved.
Approval of the University of Hawai‘i Center at West Hawai‘i Long Range Development Plan

Associate Vice President for CIP Brian Minna requested approval of the 2009 Long Range Development Plan (LRDP) update for the University of Hawai‘i Center at West Hawai‘i and to rename the "University of Hawai‘i Center at West Hawai‘i" to "Hawai‘i Community College – Palamanui." Mr. Minna informed the Board that no additional costs are involved. Approval of the 2009 LRDP update will allow Hawai‘i Community College to proceed with development of the Palamanui site, using a combination of private contributions, federal grants and other funding, and state funding, including state general obligation bonds.

Upon motion by Regent de la Peña and second by Regent Tajiri, the 2009 Long Range Development Plan update for the UH Center at West Hawai‘i and the renaming of the UH Center at West Hawai‘i to Hawai‘i Community College – Palamanui were unanimously approved.

IX. ACCEPTANCE AND APPROVAL OF GIFTS, GRANTS AND CONTRACTS

To respond to prior suggestions from the Regents, Vice President for Research Jim Gaines selected one research project among many to highlight in his monthly report. For this meeting, Vice President Gaines provided information on a research grant to Dr. David Karl. Dr. Karl directs C-MORE (Center for Microbial Oceanography Research and Education). In the education component of the Center, Dr. Karl works closely with a local charter school, and with K-12 students and teachers, taking them on his research vessel to observe how oceanographers and other scientists work.

The C-MORE is a prestigious National Science Foundation science and technology center, funded at $4 million annually for ten years. The Center partners with MIT, Woods Hole Oceanographic Institute, Monterey Bay Aquarium Research Institute, UC Santa Cruz, and Oregon State University.

Dr. Karl studies ocean microbes, and has discovered hundreds of previously unknown microbes. Ocean microbes produce 50% of the oxygen. Global warming will affect the microbes and thus our oxygen supply. Dr. Gaines said that Dr. Karl’s research is at the forefront of climate change research.

Dr. Gaines reported that for the month of September 2009, 258 awards totaling over $77 million were received. As of November 18, 2009, $241 million has been received since July 1, 2009.

Dr. Gaines also requested approval of two indemnification provisions: 1) an agreement between the UH and the Smithsonian Astrophysical Observatory; and 2) an agreement between the UH and the European Molecular Biology Laboratory.

Upon motion by Regent Baxa and second by Regent Holzman, the gifts, grants and contracts were acknowledged, and the two indemnification provisions with the
Smithsonian Astrophysical Observatory and the European Molecular Biology Laboratory were unanimously approved.

X. APPROVAL OF PERSONNEL ACTIONS

Upon motion by Regent Tajiri and second by Regent Carlson, the following faculty were unanimously conferred Emeritus Professor status:

Barry John Baker, School of Architecture, UH Mānoa
Judith Lee Gersting, College of Arts and Sciences, UH Hilo
John M. Gersting, Jr., College of Arts and Sciences, UH Hilo

XI. ANNOUNCEMENTS

The next meeting of the Board of Regents is January 28, 2010 (revised date), at Maui Community College.

XII. ADJOURNMENT

Upon unanimous consent, the meeting was adjourned at 4:56 p.m.

Respectfully Submitted,

Darolyn Lendio, Esq.
Acting Executive Administrator
and Secretary of the Board