MINUTES
BOARD OF REGENTS’ MEETING
January 28, 2010

I. CALL TO ORDER

Chair Howard Karr called the meeting to order at 9:15 a.m. on Thursday, January 28, 2010, at Maui Community College, Laulima #105, 310 Ka‘ahumanu Avenue, Kahului, Hawai‘i 96732.

Quorum (14): 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; and Harvey S. Tajiri.

Excused (1): Grant T.S. Teichman.

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 and Acting Executive Administrator and Secretary of the Board of Regents 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; Chancellor Virginia Hinshaw; Chancellor Rose Tseng; Chancellor Gene Awakuni; Chancellor Clyde Sakamoto; and others as noted.

II. APPROVAL OF MEETING MINUTES OF NOVEMBER 19, 2009

Upon motion by Regent Haynes and second by Regent Carlson, the minutes of the Board of Regents’ meeting of November 19, 2009 were unanimously approved.

III. PUBLIC COMMENT PERIOD

There were no oral testimonies at the meeting.

Board Acting Secretary Darolyn Lendio announced that the Board office received two written testimonies; one from Professor Philippe Binder of UH Hilo in opposition to the awarding of Emeritus title to Dr. Robert Fox; and one from the Hanakahui Native Hawaiian Council of UH Hilo concerning the nonresident enrollment cap.
Chair Karr reported that the Board received an anonymous letter concerning an agenda item. Chair Karr stated that it is the Board’s policy to not accept anonymous testimonies. Therefore, persons wishing to submit testimony to the Board of Regents must identify themselves.

**IV. REPORT OF THE PRESIDENT**

President M.R.C. Greenwood reported on the following:

- UHPA has ratified a six-year collective bargaining agreement. President Greenwood thanked the faculty for their ratification vote. President Greenwood expressed her appreciation to the negotiating teams, both for the faculty and the administration, and recognized the University’s negotiating team: Vice Presidents John Morton, Linda Johnsrud, Howard Todo, David Lassner, Darolyn Lendio, UH Mānoa Vice Chancellor Reed Dasenbrock, Office of Human Resources Director Brenna Hashimoto, and UH Mānoa Program Officer Beverly McCreary.

The President said that agreements with faculty and other staff will allow the University to take a major step to financial stability, but we still face a severe budget shortfall that may become even worse.

- The 4-year campuses had savings of about $106,000 due to campus shutdowns the day after Thanksgiving and the two weeks from Dec. 21st to Jan. 1st. More savings are expected from the Community Colleges, which haven’t yet finalized their cost savings. Another campus closure will occur during the spring break, which should provide additional savings.

- The Spring 2010 enrollment is the highest in the University’s history. There are 58,000 credit enrollments within the 10-campus system, a 9.4% increase from last year.

- On December 8-10, a WASC accreditation team visited the Mānoa campus in the 2nd step of a 3-step process. The team met with the campus as well as with President Greenwood, Chair Karr and Vice Chair Hirota. Their report will be issued in March, but the team’s reaction was unusually positive. A workshop is tentatively planned for the Board with WASC officials.

- The Cancer Research Center Advisory Steering Group has made significant progress with the development of the Cancer Research Center. A consortium has been formed with Queen’s Medical Center, Hawaiʻi Pacific Health, and Kuakini Health System. The CRCH scientists will provide new ways to prevent and treat cancer and the results of their work will be implemented in these hospitals. This consortium model provides significant cost-sharing benefits to all participants and increases treatment options available to Hawaiʻi cancer patients.
The Governor has released revenue bond funding to begin construction of the Center.

- President Greenwood has been meeting with various legislators, all of whom support the University, but the problem remains lack of sufficient funding.
- President Greenwood has been invited to address the Legislature on the State of the University on February 3, 2010.
- The service agreement with the UH Foundation has been extended until December 31, 2010. A new philanthropic plan developed by the UH Foundation is expected by June 2010.
- President Greenwood, Vice President for Research Jim Gaines, and Associate Vice President Dan Ishii are in discussions with the commander of Tripler Army Medical Center concerning the possibility of developing a cooperative agreement between the University and the Department of Defense to create a regional biological lab, which has the potential of benefitting many parties as well as serving Hawai‘i and the broader Pacific basin.
- The UH Hilo Chancellor search is progressing. Candidates will be brought for campus visits in mid to late spring.
- President Greenwood, along with Senator Colleen Hanabusa and Representative Mike Magaia, addressed the Association of Emeritus Regents recently.
- The Hawai‘i Workforce Development Council was awarded a $6 million grant from the State Energy Sector Partnership to deploy training opportunities statewide in green energy sectors. The Community Colleges are a primary training arm in that grant.

President Greenwood invited host Chancellor Clyde Sakamoto to provide an update on campus activities.

Chancellor Sakamoto recognized Regent Haynes, a Maui Regent who is attending his last Board meeting on Maui, as his tenure on the Board ends in June 2010.

Chancellor Sakamoto highlighted some of Maui Community College’s gains. The College has increased financial assistance and enrollment. In comparison to cohort colleges across the country, MCC has higher graduation rates, and spends more on instruction.

Maui Community College has transitioned from the junior accrediting commission to the senior commission, so the College will be requesting the Board’s approval for a name change shortly.
Chancellor Sakamoto reported that the College received the Bellwether Award in 2008 for workforce development projects.

The College is developing a Hawaiian music studio.

B.A. degree programs in applied ocean sciences and sustainable sciences are being developed.

To date, $4.5 million of a total $6 million in scholarships have been awarded to Native Hawaiian students.

The College is forging ahead to expand its sustainability efforts, in conjunction with community partnerships.

Student housing has increased via private partnerships.

Chancellor Sakamoto highlighted their Dental Assisting program, which has resulted so far in 34,000 patient visits by about 12,000 patients. This has been accomplished with the assistance of the Department of Human Services financing of Medicaid reimbursements.

Chair Karr recognized the efforts of President Greenwood and Governor Lingle in successfully negotiating the UHPA collective bargaining agreement.

V. ITEMS FOR BOARD ACTION – PART A

Presentation of Decommissioning Plan and Public Access Plan for Mauna Kea


The Plans are required by the Board of Land and Natural Resources (BLNR), and provide guidance to the UH in managing public access. They identify several public access control methods, ranging from the lowest level of control of personal responsibility to the highest level of control of collaborative law enforcement.

The key principles of the Public Access Plan are: Mauna Kea is a public land trust; the highest priorities are public health and safety and the conservation of resources; the protection and preservation of Native Hawaiian traditional and customary rights; and consistencies with other agencies’ policies and practices.

Some of the key policies of the Public Access Plan: access rules are subject to Board of Land and Natural Resources (BLNR) review and approval; access is limited by hazardous conditions; high priority is educational outreach and advisories on health issues; protection of Native Hawaiian cultural practices; enforcement; hunting allowed subject to DLNR and state rules.
The Decommissioning Plan defines a process of decommissioning the observatories that is acceptable to the UH and the DLNR. It provides a framework for the eventual removal of the observatories and restoration of their sites.

Decommissioning involves a notice of intent; environmental due diligence; site deconstruction and removal plan; and a site restoration plan.

A financial plan is a condition of the BLNR.

Existing subleases do not require site decommissioning plans, but a plan is recommended in their best interests. The decommissioning process and financial funding mechanism may become part of any new or renegotiated sublease.

The DLNR has the final authority on the decommissioning plan and conservation district use permits.

The University’s Institute for Astronomy (IfA) oversees the long-term planning and visioning of astronomical research.

Regent Gee questioned the lack of sufficient data on the cost of managing the Mauna Kea preserve. Ms. Nagata responded that the cost was not considered in the plans.

Regent Holzman asked how decommissioning standards will be established for the existing observatories. Ms. Nagata responded that guidelines for minimal standards will be developed.

Chair Karr inquired about the status of the required financial plan. Ms. Nagata explained that the DLNR wanted financial assurance that sufficient funds would be available at the time of decommissioning, rather than requiring a specific financial plan at this time.

Chair Karr asked what the cost is to UH and the Mauna Kea Management Board for decommissioning. Ms. Nagata responded that the cost would be administrative. Mr. Barry Taniguchi of the Mauna Kea Management Board commented that the cost is not known, since decommissioning has never been done before. Each observatory has different conditions, so the costs will vary. Currently, the best estimate is about $5 to $10 million per observatory.

Regent Holzman asked if there is a limit to the number of observatories allowed. Mr. Taniguchi responded that, according to IfA, research can be accomplished with 10 observatories.

Regent Dahilig asked what is the University’s financial liability.

Chair Karr responded that the discussion was approaching legal issues, so this item was tabled for further discussion in executive session.
EXECUTIVE SESSION

Upon motion by Regent Gee and second by Regent de la Peña, the Board unanimously approved convening in executive session, pursuant to HRS §92-5(a)(3), and HRS §92-5(a)(4), following a short recess.

A recess was taken at 10:42 a.m., followed by an executive session at 10:50 a.m. The Board reconvened in public session at 11:37 a.m.

V. ITEMS FOR BOARD ACTION – PART A (continued)

Approval of Decommissioning Plan and Public Access Plan for Mauna Kea

Upon motion by Regent de la Peña and second by Regent Lee, the Decommissioning Plan and Public Access Plan for Mauna Kea were unanimously approved.

Status Report on the Cancer Research Center of Hawai‘i

Chancellor Virginia Hinshaw reported that a National Cancer Research Center designation not only signifies quality and prestige, but provides funding opportunities not available to non-designated National Cancer Research centers.

Chancellor Hinshaw said that the University invests $2.5 million of general funds into the Cancer Center, which in turn generates about $30 million of external funding.

There are about 6,700 Hawai‘i residents annually who are diagnosed with cancer. The Cancer Research Center of Hawai‘i can benefit those residents as well as cancer patients residing in the Pacific islands.

Dr. Michele Carbone, Director of the Cancer Research Center of Hawai‘i (CRCH), provided a status report on the development of the CRCH.

The CRCH is one of 65 designated Cancer Centers in the U.S. supported by a federal grant from the National Cancer Institute (NCI), and it is the smallest center. To retain the designation, the University must build a new facility, increase funded researchers, and develop a clinical program.

Dr. Carbone said that Hawai‘i needs a Cancer Center because every cancer patient in Hawaii needing special treatment must fly to the mainland. Every cancer patient has the right to be treated at home with family and friends nearby because cancer is a very stressful disease. Traveling a great distance adds to the stress, as does the cost of such travel, which not all patients can afford.
The CRCH will be using the available resources in the community rather than build a new hospital. Existing hospitals such as Kapi'olani, Kuakini, and Queen's will provide the clinical support. Sharing facilities allows for the best treatment at much lower cost and eliminates duplication of equipment and health providers.

Sharing facilities also allows for specializations among hospitals instead of duplication. This enables an increase in expertise in specialized areas, as well as directing resources to focused areas.

Dr. Carbone explained that the NCI offers grants that only NCI-designated centers can receive. NCI ARRA grants of $1.35 million each were awarded that led to the recruitment of researchers Dr. Linda Wong and Dr. Clayton Chong. These two researchers come at no cost to the University and the state.

Hawaii has the highest rate of liver cancer in the U.S. because liver cancer is highest in Asians, who are prevalent in Hawaii. Dr. Linda Wong specializes in liver cancer. Dr. Clayton Chong focuses on breast cancer. About 90% of women treated in the first stages of breast cancer survive. The worse prognosis is for ethnic Hawaiians and Filipinos who are in the later stages of the disease. Dr. Chong is studying this problem and is focusing on ways to increase early breast cancer screening when it is susceptible to therapy.

These two problems are unique to and prevalent in Hawaii, and the CRCH can focus on these problems affecting our residents. Other states’ research centers may not be as concerned.

Within the past year, 9 researchers have been recruited, as well as an Associate Director for Scientific Administration. Because of the consortium, many of these researchers come at no cost to CRCH, since they are funded by consortium partners such as JABSOM.

Vice Chair Hirota requested an explanation of how researchers are salaried. Dr. Carbone said that a researcher is paid partially by the University and partially from the research grant. The research grant also pays for indirect administrative costs. For example, a $1 million grant pays for $500,000 in indirect costs.

Dr. Carbone summarized by saying that CRCH’s goals and strategy are to: conduct research important to cancer patients in Hawaii that has impact on preventing and treating cancer in Hawaii; make Hawaii the place where cancer investigators from the mainland, Asia, Australia and the Pacific region meet to establish scientific collaborations to fight cancer together; and renew its NCI grant and strengthen the consortium to eliminate the need for Hawaii cancer patients to travel to the mainland for treatment.

Regent Rasmussen asked if Kaiser is included in the consortium. Dr. Carbone responded that Kaiser has not yet contributed into the consortium.

Regent Gee asked how the research works with a teaching hospital like Kuakini. Dr. Carbone explained that Kuakini has a unique ethnic population which CRCH does
not have, so researchers can take advantage of this patient population to conduct their studies. Dr. Carbone said that further collaborations within the consortium are still to be determined.

Regent Fukunaga asked if there was a financial business plan for CRCH. President Greenwood responded that there is such a plan, which includes recruitment, debt service for the business, continuing operations of the facility, and a variety of other things. President Greenwood commented that this business plan may be the first comprehensive facility program management ever done. Vice Chair Hirota said that the advisory group to the CRCH had collective concerns about how the Center would be put together. With the assistance of Associate Vice President Brian Minaai and Vice President Howard Todo, a business plan has been formulated. This plan will be presented to the Board in executive session later at this meeting because of legal concerns.

Associate Vice President Brian Minaai provided an update of the development of the CRCH. He said that in July 2009, the Board approved service ordering the planning, design, and management of CRCH to the Research Corporation of the UH (RCUH), in an amount up to $28 million.

The new project will cost about $100 million and will be about 150,000 square feet, based on the financial model of balancing the number of new researchers, the operating costs and maintenance of the facility, and an affordable level of debt service that will result in a positive carry-over balance. Furniture, fixture and equipment will be separate from the construction cost. It will be built on the JABSOM Phase 2 site to achieve a number of economies and to take advantage of existing entitlements in place.

Since November 2009, design has commenced with the procurement of Shimokawa + Nakamura, a Hawai‘i architectural firm which is working with two mainland firms which have designed research facilities at nine of the top ten NCI-designated cancer centers in the country. Wilson Okamoto has been retained for planning and entitlement work. The Kobayashi Group has been retained to handle day-to-day project management coordination of the various consultants.

Mr. Minaai said that they are currently in the process of selecting a general contractor to provide pre-construction services to the design team for constructability, value engineering and cost estimating.

The Governor has granted approval to issue revenue bonds authorized by the 2009 Legislature for construction.

Ground-breaking is planned for July 2010.

Ms. Kathy Inouye of the Kobayashi Group informed the Board that the Kobayashi Group works only on projects in the state, and in the last 13 years it has worked on $3 billion worth of projects, including affordable housing and public schools. The CRCH is not the largest project for the Group, but the Kobayashi Group feels that this project is the most important thing the Group can do for the State of Hawai‘i. It has become a personal commitment by the Group to help develop a center that enables patients and
their families to obtain treatment at home rather than traveling to a mainland cancer treatment facility. Ms. Inouye assured the Board that this cancer center will be the best that the state can afford.

Ms. Inouye said that they have been researching cutting-edge technologies because research labs are tremendous energy-users. JABSOM spends $250,000 monthly on electricity. It is hoped that using new technology will reduce electrical energy usage by 25-30 percent.

The project is on schedule to receive all required entitlements in order to break ground this year. The Hawai‘i Community Development Authority (HCDA) approvals are in place. An environmental assessment is in place. The only discretionary approval required is an Special Management Area permit, which is in the process. Kobayashi Group is breaking up the permits into different phases to ensure a timely construction schedule.

Mr. Jeff Nakamura of Shimokawa + Nakamura presented the Regents with CRCH’s design concepts. The firm has assembled a team of 19 consultants, most of whom have experience with science and technology facilities and JABSOM. The construction budget is $100 million, and the project will be rated at a minimum of LEED Silver. The firm has been meeting with the Center staff to assess their space requirements, and meeting with JABSOM about shared resources.

Mr. Nakamura said that the design concepts are continually evolving as more information on Center requirements is acquired and design and construction technology advance.

In response to Regent Rasmussen's question about sufficient parking, Mr. Nakamura explained that they are in negotiations with HCDA over parking requirements. HCDA has noticed that within the last five years, the Lot C parking for JABSOM has been half-full. The initial Lot C load was based on business usage. Parking for CRCH can be included in the Lot C by expanding the load without adding more stalls. Ms. Inouye commented that the Kobayashi Group commissioned a parking study, which preliminarily looks favorable to the project, so there are no concerns regarding parking.

Ms. Inouye said that during the month of February, there will be a series of meetings with neighborhood boards, with CRCH researchers, with HCDA and others to build community support for the project.

Ms. Inouye added that they have contacted contractors, sub-contractors, and suppliers who are familiar with the installation of new systems, to develop pricing components and timetables for installation of components. Contracts will require that the contractors educate themselves on these components and their installation.

Regent Gee asked if new types of construction materials will be used and if equipment was included. Ms. Inouye responded that they are researching operational and long-term maintenance. Regarding equipment, anything that is part of a laboratory is included in the contract.
Approval of Revision of the Shidler College of Business Masters Tuition Schedule

Vice Chancellor for Academic Affairs Reed Dasenbrock requested approval to eliminate the separate tuition category for the Masters of Accounting and to decrease the scheduled increases in the Shidler College of Business masters tuition for academic years 2010-2011 and 2011-2012 to match the scheduled dollar value increase per credit hour in the graduate tuition for those years.

Associate Dean Bill Chisman explained that the Masters of Accounting (MAcc) tuition rate, initially different from the Masters of Business Administration (MBA) tuition rate, now equals the MBA tuition rate, so it is no longer necessary to have two different degree rates in the tuition schedule.

Regarding the request for a decrease in tuition, beginning in academic year 2008-2009, the graduate masters resident tuition was increased annually by $1,008 per semester, nearly twice the campus graduate tuition increase of $516 per semester. The College now believes this rate of increase is too large, particularly in light of the poor economic conditions. Demand for the part-time evening MBA program has decreased in recent years by about 15%, and demand for the newly added full-time MBA program has not been as strong as originally anticipated. The College would like to have the same tuition increase as other Mānoa graduate programs.

Regent Fukunaga noted that other institutions have a larger differential between resident and nonresident tuition, and asked if UHM should do the same. Dean Chisman responded that the nonresident rate is as sensitive as the resident rate, until the programs’ reputations are established.

Regent Gee asked if there is a high demand for the MAcc degree. Dean Chisman responded affirmatively.

Upon motion by Regent Dahilig and second by Regent Rasmussen, the Shidler College of Business masters tuition schedule and the decrease in the scheduled increases were unanimously approved.

EXECUTIVE SESSION

Upon motion by Regent Gee and second by Regent Lee, the Board unanimously approved convening in executive session, pursuant to HRS §92-5(a)(2)(3)(4), following a luncheon recess. The Board convened in executive session at 1:30 p.m. The Board reconvened in public session at 4:30 p.m.

VI. ITEMS FOR BOARD ACTION – PART B

Board of Regents Committee/Task Group Reports

The reports of the Task Group on Nonresident Enrollment and the Committee on University Audits were deferred to the February 18, 2010 meeting.
Approval of CIP and R&M Project Contracts

Associate Vice President Brian Minaai requested approval of 4 professional services contracts totaling $2.6 million and 12 construction projects totaling $90.4 million.

Regent Gee asked the age of some of the buildings to be renovated, and the structural assessment of Gartley Hall. Mr. Minaai responded that the structures on Coconut Island are subject to constant barrage of salt and seawater. The acceleration of their maintenance is tremendous, and is due more to their environment rather than to the quality of the construction materials. In the case of the Biomedical Sciences building, asbestos was found in the eaves. Gartley Hall is currently undergoing a structural assessment of its foundation, as well as a soils test of its surroundings. A report on the findings is due in March 2010.

Upon motion by Regent Dahilig and second by Regent de la Peña, the 4 professional services contracts and 12 construction projects were unanimously approved.

Approval of Appointment of Interim Executive Administrator & Secretary of the Board of Regents

Upon motion by Regent Baxa and second by Regent Lee, it was unanimously approved to appoint Mr. Keith Amemiya as Interim Executive Administrator & Secretary of the Board of Regents, beginning March 8, 2010.

Mr. Amemiya thanked the Regents for the opportunity to work with the Board.

VII. ACCEPTANCE AND APPROVAL OF GIFTS, GRANTS AND CONTRACTS

Vice President Jim Gaines reported that $41 million was awarded in October 2009. For the month of November 2009, $18.6 million was awarded. The first six months total is $275 million, and the University is now approaching $300 million, about 10% ahead of last year.

Chair Karr asked if President Obama’s freeze on discretionary spending will affect grants. Vice President Gaines thought that the University’s grants would not be affected because they are peer-reviewed.

VIII. APPROVAL OF PERSONNEL ACTIONS

Ms. Brenna Hashimoto, System Director of the Office of Human Resources, requested approval of emeritus professor titles for Marcia A. Armstrong of Kapi‘olani Community College and Robert A. Fox of UH Hilo.
Upon motion by Regent Dahilig and second by Regent Gee, the emeritus title was unanimously approved for Marcia A. Armstrong.

Upon motion by Regent Carlson and second by Regent Baxa, the emeritus title was approved for Robert A. Fox, with opposition by Regents Gee and Rasmussen.

IX. ANNOUNCEMENTS

The next meeting of the Board of Regents will be on February 18, 2010, at the John A. Burns School of Medicine.

X. ADJOURNMENT

There being no further business, the meeting was adjourned at 4:44 p.m.

Respectfully Submitted,

[Signature]

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