

MINUTES

BOARD OF REGENTS' MEETING

January 20, 2011

I. CALL TO ORDER

Chair Howard Karr called the meeting to order at 11:20 a.m. on Thursday, January 20, 2011, at the University of Hawai'i at Mānoa, 2465 Campus Road, Campus Center Ballroom, Honolulu, Hawai'i 96822.

Quorum (12): Chair Howard H. Karr; Vice Chair Dennis I. Hirota; Carl A. Carlson; Ramon 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 Matthew R. Williams.

Excused (3): Artemio C. Baxa; Michael A. Dahilig; and Clifford C. Dias.

Others in Attendance: President M.R.C. Greenwood, Ph.D.; Vice President for Academic Planning and Policy, Linda Johnsrud, Ph.D.; Vice President for Community Colleges, John Morton, Ph.D.; Vice President for Legal Affairs and University General Counsel, Darolyn Lendio, Esq.; Vice President for Student Affairs and University and Community Relations, Rockne Freitas, Ed.D.; Vice President for Budget and Finance/Chief Financial Officer, Howard Todo; Vice President for Research, James Gaines, Ph.D.; Vice President for Information Technology and Chief Information Officer, David Lassner, Ph.D.; Associate Vice President for Capital Improvements, Brian Minaai; Associate Vice President for Student Affairs, Karen Lee, Ed.D.; UH-Mānoa Chancellor, Virginia Hinshaw, Ph.D.; UH-Hilo Chancellor, Donald Straney, Ph.D.; UH-Maui College Chancellor, Clyde Sakamoto, Ed.D.; Leeward Community College Chancellor Manuel Cabral, Ph.D.; Kapi'olani Community College Chancellor Leon Richards, Ph.D.; Honolulu Community College Chancellor Mike Rota; Executive Administrator and Secretary of the Board of Regents Keith Amemiya, Esq., and others as noted.

II. APPROVAL OF MINUTES OF THE OCTOBER 28, 2010 AND NOVEMBER 18, 2010 MEETINGS

Upon motion by Regent Haynes and second by Regent Gee, the meeting minutes of October 28, 2010 and November 18, 2010 were unanimously approved.

III. PUBLIC COMMENT PERIOD

Secretary Amemiya announced that no testimony was received.

IV. REPORT OF THE PRESIDENT

President M.R.C. Greenwood discussed the success of the symposium “E Kamakani Noi’i,” a two-day summit on Hawai’i’s innovation economy jointly organized with the U.S. National Academy of Sciences. The President’s Innovation Council unveiled four recommendations:

1. Identify research as an industry in Hawai’i.
2. Establish Hawai’i Innovation Technology Exchange.
3. Identify key areas for commercialization opportunities.
4. Integrate entrepreneurship into the curriculum.

President Greenwood thanked the Regents who attended the Symposium. Dr. Charles Wessner, the Director of the Technology, Innovation and Entrepreneurship Board of the National Academies, was impressed with the attendance of the Regents, members of the Congressional delegation, the Governor, the Lieutenant Governor and a number of legislators and directors of state departments.

President Greenwood presented Dr. Keiki-Pua Dancil and Keala Monaco with letters of commendation and lei to thank them for their work in preparing for the Symposium.

At the Symposium, it was announced that all 10 UH campuses and the U.S. Dept. of Energy’s National Renewable Energy Laboratory signed a Memorandum of Understanding (MOU) entitled, “Island of Knowledge – Cooperation for developing island-based living laboratories for sustainable energy systems.” The MOU establishes a framework for collaboration focused on:

1. Sustainable community planning, with the intent to cooperate in the planning of full-scale sustainable communities for new UH System campuses and their surrounding communities.
2. Renovate and innovate UH System facilities with the intent to cooperate to find solutions to turn existing UH System buildings into state-of-the-art, high-performing learning and research facilities.
3. Project development, finance, and implementation, with the intent to cooperate to create community support and consensus from interested parties, area land owners and local utility companies for implementation and future study of these projects.
4. Workforce development to support sustainable communities industries, with the intent to cooperate to create and to nurture a workforce to sustain the industries and services needed for creating, operating and maintaining sustainable communities.
5. Curriculum development to institutionalize the sustainable commitment, with the intent to cooperate in the advancement of a comprehensive educational curriculum at the K-12, community college and university level.
6. Create worldwide recognition for the UH System as a sustainable community leader, with the intent to cooperate to rebrand the UH System as the go-to place for education regarding sustainable energy systems for living and working.

7. University sustainable developmental alliance, with the intent to cooperate to establish a consortium on universities, with the UH System as the lead to address sustainability issues facing communities in other islands and states across the U.S. and nations across the globe.

A team headed by Vice President for Academic Planning and Policy Linda Johnsrud was awarded approximately \$160,000 by the Asia-Pacific Economic Cooperation (APEC) for a higher education program proposal for a project titled, "Quality in Higher Education: Identifying, Developing and Sustaining Best Practices in the APEC Region." The U.S. was the proposing economy, with the co-sponsoring economies including Australia, Canada, Chile, China, Indonesia, Japan, New Zealand and Peru. The program will focus on defining quality and quality assurance, regional and country exemplars, the role of rankings and the global university of the future. The conference will solicit papers from university governments throughout the APEC region and there will be an invitational symposium in Honolulu in August 2011.

The advisory group on international engagement consisted of former Regent Patricia Lee, UH-Mānoa Vice Chancellor for Academic Affairs, Reed Dasenbrock, UH-Hilo Chancellor Donald Straney, Debbie Nakagawa of the Community Colleges, UH Foundation's Mangmang Brown, retired Ambassador Lauren Moriarty and Regent Holzman. The advisory group's recommendations are included in the University of Hawai'i System's Mission Statement and Strategic Directions for International Engagement, 2010-2020, which recognizes Hawai'i and UH roots in international interaction, thriving international activities at campuses, existing UH strengths in international scholarship and education. It establishes broad direction in expanding international engagement and enrollment, strengthening ties with other indigenous-serving institutions, partnering with Hawai'i organizations with international ties and deepening collaboration with the East West Center. It encourages campus innovation and autonomy and UH System convening of campuses to collaborate. VP Johnsrud's office will initially disseminate and carry out the directions, and then UH will further discuss what is the best structure to accomplish the stated objectives.

President Greenwood, other UH executives, and UH-Mānoa Chancellor Virginia Hinshaw participated in a recent symposium with U.S. Pacific Command (PACOM) Commander in Chief Admiral Robert Willard, his component commanding generals, and PACOM staff. It was the first high-level meeting between UH and the senior PACOM Commanders in some time. The purpose was to discuss and explore ways of "Strengthening Stability and Resilience in the Asia-Pacific Region." They spoke extensively about sustainability initiatives, and how they can work together with the state to utilize building practices in the area of sustainability, and soft power in the Asia-Pacific region.

President Greenwood mentioned the festivities surrounding the opening of the 2011 Hawai'i State Legislature.

President Greenwood thanked Dr. Terry MacTaggart for his work in this morning's Briefing and Workshop on Best Practices for Board of Regents' Policies and Bylaws.

Baccalaureate Colleges

University of Hawai'i at Hilo – The first two doctorate degrees in Hawaiian and Indigenous Language and Culture Revitalization were given at the Fall 2010 Commencement.

University of Hawai'i at Mānoa – Three JABSOM scientists, Dr. Marjorie Mau, Dr. Richard Yanagihara and Dr. Angel Yanagihara, were selected as role models in their fields by the National Institutes of Health, as 3 of 13 "BioMedical Faces of Science."

The School of Nursing and Dental Hygiene held its groundbreaking ceremony for its Translational Health Science Simulation Center, a Renovate to Innovate project.

University of Hawai'i-West O'ahu – A partnership was established with Hawai'i Tokai International College, which will permanently relocate to Kapolei, near UH-West Oahu. The partnership allows students from Japan and Hawai'i to live in the same dormitories while taking advantage of synergies between the two campuses.

UH Community Colleges

Kapi'olani Community College and Windward Community College celebrated the first graduates of their joint practical nursing program, which was comprised of 16 students.

Report of the University of Hawai'i at Mānoa

UH-Mānoa Chancellor Virginia Hinshaw introduced UH-Mānoa Vice Chancellor for Research and Graduate Studies, Gary Ostrander, to make a presentation on research opportunities on the UH-Mānoa campus.

Vice Chancellor Ostrander gave an overview of the research units (*i.e.*, Institute for Astronomy and Cancer Research Center) and academic units (*i.e.*, College of Natural Sciences and College of Social Sciences) at UH-Mānoa. In the first six months of FY 2011, UH-Mānoa was awarded \$227 million in research and training awards.

Research contributions of the UH-Mānoa faculty include new views on the history of Easter Island, Asian Theatre, and finding a cure for malaria, to name a few. In the future, UH-Mānoa is pushing sustainability.

Vice Chancellor Ostrander tried to quantify the involvement and activity that UH-Mānoa's schools and colleges and major research programs have in APEC Economies. On a scale from 1 to 3, Vice Chancellor Ostrander tried to rank the

levels of involvement between the two entities. Most had some level of involvement, meaning UH-Mānoa is doing something significant in nearly all of these economies.

Regent Gee asked about the omission of creative media. Vice Chancellor Ostrander said that because of time constraints for his presentation, he left out several areas of research and study.

President Greenwood told the other Chancellors in attendance that she thought Vice Chancellor Ostrander's presentation was a nice template with respect to APEC and wouldn't mind it at all if she saw similar information from other campuses.

Chair Karr thanked President Greenwood, Dr. Keiki-Pua Dancil and Keala Monaco for their contribution and work with E Kamakani Noi'i.

V. REPORT OF THE UNIVERSITY OF HAWAI'I FOUNDATION

UH Foundation Vice President for Finance, Bill King, said that the Foundation had a slow start to this fiscal year, but had a solid December, and finished the first six months at over \$15 million. Last quarter put the Foundation back on track to reach its fiscal year goals. The Foundation has a number of initiatives, including revising its prospect management process to ensure that fundraisers have solid portfolios from which to work. The UH Foundation had a fund balance of \$285.6 million as of September 2010, its highest fund balance to date.

Chair Karr said that income from endowment accounts went up almost 25% and service fees on gifts increased almost 100%, and asked about the significance of the increases. King said that the increased income from endowment accounts was a big factor that helped the Foundation to hire additional staff. The service fee on gifts increased as a function of cash flow. Chair Karr said that the Foundation is only about a third of the way towards reaching its ambitious goal of \$45 million, and asked if King felt they could achieve it. King said that there are several initiatives in play and that they have a strong pipeline.

VI. ACCEPTANCE AND APPROVAL OF GIFTS, GRANTS AND CONTRACTS

Vice President for Research, James Gaines, said UH took in a little more than \$40 million in October 2010, and nearly \$14 million in November 2010, in total awards. The unofficial FY 2011 year-to-date total is \$308,574,186 through November.

VP Gaines provided breakdowns as to the award sources. For example, the Department of Commerce funded 19% of total awards, from National Oceanic and Atmospheric Administration (NOAA), National Institutes of Standards and Technology (NIST), the Pacific Business Center, and David Lassner's Broadband and Cyber-Infrastructure Grant. The Dept. of Health and Human Services funded 15% of total awards, mainly for JABSOM, the Cancer Research Center, and nursing programs.

Also, the Department of Defense funded 12% of research awards, with projects for monitoring dolphins and whales, a cooperative ecosystems study group, and corrosion work in the College of Engineering, a satellite-launching program, and the Maui High Performance Computing Center and the Pacific Disaster Center.

By campus, UH-Mānoa has 70% of total awards by campus, the System office has 19%, consisting of the Maui High Performance Computing Center, Pacific Disaster Center, EPSCoR Program, and the Applied Research Laboratory, UH-Hilo has about 6%, UH-Maui College gets 1%, and the community colleges bring in about 5%. Broken down specifically by Research Awards by Campus, UH-Mānoa has 89%, and the System office has 9%, mostly from training.

VII. ITEMS FOR BOARD ACTION – PART A

University of Hawai'i System

Approval of Reduction of Summer School Tuition, 2011

Vice President for Academic Planning and Policy, Linda Johnsrud, said that the request is grounded in the Hawai'i Graduation Initiative. Resident enrollment in summer school has been declining, and many campuses struggle to fill classes with enough students to make it financially feasible.

System-wide summer school tuition is traditionally tied to UH-Mānoa's rate. As UH-Mānoa peer institutions charged more, UH-Mānoa's rate also rose, and the other nine campuses' rates rose as well. Therefore, the request from the non-UH-Mānoa campuses is to reduce the summer school rate from \$316 at UH-Hilo and UH-West O'ahu, and from \$283 at the community colleges, to \$248 per credit for all nine campuses. The request is initially for the 2011 summer session only.

Regent Gee asked whether the price of tuition was the only variable in the decrease in enrollment for summer school. VP Johnsrud said it is a major factor, and that UH is trying to encourage more summer school enrollment to encourage on-time degree attainment.

Regent Gee asked how UH would inform its students that the decrease is only requested for one year. VP Johnsrud said the tuition schedule is available in many places. UH will examine the decrease and its effect after the summer and come back with a report to the Board in Spring 2012.

Regent Haynes said he supported the idea, and the increase of enrollment in summer sessions could have a big impact on early graduation. He encouraged marketing the tuition decrease. VP Johnsrud said that UH will do so if the Regents approve the reduction.

Chair Karr pointed out that the lowered rate reverts back to increased amounts in the current 2012 summer school tuition schedule. Specifically, the increase would jump from \$248 to \$350, a 41% increase, for UH-Hilo and UH-West O'ahu, and from

\$248 to \$317, a 28% increase, for community colleges. VP Johnsrud said that she is aware of the situation for the 2012 summer school session, and thus reiterated that UH would re-evaluate the proposal after this summer and bring the issue back to the Regents.

Accordingly, Chair Karr suggested adding in the action memo that the proposal is only for Summer 2011. VP Johnsrud agreed.

Upon motion by Regent Holzman and second by Regent Lee, the proposal of the Reduction of Summer School Tuition, 2011, was unanimously approved.

Review and Acceptance of the University of Hawai'i Financial and Compliance Audit Reports for the year ended June 30, 2010 including the audited Consolidated Financial Statements for the years ended June 30, 2009 and 2010

And

Review and Acceptance of the University's Bond System Internal Control and Business Issues Report for the year ended June 30, 2010

And

University of Hawai'i at Hilo

Review and Acceptance of the University of Hawai'i at Hilo Athletics Department Report on Agreed-Upon Procedures for the year ended June 30, 2010 and related Internal Control and Business Issues Report

Vice President for Budget & Finance/Chief Financial Officer, Howard Todo, said the UH Financial and Compliance Audit Reports are required by OMB Circular A-133, a federal compliance report. The report, which includes the consolidated financial statements, is complete except for the last two schedules, which are community college supplemental schedules, which are still being worked on, and are expected to be completed in a few days. UH Auditor, Accuity LLP, is waiting on an actuarial report and a few other items. VP Todo is asking for an acceptance of the Financial and Compliance Audit Reports subject to the completion of their procedures and the completion of the two remaining schedules, which have little overall impact on the financial statements.

Regarding the University's Bond System Internal Control and Business Issues Report, UH accepts Accuity's report. UH has prepared corrective action responses to address Accuity's recommendations and has prepared a plan to address them.

Regarding the UH-Hilo Athletics Department Report on Agreed-Upon Procedures for the year ended June 30, 2010 and related Internal Control and Business Issues Report, VP Todo said that the reports need to be undertaken every three years, and

is similar to the UH-Mānoa Athletics Statement. UH-Hilo's corrective action responses are included in the report.

Regent Lee, the chair of the Committee on University Audits, said the Committee recommends that the Board of Regents accept the UH Financial and Compliance Audit Reports for the year ended June 30, 2010 including the audited Consolidated Financial Statements for the years ended June 30, 2009 and 2010, the Review and Acceptance of the University's Bond System Internal Control and Business Issues Report for the year ended June 30, 2010, and the UH-Hilo Athletics Department Report on Agreed-Upon Procedures for the year ended June 30, 2010 and related Internal Control and Business Issues Report.

Regent Gee commended VP Todo's office for the timeliness of the completion. He asked about the past issues pertaining to the UH-Manoa bookstore, and asked if there are any issues to take into consideration as the Regents plan for the next biennium budget. VP Todo confirmed that in the FY 2009 Bond System Audit, there was a material weakness comment/finding regarding the bookstore. This year, the auditors ruled that UH resolved the problem. VP Todo praised UH Internal Auditor Glenn Shizumura and UH Controller Paul Kobayashi for working with the bookstore to resolve the issues. However, in an exercise of caution, VP Todo's office is still monitoring the situation. Regarding risks in the future, UH is on strong financial footing, but has been impacted by budget reductions. Therefore, UH has asked the Legislature to restore funding and is staying vigilant because of the deficit and potential future cuts to funding.

Regent Martinson moved and Regent Haynes seconded the motion to approve all three items, which was unanimously approved.

University of Hawai'i System

Review and Approval of the Office of Internal Audit's fiscal 2011 Audit Plan

UH Internal Auditor Glenn Shizumura said that the plan was reviewed by the Committee on University Audits and changes that the Committee suggested were made to the Audit Plan.

Regent Lee said the Committee on University Audits recommended accepting the Office of Internal Audit's fiscal 2011 Audit Plan.

Upon motion by Regent Haynes and second by Regent Carlson, the motion to approve the Office of Internal Audit's fiscal 2011 Audit Plan passed unanimously.

University of Hawai'i at Mānoa

Approval of Establishment of Provisional Bachelor of Arts Degree in Second Language Studies, College of Languages, Linguistics and Literature

And

Approval of Establishment of Provisional Doctor of Education in Professional Educational Practice, College of Education

And

Approval of Establishment of a Professional (Clinical) Fee through Outreach College for the Doctor of Education Program in the College of Education

UH-Mānoa Vice Chancellor for Academic Affairs, Reed Dasenbrock, said that the Degree in Second Language Studies is also known as English as a second language. This proposed degree fits in with a number of programs where there are strong graduate programs and thus UH-Mānoa is moving to develop strong undergraduate programs to match the graduate programs.

Regent Gee asked about other peer institutions that have similar degrees. Kenton Harsch, the director of UH-Mānoa's English Language Institute, said there are 32 programs throughout the United States and the world, including Northern Iowa, and Wisconsin-Green Bay. Brigham Young-Hawai'i and Hawai'i Pacific also offer the program. Regent Gee asked if the proposed model is an original one, or if it is patterned after Best Practices. UH-Mānoa Dean of the College of Languages, Linguistics and Literature, Robert Bley-Vroman, said UH-Mānoa has the best program and other universities model their programs after UH-Mānoa's undergraduate and graduate program. It is a well-accepted program.

Regarding the Provisional Doctor of Education in Professional Educational Practice, College of Education, Vice Chancellor Dasenbrock said it matches an important national trend that tries to create professional practice doctorates. The model is similar to the executive MBA program at UH-Mānoa. It is a three-year degree program that focuses on people who already have teaching positions and are already in administrative leadership or moving into administrative leadership. There is a strong market for the degree.

The Doctorate in Education program is more expensive to run because of the need to pay for new faculty and field mentors. The Professional (Clinical) Fee is requested for one year to pay for the cost of those field mentors. Then, with the potential establishment of graduate differential tuition instead of graduate fees with the upcoming tuition schedule, UH-Mānoa would propose in the new schedule that the Professional Fee would be rolled into differential tuition in the Doctor of Education program.

Regent Gee said that the proposal was well written and meets current needs. He noted that a survey on the interest of the program was performed and one subject that continually emerged was financial assistance. College of Education Dean, Christine Sorensen, said that UH-Mānoa has secured a commitment from Kamehameha Schools for \$30,000 to support the program, plus additional scholarships specifically for Kamehameha students. Additionally, the Hawai'i

Association of Independent Schools has agreed to commit \$25,000. Also, the Department of Education (DOE) is discussing potential financial support for participating students, as the DOE helped to initiate and develop the degree.

Regent Haynes moved and Regent Gee seconded the motion to approve all three items, which were unanimously approved.

Board of Regents' Committee

Report of the Committee on Community Colleges

Regent Rasmussen, the Chair of the Committee on Community Colleges, gave a report on the November 19, 2010 meeting of the Committee on Community Colleges, which took place at both UH-Maui College and the Moloka'i Education Center.

At UH-Maui College, the Regents heard from students, administration, faculty, community members and business leaders. A lot of the focus was on IT positions and sustainable energy. UH-Maui College professor, Dr. Joie Taylor, spoke about the sustainable science degree. Dr. Taylor emphasized the science aspect of sustainable science, and that Maui has all of the major natural energy sources. Much of the discussion was about how the other campuses could leverage the sustainable science degree and develop it as a system-wide curriculum.

At the Moloka'i Education Center (MEC), a majority of the testifiers spoke about the importance of education and having a center on Moloka'i to help them to pursue their degrees. The community asked for space to expand the MEC and provide more opportunities. There is a two-acre parcel near the MEC owned by Moloka'i Ranch that MEC is interested in purchasing. Vice President of Community Colleges, John Morton, said that UH has made a purchase offer to Moloka'i Ranch and the Ranch is expected to act on it sometime in January.

Regent de la Peña, a member of the Committee, said regarding the UH-Maui College degree in Sustainable Science, that the Committee wanted it communicated to other campuses that the degree could be systemwide, not just centered on Maui.

VIII. 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)(2)(3)(4). The Board convened in executive session at 2:21 p.m. and reconvened in public session at 4:07 p.m. following a motion to come out of executive session by Regent Haynes and second by Regent Martinson, which was unanimously approved.

IX. ITEMS FOR BOARD ACTION – PART B

University of Hawai'i System

Approval of President's 2010-2011 Academic Year Goals

Regent Carlson moved and Regent Holzman seconded the motion to approve the President's 2010-2011 Academic Year Goals, which was unanimously approved.

Approval of Extension of President's Appointment Agreement

Chair Karr said the extension would add three years to President Greenwood's contract, extending it to July 31, 2015. The extension did not include any salary increases, which would be done at the appropriate time, if at all.

Regent de la Peña moved and Regent Fukunaga seconded the motion to Extend the President's Appointment Agreement, which was unanimously approved.

President Greenwood thanked the Regents for their support of her and her team's efforts.

Board of Regents

Approval of Proposed Legislation on Regent Chair/Vice Chair Elections and Additional Vice Chair

Chair Karr said that elections are usually held during the first meeting of the academic year after June 30, but recommended that the election be moved to the last meeting before the end of the academic year. If the proposal is approved by the Legislature and approved by Governor Abercrombie, the Chair/Vice Chair elections would likely be held at the May meeting, which is currently the last scheduled meeting of the academic year. With the change, it would allow the incoming Chair and Vice Chair to get an earlier start on scheduling meetings and setting committee assignments. Currently, committee assignments are completed in the second meeting of the academic year.

The addition for a second vice chair gives more flexibility in the case that the Chair or first Vice Chair is unable to attend a meeting or event.

Regent Martinson moved and Regent Lee seconded the motion on Proposed Legislation on Regent Chair/Vice Chair Elections and Additional Vice Chair, which was unanimously approved.

X. APPROVAL OF PERSONNEL ACTIONS

Chair Karr said that the interim title would be removed for Keith Y. Amemiya, Executive Administrator and Secretary to the Board of Regents, if the proposal is approved. There is no proposed salary increase at this time. Secretary Amemiya's appointment would run from January 21, 2011 through January 20, 2014.

The other personnel action is for College of Business and Economics Professor Stephen C. Hora to receive Emeritus status.

Regent Gee moved and Regent Martinson seconded the motion to approve personnel actions, which was unanimously approved.

XI. ANNOUNCEMENTS

Chair Karr announced that the next meeting is scheduled for Thursday, February 24, 2011, at Honolulu Community College.

XII. ADJOURNMENT

There being no further business, on the motion of Regent Rasmussen and second by Regent Martinson, and with unanimous approval, the meeting was adjourned at 4:16 p.m.

Respectfully Submitted,



Keith Y. Amemiya, Esq.
Executive Administrator and
Secretary of the Board of Regents