MINUTES

BOARD OF REGENTS' MEETING

February 21, 2013

I. CALL TO ORDER

Chair Eric K. Martinson called the meeting to order at 9:15 a.m. on Thursday, February 21, 2013, at the University of Hawai‘i at Hilo, UCB 127, Ho‘olulu Terrace, 200 West Kawili Street, Hilo, Hawai‘i 96720.

Quorum (14): Chair Eric K. Martinson; Vice Chair, Carl A. Carlson; Vice Chair, James H.Q. Lee; Jeffrey T. Acido; Artemio C. Baxa; John C. Dean; Chuck Y. Gee; John C. Holzman; Benjamin A. Kudo; Coralie Chun Matayoshi; Barry Mizuno; Saudene K. Ota; Tom Shigemoto; and Jan Sullivan.

Others in Attendance: President M.R.C. Greenwood, Ph.D.; Executive Vice President for Academic Affairs/Provost, Linda Johnsrud, Ph.D.; Vice President for Community Colleges, John Morton, Ph.D.; Vice President for Legal Affairs and University General Counsel/Acting Executive Administrator and Secretary of the Board of Regents, Darolyn H. Lendo, 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 Information Technology and Chief Information Officer, David Lassner, Ph.D.; Associate Vice President for Student Affairs, Lui Hokoana, Ed.D.; Associate Vice President for External Affairs and University Relations, Lynne Waters; UH Mānoa Chancellor, Thomas Apple, Ph.D.; UH Hilo Chancellor, Donald Straney, Ph.D.; UH West O‘ahu Chancellor, Gene Awakuni, Ph.D.; Hawai‘i Community College Chancellor, Noreen Yamane; Kaua‘i Community College Chancellor, Helen Cox, Ph.D.; and others as noted.

Chair Martinson thanked the University of Hawai‘i at Hilo Student Association for hosting the Regents for breakfast.

II. APPROVAL OF MINUTES OF THE JANUARY 24, 2013 MEETINGS

Regent Matayoshi requested that two instances of the use of “that” instead of “than be corrected on pages 5 and 6.

Regent Matayoshi also requested that paragraph 3 on page 6 be corrected to read: “Regent Matayoshi said that she understands that most gifts are restricted. However, she asked about the extent to which UHF’s funding from donors could be budget relieving so that money raised could be put towards the University’s highest priorities.”

Upon motion by Regent Shigemoto and second by Regent Kudo, the Regents unanimously approved the minutes as amended.
III. PUBLIC COMMENT PERIOD

Acting Secretary Lendio announced that the following people submitted written testimony:

Senator Daniel K. Inouye Legacy Recognition

In Support:

1. Joyce Yamada, Faculty, UH-Maui College
2. Nancy Johnson, Faculty, UH-Maui College

Undocumented Immigrant Policy Proposal

In Support:

1. Governor Neil Abercrombie
2. Liz Cortez
3. Carolina Torres Valle
4. Doorae Shin
5. Kevin Block, J.D.
6. Sara Melissa Mares
7. Debra Nakama, UH Pamantasang Executive Council
8. Beta Beta Gamma, by Chelsey Solemsaas, President
9. Hawai'i Alliance of Immigrants for Action, by Carolina Torres Valle, Lead Member
10. ESSA (Ethnic Studies Student Association), by Paul Martin, Student
11. AiKea at UH, by Kimberly Luz, Student
12. Associated Student of the University of Hawai'i – Senate Resolution 05-13
13. UH Mānoa Graduate Student Organization, by Ruben Campos, Vice President
14. Faith Action for Community Equity, by Religious Leaders of Hawai'i
15. American Civil Liberties Union of Hawai'i, by Laurie A. Temple, Staff Attorney & Legislative Program Director
16. Monisha Das Gupta, Faculty, UH Mānoa
17. The Reverend Stanley Bain
18. Ibrahim G. Aoudé, Faculty, UH Mānoa
19. 13 Members of Division of Spanish, Portuguese and Latin American and Iberian Studies, UH Mānoa
20. David Stannard, Faculty, UH Mānoa
21. Meda Chesney-Lind, Ph.D., Faculty, UH Mānoa
22. Raymund Liongson, Ph.D., Faculty, Philippine Studies Program
23. Ty P. Kāwika Tengan, Faculty, UH Mānoa
24. Calvin Pang, Professor
25. Richard C. Rath, Faculty, UH Mānoa
26. Cynthia Franklin, Faculty, UH Mānoa
27. Reece Jones, Faculty, UH Mānoa
28. Ruth Y. Hsu, Ph.D., Faculty, UH Mānoa
29. Miriam Start, Faculty, UH Mānoa
30. Ned Bertz, Faculty, UH Mānoa
31. R.D. Joseph, Astronomer, UH Mānoa
32. John David Zuern, Faculty, UH Mānoa
33. Elena Rodriguez
34. Petition (910 signatures)
Repurposing Revenue Bond Proceeds from Series 2009A Revenue Bonds for Mānoa Student Housing Hale Aloha Renovation to Pālamanui Campus in West Hawai‘i Project

In Support:

1. Senator Josh Green
2. Jean Hull, Hospitality Consultant
3. Ross Wilson
4. Julie Ziemelis, Ziemelis Communications
5. Walter Kunitake, Former Director of UH West Hawai‘i (UHWH)
6. Liz Heiman Zagorodney
7. Richard Zazzi
8. Serena Chamberlain, Director, Human Resources, Cellana
9. Krystal Imai, Property Manager, Kona Coast Shopping Center, Colliers International
10. Barbara Zazzi
11. Terri A. Britt
12. Dave Buehler
13. M.E. "Meg" Greenwell, President, Kealakekua Ranch
14. Cheryl Holdcroft
15. Linda Morabito, Senior Management Executive
16. Mitch Sipiala, Senior Director of Human Resources, Four Seasons Resort Hualalai
17. Cynthia Gould, Office Manager, Service Rental and Supplies
18. Betty O’Brien, Purchasing Agent, Hawai‘i Island Humane Society
19. Vicky Kometani, Account Executive, Current Events
20. Curtis Muraoka, Co-Director, West Hawai‘i Explorations Academy
21. Rick Vidgen, Big Island Carbon
22. Warren and Joan Chong, LegalShield
23. Judy Donovan, Marketing/Communications Director, Kona Community Hospital
24. Holly Algood
25. Vivian Landrum, President/CEO, Kona-Kohala Chamber of Commerce
26. Patti Kimball
27. James Smith, General Manager, Hawai‘i Water Service Company
28. Barbara Garcia, Owner/Publisher, Ke Ola Magazine
29. Louise Wagner
30. Tion Buehler, Service Writer, Service Rentals & Supplies, Inc.
31. Tom Fine, Sr.
32. Richard Taaffe, Executive Director, West Hawai‘i Community Health Center
33. Bob Bonar
34. Yuki Ka‘ea Lyons Alapa‘i, UHWH Hawai‘i Lifestyles Lecturer
35. Beverly Skladzien
36. Tanya Dean, Faculty, HawCC UH West Hawai‘i
37. Suzanne Hayes
38. Rick Kleit
39. David Stubbs, former student
40. Paul Heerlein, Faculty, UHWH
41. Patti Kimball, Secretary of American Culinary Federation of Kona Kohala Chefs
42. Joan E. Prater
43. Shirley Ann Fukumoto
44. Jamie Pardau, President, AAUW-Kona Branch
45. Phyllis Connors
46. Noa Lincoln
47. Jeffrey Manzo
48. Pearla Lyn Haalilio, Student Services Specialist, UHWH
49. Diana Lally, CPA, Controller, Cellana LLC
50. Jim Lewellyn
51. Dr. Paul Troy, Lecturer, UHWH
52. Natalie Thorp
53. Alison Steiner, PsD, Licensed Psychologist, Dr. Ashley & Associates
54. Keawe Vredenburg, Vice President, Hui Kako‘o
55. Daniel I. Gomez
56. Teri Stewart
57. Barbara Haight
58. Karen Wilson
59. Betsy Morrigan, Lecturer, UHWH
60. Angela Rosa, RN, LMT, Barefoot Doctor and Health Consultant
61. Sherman Warner, UH grad
63. Kimberly Castro
64. Joyce O'Connor
65. Alan Bram, VP, Principal Broker, Mauna Kea Resort Services, LLC
66. Eva Martinson
67. Gigi Goochey
68. Susan Santangelo
69. Kris Kosa-Correia, Principal, Waikoloa Elementary and Middle School
70. Susy Bullard
71. Roy and Eunice Saito
72. Wendy Laros, Director of Education, Jack's Diving Locker, UH Center West Hawaii' i graduate
73. Dr. Shanti Devi, Faculty, UHWH
74. Sharon Hayden, Realtor, Kohala Pacific Realty LLC
75. Jennifer Snyder
76. Nina Ann Tanabe, Principal, Pacific Food Technology, LLC
77. Evangeline Sobrepena, Director-Human Resources, Hilton Waikoloa Village
78. Charles Charbonneau, Executive Chef, Hilton Waikoloa Village
79. Fred C. Holschuh, M.D., Retired Emergency Physician and County Council Member
80. Ann Kern, Faculty, HawCC-UHWH
81. Chris Stewart
82. Cara Hollenbeck, General Manager, Mauna Loa Helicopters
83. Margaret Horwatt, L.Ac. LMT
84. Kathlyn Richardson, Student, UHWH
85. Sharon Sakai, Admin Director, Kohala Coast Resort Assn
86. Rick Gaffney, Pacific Boats & Yachts, LLC
87. Paula W. Gillespie
88. Kei-Lin Cerf, Executive Director, Hualalai 'Ohana Foundation

Leadership Transition at University of Hawaii' i – West O'ahu: Multi-Year Appointment of Dr. Rockne C. Freitas as Chancellor

In Support:

1. Doris Chang, Hawaii' i CC
2. Allan K. Ikawa, President, Big Island Candies
3. Douglas Dykstra, Chancellor, Windward CC
4. Colette Y. Machado, Trustee, Office of Hawaiian Affairs
5. Jobie Masagatani, Chairman Designate, Hawaiian Homes Commission

Note: Following the meeting, the following people submitted written testimony:

Leadership Transition at University of Hawaii' i – West O'ahu: Multi-Year Appointment of Dr. Rockne C. Freitas as Chancellor

In Support:

1. Roger Harris, Director of Governmental Affairs, Pālamanui Global Holdings
2. Noreen Yamane, Chancellor, Hawaii' i CC
3. Michael Sado, UH Hilo Student Association President
Repurposing Revenue Bond Proceeds from Series 2009A Revenue Bonds for Mānoa Student Housing Hale Aloha Renovation to Pālamanui Campus in West Hawai‘i Project

In Support:

1. Barbara Kuehner
2. Annie Howes
3. Jacqui L. Hoover, Hawai‘i Leeward Planning Conference
4. Jacqui L. Hoover, Hawai‘i Island Economic Development Board
5. Mary Davis-Owen, All Natural Stone Fabrication, Inc.
6. Mel D. Macy
7. Page Macy
8. Renee Kraft, Realtor
10. Steven W. Colon, President, Hunt Development Group – Hawai‘i, Manager, Pālamanui, LLC.

Acting Secretary Lendio announced that the following people signed up to provide oral testimony:

1. John Pezzuto, Dean of the UH Hilo College of Pharmacy, supports the Senator Daniel K. Inouye Legacy Recognition agenda item. The late Senator is considered the father of the College of Pharmacy, both conceptually and intellectually.
2. Billy Kenoi, Hawai‘i County Mayor, supports the Senator Daniel K. Inouye Legacy Recognition agenda item. Naming the College of Pharmacy after the late Senator is an appropriate tribute for his wonderful work. Mayor Kenoi also endorsed Rockne Freitas’ appointment as the UH West O‘ahu Chancellor.
3. Jessica Toyama, College of Pharmacy graduate, supports the Senator Daniel K. Inouye Legacy Recognition agenda item. The College provided her with a unique educational experience. None of it would have been possible without Sen. Inouye’s belief that a Pharmacy school could thrive on Hawai‘i Island.
4. Dr. Patrick DeLeon, Senator Inouye’s former Chief of Staff, supports the Senator Daniel K. Inouye Legacy Recognition agenda item. Sen. Inouye often spoke about the importance of education in Hawai‘i, and wanted a College of Pharmacy in Hilo.
5. Noreen Yamane, Chancellor of Hawai‘i Community College, supports the Leadership Transition at University of Hawai‘i – West O‘ahu: Multi-Year Appointment of Dr. Rockne C. Freitas as Chancellor agenda item. She highlighted his work while he was Chancellor at Hawai‘i Community College, and said that he made the dreams of a community a reality.
6. Lilinoe Andrews, of the Hawai‘iinuiākea School of Hawaiian Knowledge, supports the Honorary Doctorate of Humane Letters Degree for Edward “Eddie” Leilani Kamae on behalf of Dean Maenette Benham. He is a master Kumu, and honoring him thus honors the legacy of Hawaiian music and language.
7. Kris Hanselman, representing the University of Hawai‘i Professional Assembly (UHPA), spoke on the agenda items regarding Proposed Reporting Changes for Office of the Vice President for Legal Affairs and University General Counsel Proposed Amendments to Board of Regents Policy, Chapter 9, Section 9-12, Executive and Managerial Personnel Policies, Part IV, Conditions of Service Regarding Professional Improvement Leave and Other Leaves of Absence.
Regarding the University General Counsel, UHPA is concerned about the delegation of authority and duality of roles for the General Counsel's office and the President when it comes to implementing collective bargaining and UHPA's ability to enforce settlements. Regarding the personnel policy, UHPA is supportive of some amendments, but is said that some of the issues related to fallback positions/salaries need to be bargained with UHPA.

8. Patricia Walters supports the Repurposing Revenue Bond Proceeds from Series 2009A Revenue Bonds for Mānoa Student Housing Hale Aloha Renovation to Pālamanui Campus in West Hawai‘i Project agenda item. There is a need in that area that has not been met.

9. Earl Nishiguchi, Vice Chancellor of Student Affairs at Kaua‘i Community College, supports the Senator Daniel K. Inouye Legacy Recognition agenda item. Kaua‘i CC is honored to name its technology building the Daniel K. Inouye Technology building. The building was appropriately chosen because of the close relationship that the campus' electronics program has with the Pacific Missile Range – Barking Sands, which Sen. Inouye supported.

10. Michael Sado, President of the UH Hilo Student Association, supports the Leadership Transition at University of Hawai‘i – West O‘ahu: Multi-Year Appointment of Dr. Rockne C. Freitas as Chancellor agenda item. As a student, there was not a better administrator than Dr. Freitas to work with, which led to positive changes on the campus.

11. Carolina Torres Valle, a UH Mānoa student, supports the Undocumented Immigrant Policy Proposal agenda item. She introduced students from local high schools who would benefit from the policy change.

12. Steve Colon, of Pālamanui LLC, supports the Repurposing Revenue Bond Proceeds from Series 2009A Revenue Bonds for Mānoa Student Housing Hale Aloha Renovation to Pālamanui Campus in West Hawai‘i Project. He spoke on the history of the project and updated the Regents on the current status of the project. His company has about a $20 million investment in the campus. He also endorsed Rockne Freitas as Chancellor at UH West O‘ahu.

13. Roger Harris, of Pālamanui LLC, supports the Leadership Transition at University of Hawai‘i – West O‘ahu: Multi-Year Appointment of Dr. Rockne C. Freitas as Chancellor agenda item. He is an effective leader. He also asked for the Regents' continued support of the Pālamanui campus.

14. Beth Sanders, the interim Director for the University Center – West Hawai‘i, supports the Repurposing Revenue Bond Proceeds from Series 2009A Revenue Bonds for Mānoa Student Housing Hale Aloha Renovation to Pālamanui Campus in West Hawai‘i Project. She provided background on the campus and need for higher education in West Hawai‘i. She also gave a petition with 140 signatures and a poster in support of the item.

15. Pat Kahawaiolaa, President of the Keaukaha Community Association, supports the Leadership Transition at University of Hawai‘i – West O‘ahu: Multi-Year Appointment of Dr. Rockne C. Freitas as Chancellor agenda item. Dr. Freitas is a role model for Native Hawaiians.

Chair Martinson thanked all who provided oral testimony and submitted written testimony.
IV. REPORT OF THE PRESIDENT

President Greenwood presented her monthly report.

Legislative Update: UH is in the midst of an active legislative session. There are a number of proposed bills that are of considerable concern to UH. President Greenwood will keep the Board informed of the status of the bills.

Inouye Legacy: The Board will be taking action today on a legacy package that would recognize and honor Senator Daniel K. Inouye at UH campuses across the state. The proposal emphasizes the many things that the late Senator not only helped UH to accomplish, but inspired it to accomplish in the future.

President Greenwood has been working with the Senator’s family and his staff on a legacy of sufficient stature that includes renaming some significant buildings in honor of the late Senator at campuses across the state – at UH Mānoa, UH Hilo, Kaua’i Community College and UH Maui College.

UH Cancer Center Grand Opening: The Center will hold its grand opening on February 23. The long-awaited dream comes true for the University and its community. The Regents are invited to the Cancer Center blessing on February 23. There will be a short program followed by a Science Fair at the Sullivan Center, with exhibits by the Children’s Discovery Center, the American Cancer Society, Down to Earth and many others. There are self-guided tours and other activities, all which are open to the public.

There is a grand opening gala at the Cancer Center, which will include remarks by Friends of the Cancer Center and by Irene Inouye.

Governor Abercrombie toured the previously Cancer Center and was impressed with the state-of-the-art facility.

UH Astronomers receive NASA Grant: A team of astronomers from the University received a $5 million grant from NASA to develop a system called ATLAS. The System would identify dangerous asteroids before they plunge to Earth. ATLAS (Asteroid Terrestrial-Impact Last Alert System) will operate up to eight small telescopes at one or two locations in the Hawaiian Islands. NASA’s Near Earth Observation Program will provide UH astronomers with $5 million over five years, with $3.5 million designated for the design and construction of ATLAS over the first three years. The remaining funds will be used for operating the system during the following two years. ATLAS will not only search for asteroids, it will also look for dwarf planets and supernova explosions.

Washington, D.C. Trip: President Greenwood was in Washington, D.C., a couple of weeks ago, where she visited with the curator at the Library of Congress. She was accompanied by Senator Inouye’s widow, Irene Inouye, the senator’s staff, Chancellor Apple and the Dean of Social Sciences, Denise Konan, as part of UH’s discussion on the Inouye Legacy.

President Greenwood also visited with Hawai‘i’s congressional delegation individually, along with their staff, to discuss issues related to the University.
San Diego – H² Trip: President Greenwood will be traveling to San Diego later in February to promote UH's Innovation Initiative. There will be a symposium co-sponsored by the University and the National Academies' Board on Science, Technology, and Economic Policy. UH will meet with key leaders who played a vital role in the successful effort to revitalize San Diego's economy. Their steps to link research and innovation technology at UC San Diego with the private sector created a vibrant, diversified economy.

Campus Highlights

Honolulu Community College’s Student Chapter of the National Association of Home Builders (NAHB) was recognized with the Rookie of the Year Award in the Two-Year College category of the Residential Construction Management Competition held at the 2013 NAHB International Builders’ Show in Las Vegas in January. More than 50 teams representing universities, community colleges, high schools and career technical schools across the United States participated in the annual competition, in which students solve real-life construction management problems and present their solutions to a judging panel of residential construction industry experts.

Leeward Community College is celebrating national Career and Technical Education (CTE) Month in February with an array of special activities planned including presentations and an Open House on February 26. The activities are free and open to the public, and are designed to showcase how the college's CTE programs provide industry-relevant skills for employment in a variety of fields.

UH Maui College’s Sustainable Living Institute of Maui has established a community garden on campus that is bringing students together with government agencies and the community and showing them how easy it is to grown your own food.

Kaua‘i Community College's Culinary Arts Program held its 27th Annual American Culinary Federation Breakfast fundraiser on February 17. The program unveiled its new state-of-the-art demonstration kitchen, which houses fully equipped student cooking stations and instructional stations with cooking equipment, video and smart boards.

The Pacific Disaster Center, which has been managed by the University of Hawai‘i System since 2006, recently celebrated the installation of a state-of-the-art Disaster Monitoring and Response System at the Humanitarian Assistance Coordinating Center in Jakarta, Indonesia. It's the result of collaboration with the Association of Southeast Asian Nations. The system utilizes the Pacific Disaster Center's DisasterAWARE platform and will aid in the reduction of the region's vulnerability to disaster and will support preparedness and response efforts across national borders. The Pacific Disaster Center provides applied information research and analysis support for the development of more effective policies, institutions, programs and information products for the worldwide disaster management and humanitarian assistance community.

UH Mānoa’s School of Architecture and the China State Construction Engineering Corporation (CSCEC) signed a Memorandum of Understanding signifying a commitment to work together on design, sustainability and urbanization issues within architecture practice and education. CSCEC is China’s largest international design and construction firm and is known for constructing 80 percent of buildings over 30 stories
high in China. The partnership will create opportunities for the two entities to focus on present and future needs in natural and built environments, including joint research, training, and faculty and staff exchange. In addition, the UH Mānoa School of Architecture will be responsible for designing and offering professional workshops and seminars to the CSCEC on a regular basis, slated to begin later this year.

Report of the Host Campus: UH Hilo

UH Hilo Chancellor, Don Straney, said that the campus’ enrollment is 4,100 students, and grows by 2 to 5 percent a year. Seventy percent of students are state residents, and 25 percent identify as Native Hawaiian. Six percent are international. UH Hilo engages in careful recruiting activity, including face-to-face visits to high schools and recruiting fairs. Thus, 23 percent of freshmen are from O’ahu. Fifteen percent of students live on campus, and 38 percent of students graduate in six years.

UH Hilo has significantly increased the number of transfer students from Community Colleges over the last several years, exceeding its goals. It actively works with Hawai‘i Community College to develop articulation pathways in key disciplines to make the transfer of students more successful, largely due to work by then-Hawai‘i Community College Chancellor, Rockne Freitas.

UH Hilo worked on its strategic goal of enhancing the quality of learning experiences to challenge students to achieve their academic best. It developed articulation pathways to encourage Community College students to transfer is successful and having an effect on the numbers. With the growth of University Housing, UH Hilo is increasing the number of living-learning experiences, which allows students to live, learn and study together in a coordinated and intentional way. The Applied Learning Experiences (ALEX) will be a signature for UH Hilo. Students are expected to have at least one ALEX, such as internships or working in research laboratories, before graduating.

The Island of Hawai‘i’s community expects the University to have a real, noticeable impact on the success of children in obtaining jobs and advancing the economy of the island and the state. Working with the Community College, UH Hilo is able to rise to that challenge.

Regent Gee noted that UHHSA is a group of articulate students. He asked the three or four most popular fields of study/signature programs at the campus. Chancellor Straney said that the College of Pharmacy has led to an increase in biology and chemistry students at the undergraduate level. He also pointed to Marine Science, the Hawaiian language program, and Social Sciences that have an impact on rural settings.

V. REPORT OF THE UNIVERSITY OF HAWAI‘I FOUNDATION

University of Hawai‘i Foundation (UHF) President, Donna Vuchinich, reported that as of December 31, 2012, UHF received $32.9 million, and as of January 2013, it received $41.7 million. Its year-to-date total is $44.25 million. UHF continues to have general individuals, corporations, and foundations who are making great investments in UH’s programs and students.
UHF is busy on the Island of Hawai‘i to gather support for the Pālamanui Campus. It has worked on staffing, and has a UHF alumni engagement officer on the island.

UHF’s endowment account contains $215.2 million.

Regent Gee, noting that UHF is 70 percent of the way toward its annual goal of $56 million, asked whether UHF’s goals were too low. UHF President Vuchirich said that this year the goal was conservative, because non-profits see lower activity in national election years. Also, there was uncertainty involving this year’s state legislative session.

Regent Gee noted shrinkage in the number of gifts, but an increase in overall gift amount. UHF President Vuchinich said that there was an 18 percent increase in gifts of $25,000 or more.

Regent Gee said that the new UH Cancer Center should offer donors of smaller amounts an opportunity to give, such as a wall with hundreds of names. UHF President Vuchinich said that the UH Cancer Center has two spaces that recognize such gifts.

Regent Ota asked if consultant, John Cash, provided comprehensive written documents about the UHF’s campaign. UHF President Vuchinich said that such information could be provided to the Regents.

**VI. ITEMS FOR BOARD ACTION**

**Board of Regents**

**Proposed Amendments to Board of Regents Policy, Chapter 9, Section 9-12, Executive and Managerial Personnel Policies, Part IV, Conditions of Service Regarding Professional Improvement Leave and Other Leaves of Absence**

Regent Matayoshi, the Chair of the Committee on Personnel Affairs, thanked Committee members Gee, Baxa, and Shigemoto. The Committee met twice this academic year to discuss Board of Regents Policies related to Chapter 9, Section 9-12, Executive and Managerial (E/M) Personnel Policies.

At its October 19, 2012 meeting, the Committee reviewed Professional Improvement Leave (PIL) policies for E/M personnel that are akin to faculty sabbaticals. There was a discussion regarding the purpose of PIL, its duration, level of compensation during the leave, and return of service obligation. Results of an informal survey performed by the UH Administration, of UH Mānoa benchmark and peer institutions, showed that of the 24 institutions that responded, 11 have PIL policies similar to UH and 13 do not offer PIL to their E/M personnel. The Committee suggested amending the policies to reflect practices that may be more appropriate for the University, especially in light of the current fiscal climate.

At its January 23, 2013 meeting, the Committee unanimously approved amendments to current policy, recognizing that PIL is a privilege that is not generally afforded to employees in other sectors, like business or non-profits. The following is a summary of the key proposed changes:
Purpose: A new section would be added to state that the purpose of PIL is first and foremost to advance the University by enhancing the employee's performance in supporting University programs or enabling the employee to prepare to assume or resume faculty or professional duties after significant administrative service.

Duration: The current policy allows leave up to 12 months at full pay. The amended policy would allow leave up to 6 months at full pay or 12 months at half pay. Regent Matayoshi amended the proposal to include the process of how an employee earns leave: The total months earned would be at the rate of one month for each year, up to 12 years of service.

Compensation: The current policy requires leave to be taken at the E/M salary level. The amended policy would make the compensation correspond to the position the employee will return to upon conclusion of the leave.

Return of Service Obligation: The current policy requires an employee to return to service at the rate of one year for each 6 months of leave. The amended policy would make the return obligation the same as the UH faculty, which under the UHPA contract, is the same duration as the leave itself.

The Committee also unanimously approved a new provision within E/M personnel policies that allows for other types of leaves of absence, with or without pay, including a leave of absence with pay for purposes of conducting an investigation.

Regent Matayoshi thanked Debra Ishii, the System Director of Human Resources, Linda Johnsrud, Executive Vice President for Academic Planning & Policy/Provost, and Regent Gee, the Vice Chair of the Committee, for the hours of pre-Committee meetings and hard work in doing research and working on drafts for these policy changes.

Regent Matayoshi said that there are non-substantive corrections that need to be fixed, so she requested that the Board approve the proposed amendments in principle, and allow her to make the changes.

Regent Sullivan moved and Regent Dean seconded the motion. Regent Sullivan thanked Committee Chair Matayoshi and the Committee members for their hard work in addressing the issues.

With a motion on the floor, the Regents unanimously approved the Proposed Amendments to Board of Regents Policy, Chapter 9, Section 9-12, Executive and Managerial Personnel Policies, Part IV, Conditions of Service Regarding Professional Improvement Leave and Other Leaves of Absence, with non-substantive amendments.

**UH System**

**Senator Daniel K. Inouye Legacy Recognition**

President Greenwood said that the Regents received information on the item, and heard the testimony and her President’s Report. She would like the Regents to approve the item.
Regent Gee moved and Vice Chair Lee seconded the motion.

Regent Gee commented on the late Senator’s enormous contributions to the field of travel and tourism – Hawai‘i’s major industry – by his introduction of a national law on tourism in 1981 under the Carter and extending through the Reagan, Bush Administrations, culminating in the first White House Conference on Travel and Tourism under the Clinton Administration. This act mandated the formation of a National Travel and Tourism Policy (TTP) Committee comprised of the heads of eight cabinet departments plus a public advisory group of 15 members with two seats held by appointees from Hawai‘i. The work of the TTP led to the subsequent adoption of the important visa waiver program at the State Department covering the nationals of 37 ally countries to spur the rapid growth of international outbound markets to Hawai‘i, as well as the U.S. Mainland. The Senator was among the first to recognize the value of trade in services to balance our national account. As Senator Inouye was also a champion of tourism education at UH, Regent Gee inquired as to how the University might find ways to further honor him through program avenues.

President Greenwood said that UH worked with the Senator’s family on what would be a good legacy. As time goes by, there will be many ideas on what should be done in the future.

Chair Martinson thanked President Greenwood for taking the initiative to work with senior leadership across the System to come up with naming opportunities. Dr. DeLeon’s testimony spoke of the Senator’s impact across the state.

With a motion on the floor, Senator Daniel K. Inouye Legacy Recognition was unanimously approved.

**Undocumented Immigrant Policy Proposal**

Regent Baxa said that undocumented immigrants played a role in the history of the country. The issue touches him deeply. The proposal is the right thing to do. It is a prudent and wise investment for the future of the country. Education is one of the greatest equalizers in life. It is an honor for him to be a part of the conversation.

Regent Baxa moved and Regent Sullivan seconded the motion.

Regent Holzman said that the Committee on Student Affairs reviewed the proposal and made amendments. The original proposal included wording that stated that one of the requirements was that an undocumented immigrant must graduate from a Hawai‘i high school. Instead, the requirement was changed to one of domicile. Associate Vice President for Student Affairs, Lui Hokooana, explained that to establish domicile, there are two components: 1) A student takes an overt action to make Hawai‘i their permanent home (i.e. registered to vote, signed a lease for rent); and 2) That a person is physically in Hawai‘i for 12 months prior to enrollment in college.

Regent Holzman said that there are still requirements that a person must graduate from a U.S. high school and started the process of becoming a U.S. citizen.
Regent Gee said that the Board’s primary responsibility is to the taxpayers and documented students of Hawai‘i. The policy provides an avenue for those who are undocumented but otherwise qualified. He suggested that the BOR policy include the actual definition of domicile as found in Hawai‘i Administrative Rule (HAR) 20-4, instead of just referencing the rule, because policies can change. Regent Matayoshi agreed, adding that it is important that a person be domiciled for at least one year in Hawai‘i.

Regent Baxa accepted the amended as a friendly amendment.

Regent Shigemoto asked how many people would be affected by the policy change. AVP Hokoana said that there are currently seven students who would be affected. Regent Holzman said that the number may be small, but it is the right thing to do.

With a motion on the floor, the Undocumented Immigrant Policy Proposal was approved unanimously.

Chair Martinson acknowledged the Regents who participated on the Committee on Student Affairs: Holzman, Acido, Baxa, Gee, and Emeritus Regent Michael Dahlilig, the former Chair of the Committee.

**Repurposing Revenue Bond Proceeds from Series 2009A Revenue Bonds for Mānoa Student Housing Hale Aloha Renovation to Pālamanui Campus in West Hawai‘i Project**

Vice President for Community Colleges, John Morton, said that in UH’s Second Decade study that looked at the regions served by the University, the West region of the Island of Hawai‘i was identified as the least well-served. UH addressed that in its Strategic Plan, which includes moving from rented facilities to a planned, new campus in Pālamanui. More than 25 years ago, the Board identified the campus site, and there have been several attempts to construct the campus since. With the help of Pālamanui LLC, UH put the project out to bid last year. The bids came in higher than the estimates. Thus, UH is short in funding. The low bid is $25.58 million, and UH currently has $16.8 million. UH is proposing taking $6.5 million in unspent revenue bond issuance, and repurposing it. UH would then work with the contractor to defer some of the projects and proceed in issuing the contract. UH will pay for the revenue bonds largely from the lease rent that it is currently using in Kealakekua.

Regent Holzman moved and Regent Mizuno seconded the motion.

Regent Holzman asked if the funds would expire, unless committed, on June 30, 2013. VP Morton said that current legislation states that the ability to expend these funds expires on June 30, 2013. There are no other competitors for these funds.

Regent Kudo said that the Committee on Planning and Facilities heard about the project at its February 20, 2013 meeting. Although he is in favor of the project for this campus, he is concerned that the bids came in significantly higher than the estimates. He has yet to hear an explanation. It is a significant deviation of about 40 percent. He is concerned that UH is moving forward with the bids it received without actually figuring out what the real costs may be. Perhaps there was an error or a misunderstanding in
the Request For Proposal. He would like to take the time to reassess the situation, and possibly put the project back out to bid because of the significant deviation. UH is spending a lot of money on various types of public facilities for its campuses, and one concern is the Operations and Maintenance (O&M) costs. Because the Regents are under scrutiny, they should make sure that they have done a good job at estimating the costs to the University and public of these facilities. He is uncomfortable repurposing the revenue bonds just to meet the lowest bid.

Regent Dean asked if Regent Kudo would feel comfortable if the Regents approved the item subject to an explanation or a re-bid. VP Morton said that there are three bids all in the same range. If UH re-bid the project, it would still need the money in hand and it would push the project out to bid in the Fall, which he is hoping to avoid with this action. UH still needs to meet with the contractor to lower the price to $23 million. If not, it will need to re-bid the project. This must happen within the next three weeks.

Vice Chair Carlson, the Chair of the Committee on Budget and Finance, said that at its February 7, 2013 meeting, the Committee reviewed the item and unanimously approved to recommend the project to the full Board. However, there was a discussion about whether the practice of repurposing revenue bonds was appropriate. The Committee will meet again to discuss that issue.

Upon inquiry by Regent Gee, VP Morton explained that work equaling about $2.28 million (the difference between $25.58 million bid and the $23.3 million that UH would have if the repurposing of the revenue bonds is approved) would need to be deferred.

Regent Shigemoto asked if UH will lose funds if the Regents don’t act today. VP Morton explained that there are three sources of funding for the project: 1) $9.31 million in private funds; 2) $7.5 million in general obligation funds; and 3) potentially $6.5 million in revenue bond repurposing. Source Nos. 1 and 2 are not in danger. However, the ability to expend Source No. 3 expires on June 30, 2013. The debt service would still need to be paid on the revenue bonds.

Upon inquiry by Regent Shigemoto, VP Morton explained that he could not change the design of the project in a major way to get the cost down to $23.3 million, because that would make it a new project and it would need to be re-bid.

Regent Shigemoto asked when UH received the bids. VP Morton said that the bids came in December. Regent Shigemoto asked, if the bids came in high, why didn’t UH go back to the architect and do some value engineering to come in closer to its budget. VP Morton said that when UH had the ability to do design-assist project, it could do that. However, when it comes design-bid-build contracts, it has to stay with the design that exists; otherwise it is a new project.

Regent Holzman said that there are two issues. One is that the bids came in overpriced. However, if they are all grouped within a range, then that is likely the cost of the project. The second issue is the quality of the estimate. There is some indication that this problem has occurred in the past. Can the two issues be treated separately? The Regents could move forward with the approving the repurposing of the revenue bonds, and also focus attention on the process of making estimates.
Regent Mizuno said that he would be against delaying the project. UH needs to move forward with the project, which is important to the island.

Regent Sullivan said that she had a lot of questions in the Committee meeting about the project. She would support moving forward, and said that she appreciates Committee Chair Carlson for agreeing to take up the systemic issue of repurposing revenue bonds. She hopes that the University will regain its right to issue revenue bonds to continue to do projects like Pālamanui. Her concern is improving the process for budgeting and allocating money for projects to regain that right to handle projects. UH is not proactively trying to improve upon what has been pointed out as concerns over the established process.

Vice Chair Carlson added that Steve Colon of Pālamanui LLC testified earlier in the meeting. Pālamanui LLC moved forward the timing of investment for infrastructure to serve the project. There was close to $20 million of private money invested.

Regent Kudo said that his concern should not be taken as a position against the Pālamanui Campus. However, the nearly 40 percent deviation, and the fact that the three bids came in around the same cost, says that either UH designed a building that was too expensive or the estimator made a mistake. There is pressure to hasten the process because of the threat of the loss of money, but he wants to express his concerns that something wasn’t done right. UH seems to be overlooking the situation because of extenuating circumstances. He isn’t sure that UH has performed its homework to find what the problem was that put UH in this situation.

Vice Chair Lee said that the three bids came in relatively close, which leads him to believe that the mistake was made at the estimator level. The issue with the estimator should be addressed. This shouldn’t cause the project to be delayed.

Regent Baxa said that the proposal is reasonable. One of his main concerns is that time is against UH if it waits to solve the matter. He supports the project.

With a motion on the floor, the Regents voted 13-1 in favor of the motion. Regents Martinson, Carson, Lee, Acido, Baxa, Dean, Gee, Holzman, Matayoshi, Mizuno, Ota, Shigemoto and Sullivan voted in favor. Regents Kudo voted against the motion.

Regent Holzman asked if there will be a follow-up as to the procedure for estimating projects. Chair Martinson said that task will be assigned to a Committee.

**Update on Quarterly Financial Status Reports as of September 30, 2012**

Vice President for Budget and Finance/Chief Financial Officer, Howard Todo, said that the information was presented to the Committee on Budget and Finance on February 7, 2013, and is being presented to the Board for information only.

He presented the Condensed Statement of Net Assets (Unaudited) for quarter ended September 30, 2012. The University remains in strong financial position and health. Total net assets are $2.5 billion. The Condensed Statement of Revenues, Expenses, and Change in Net Assets (Unaudited) for quarter ended September 30,
2012, shows that the increase in Net Assets is $424 million. Net assets reflect the current position on a modified cash-basis and do not include year-end adjustments and accruals necessary to reflect the financial statements on a generally accepted accounting principal basis (i.e. Other Post Employment Benefits liability recognition, fair value adjustments, revenue and expense accruals, etc.). The Consolidated Funding Report as of September 30, 2012 includes Appropriated Operating Funds, Capital Improvements Program (CIP) Funds, Federal & Trust Extramural Funds, Other Non-Appropriated Funds, and Total Resources – All Fund Types.

Regent Gee said that UH’s revenues are not growing as fast as its expenses are rising. VP Todo said that because of the economic situation, UH’s general funds have been reduced. UH is challenged in terms of revenue; however, tuition does help to make up for the loss. The tuition schedule increases did occur at a time when enrollment increased. There are efforts to ensure that tuition and fees are used wisely. Regent Gee said that the question of accountability comes up at the State Legislature, and UH must do everything possible to watch how it uses its funds.

**A-133 Compliance Reports including Consolidated Financial Statements with Supplemental Schedules**

Vice Chair Lee, the Chair of the Committee on University Audits, said that the Committee met on February 7, 2013 to review the A-133 Compliance Reports including Consolidated Financial Statements with Supplemental Schedules, which it accepted. The report is being presented to the Board for information only.

External Auditor, Cory Kubota, of Accuity, LLP, said that Accuity is prepared to issue a clean, unqualified opinion on the University’s compliance with the provisions of the OMB Circular A-133 Compliance Report.

**Leadership Transition at University of Hawai‘i – West O’ahu: Multi-Year Appointment of Dr. Rockne C. Freitas as Chancellor**

Regent Baxa shared a personal story of his interaction with current Vice President for Student Affairs and University and Community Relations, Rockne Freitas, during Freitas’ time as Chancellor at Hawai‘i Community College. He was impressed with then-Chancellor Freitas, who showed dedication to his work and showed humility.

Regent Baxa moved and Vice Chair Carlson seconded the motion.

Regent Gee expressed his gratitude to current UH West O‘ahu Chancellor, Gene Awakuni, who helped to oversee the building of the new campus in Kapolei.

Regent Gee asked VP Freitas about his vision for UH West O‘ahu. VP Freitas said that he will listen and act – it should be a shared vision with the faculty, staff, and students, and the vision should be aligned with the System’s vision.

With a motion on the floor, the Regents unanimously approved the Leadership Transition at University of Hawai‘i – West O‘ahu: Multi-Year Appointment of Dr. Rockne C. Freitas as Chancellor.
Leadership Transition at University of Hawai‘i – West O‘ahu: Emeritus Title and Reassignment of Dr. Gene I. Awakuni

President Greenwood said that the item is to thank Chancellor Awakuni for his service.

Regent Holzman moved and Regent Gee seconded the item, and the Leadership Transition at University of Hawai‘i – West O‘ahu: Emeritus Title and Reassignment of Dr. Gene I. Awakuni was unanimously approved.

Chair Martinson thanked Chancellor Awakuni for his work on the new UH West O‘ahu campus. It is a beautiful campus and will serve the community well.

University of Hawai‘i at Mānoa

Honorary Doctorate of Humane Letters Degree for Edward “Eddie” Leilani Kamae

UH Mānoa Chancellor, Tom Apple, said that the proposal came through the UH Mānoa Faculty Senate Awards Committee with full support of the living legend.

Regent Gee moved, and echoed Chancellor Apple’s sentiments about Kamae, who continues to be active. Regent Sullivan seconded the motion, and the Regents unanimously approved the Honorary Doctorate of Humane Letters Degree for Edward “Eddie” Leilani Kamae.


Vice Chair Lee said that the Committee met on February 7, 2013, to review the Report on Intercollegiate Athletics Report on Agreed-Upon Procedures, 2012 Football Season, which it accepted. The report is being presented to the Board for information only.

University of Hawai‘i Community Colleges

Kaua‘i Community College

Transportation Fee

Vice Chancellor for Student Affairs, Earl Nishiguchi, said that the proposal is a student initiated and run project, and has the full support of the College Council and the Chancellor.

Ian Ross, a Kaua‘i Community College alum and current UH Mānoa student, spoke about the background of the fee and interaction with the County of Kaua‘i to bring the fee to fruition. The students implemented a six-month pilot project in Fall 2011. The students were polled, and about 300 students responded (20 percent of the student body). Eighty-nine percent of respondents thought that the pilot program was “great”; 46
percent of students used the pass at least once; 37 percent used the pass on a weekly basis; and even 81 percent of those who never used the pass still said they thought it was “great.” The County of Kaua’i Council voted 6-1 in favor of the program. The one person who voted against it wanted an amendment to allow students to ride for free. Following the pilot program, the students were polled again. Students were in favor of the program by a 4-to-1 ratio.

Ross told a story of the pass making a difference for a student. It is the reason why he pushed the project even after graduating from Kaua’i Community College.

Lyle Unten, the Student Body President at Kaua’i Community College, asked for the Regents’ support for the program. The program has the support of the County, Administration, Faculty, and students.

Dasha D’Acosta, the Secretary for the ASUH at Kaua’i Community College, said that one of the most important objectives was to get students’ support. The students met with County Council members such as Chair Jay Furfaro and Vice Chair Nadine K. Nakamura. The students also met with Celia Mahikoa, the County Executive on Transportation. The final fee proposal is $20 per student per semester. It is an 80 percent discount for the semester. The Memorandum of Agreement between Kaua’i Community College and the County of Kaua’i Transportation Agency states all of the rules and regulations. It extends from August 1, 2013 through May 31, 2015, and excludes summer and winter breaks.

Regent Matayoshi said that the proposal was well done. She moved to approve the item, and Regent Shigemoto seconded the motion.

Upon inquiry by Regent Holzman, Kaua’i Community College Chancellor, Helen Cox, clarified that the fee for students, per semester, is $20; however the fee request is for up to $25 per students a semester to address any potential increases.

Regent Gee asked if the funds are collected administratively. Chancellor Cox said that the fees would be collected when students register. Regent Gee commended the students on their enthusiasm.

Regent Shigemoto said that he supports the program, but was disappointed with the County Council, because it issues free bus passes to all County employees but didn’t extend the courtesy to the students. He commended the students for their work. Chancellor Cox said that as a result of the students’ request, the County is now re-evaluating the free bus pass program for its employees.

Chair Martinson thanked the students for their enthusiastic presentations, and for traveling to Hilo to present the proposal.

With a motion on the floor, the Regents unanimously approved Kaua’i Community College’s Transportation Fee.

Vice Chair Lee made a procedural motion. In compliance with the Hawai’i Sunshine Law, he made a motion pursuant to Hawai’i Revised Statutes, Section 92-7d, to amend
the agenda to add the following item in Executive Session, under Personnel Actions: Personnel Matter Regarding the Associate Vice President for Capital Improvements. Vice Chair Carlson seconded the motion. VP Lendio said that the Office of General Counsel (OGC) consulted with the Office of Information Practices (OIP). There must be a two-thirds vote (10 Regents) to amend the agenda. The agenda cannot be amended if the following factors exist: 1) If it is of reasonably major importance and 2) action thereon by the Board will affect a significant number of persons. Because it is a very narrow agenda item, which will affect one person, OGC felt it might be appropriate vote to amend the agenda to consider the item in Executive Session. With a motion on the floor, the Regents unanimously approved the procedural motion.

VII. EXECUTIVE SESSION

Upon motion by Vice Chair Lee and second by Regent Dean, the Board unanimously approved convening in executive session, pursuant to HRS §92-5(a)(2)(3)(4). The Board convened in executive session at 12:30 p.m. Following a motion to come out of executive session by Regent Gee and second by Regent Shigemoto, which was unanimously approved, executive session was adjourned at 1:50 p.m.

VIII. ITEMS FOR BOARD ACTION – PART B

Chair Martinson announced that the agenda item on UH West O'ahu, Status Update on Campus Development, would be deferred to the next meeting.

Board of Regents

Operational and Financial Controls Improvement Advisory Task Group, Phase 2 Scope

Vice Chair Lee said that the Advisory Task Group (ATG) met to discuss the scope, which was previously provided to the members of the Committee on University Audits. ATG Chair, Larry Rodriguez, distributed the Scope, Work Plan, and Project Process and Timing plan for Phase 2.

Phase 2 will look at the Regents and their policies and procedures. Per Board policy, Regents are required to undergo a self-assessment periodically, and although the Board does hold workshops, Phase 2 will provide a baseline for future self-assessments. Phase 2 will also look at the System-level management, and their duties and responsibilities, delegation of authority and decision-making processes. The ATG will look at leading practices, reaching out to others to accumulate data to provide feedback.

An outside consultant will be utilized, but the ATG will issue the report. The ATG is comprised of four outside individuals with substantial strengths in managing large scale projects such as this one. The project will entail approximately 2,000 hours, of which more than 400 hours will be performed by the volunteer ATG members. Additionally, the Office of Internal Audit will provide 200 hours. Outside consultant, KMH LLP, will perform 1,400 hours. Rodriguez previously provided an estimate to the Committee on
University Audits that the project would be about 1,500 to 2,000 hours. The ATG will look at other similar projects and use groups such as the American Council of Trustees and Alumni, American Council on Education, the State Higher Education Executive Officers Association, the National Association of College and Business Officers, the Accrediting Commission for Schools of the Western Association of Schools and Colleges (WASC), and the Association of Governing Boards.

The ATG is looking to put together a report after the assessment of data. The benefit to the organization is that it provides a baseline for self-assessment.

The ATG is using KMH because of their qualified knowledge and its familiarity with the University, and it has a contract with the University that allows it to continue working with the ATG. KMH is a member of the McGladrey Associates, which is an international organization of firms that has experts in a variety of issues.

The project is proposed because it is part of the ATG's charter.

Regent Gee asked about the project's timetable. Rodriguez said that the goal is to complete the project within three months. There are several bills that were introduced this Legislative session that will impact UH – and the ATG will look into those as well. Regent Gee asked if the ATG was going to look in to best practices and supplement the information with interviews. Rodriguez answered affirmatively. Interviewees include the Regents, the people who directly report to the President, the House and Senate Committee on Higher Education Chairs, House and Senate Leaders and Majority and Minority Leaders, the Governor's Office, and immediate past Board Chair, Howard Karr, and immediate past President, David McClain.

Regent Gee asked about the cost. Rodriguez said that he estimated that the project would cost $260,000. That cost is in light of the volunteer work and that the consultants have agreed to perform at $165 an hour. It is a big number, but in the corporate world it is a reasonable expenditure for a Board to incur on behalf of a similar self-assessment.

Upon inquiry by Regent Holzman, Rodriguez said that the ATG would provide status reports with the data behind the recommendations on an interim basis. The ATG is looking at the roles and responsibilities of the Regents and the System-level management and will likely return to the Board with recommendations, and may also have items that need to be addressed further, but are not within the scope of Phase 2.

Regent Kudo said that he thought the ATG was established to prevent occurrences such as the failed Stevie Wonder concert. The ATG was to examine policies and financial controls, etc., related to that incident, and the Phase 1 scope was to take into consideration the Fact Finders' report. Following that, Phase 2 would look into improvements and recommendations. However, it seems like the proposed Phase 2 is more like a management audit. Rodriguez said that the Phase 2 project fits into the Charter of the ATG. He noted that at the November 15, 2012 Board meeting, when the ATG presented Phase 1 to the Board, he told the Regents that Phase 2 was going to be a large project. Chair Martinson said that looking at delegations is the heart of the issue of controls and policies. It is in line with what the Regents wanted. The project was going to be in phases: Phase 1 looked at the Stevie Wonder Concert, while Phase 2
would be a broader look at the institution at operational and financial controls, delegation and management responsibility and authority.

Regent Holzman said that one of the findings in Phase 1 was that the issue wasn’t having the policies in place; it was that people did not follow the policies. Rodriguez said that there wasn’t a significant weakness in controls in the Stevie Wonder concert. However, there were certain individuals who did not perform their duties as they should have. This process should reaffirm the duties and responsibilities and delegations of authority.

Regent Holzman said that a WASC analysis concluded that the System was working well. Thus, he was surprised that there was a focus in Phase 2 on the system. Rodriguez said that was important input into the process, but WASC did not address the areas that the ATG will cover.

Regent Dean said that the next steps are up to the Regents to determine. Regent Gee agreed.

Regent Baxa said that the intent is to see the overall picture to prevent what has happened in the past.

President Greenwood said that Phase 2 would be useful for the Board because of the skepticism being expressed about how the University is run. There is misinformation about responsibilities. The Board would be better off if it had a good analysis about whether the organizational structure is adequate. It would also be good to have consensus on that. These reports typically take time and cost more than $260,000.

Regent Sullivan thanked Rodriguez for volunteering his time on the project. She feels like the project has morphed from its original intent. When the ATG first started, she asked that delegation of authority be included in the scope. However, her intent was specific to the Stevie Wonder Concert transaction. She never anticipated that the project would be a major expense for the Board. She asked where the money comes from. Public funds will be expended for this project. President Greenwood said that if the Board asks for the study, then it is up to the Administration to find the funds from other departments. The money would likely come from reserve funds. VP Todo said that the University is funded by different sources of revenue, and its budgets are not intended to be line-item budgets for specific items. It gives UH the flexibility to fund special projects. If the Board mandates a project, then it is the Administration’s job to find the funds.

Chair Martinson thanked Rodriguez for putting in the time for the project.

Regent Holzman moved and Regent Baxa seconded the motion to move forward and accept the scope of the project. The item was approved by an 11-2 vote, with Regents Martinson, Carlson, Lee, Acido, Baxa, Dean, Holzman, Matayoshi, Mizuno, Ota, and Sullivan voting in favor. Regents Kudo and Shigemoto opposed the motion. Regent Gee abstained from the vote.
Chair Martinson said that the refinements or any changes to the scope would be handled by the ATG and Committee on University Audits.

Regent Holzman said that it would be helpful to provide to the Regents a written explanation of what to expect. Rodriguez said that he would follow up with Regent Holzman.

**Proposed Reporting Changes for Office of the Vice President for Legal Affairs and University General Counsel**

Chair Martinson said that the request was to maintain the solid-line reporting from the University General Counsel to the Board of Regents, and change the reporting line from the University General Counsel to the President to a dotted line from a solid line.

Regent Gee moved and Regent Dean seconded the motion, and the Proposed Reporting Changes for Office of the Vice President for Legal Affairs and University General Counsel was unanimously approved.

IX. **PERSONNEL ACTIONS**

Vice Chair Carlson moved and Regent Baxa seconded the motion, and Attachment B-1 was unanimously approved.

X. **ANNOUNCEMENTS**

Chair Martinson announced that the next Board of Regents' Meeting is on Thursday, March 21, 2013, at Leeward Community College.

XI. **ADJOURNMENT**

There being no further business, Regent Kudo moved to convene in executive session and adjourn from public session. Regent Mizuno seconded the motion, and with unanimous approval, the meeting was adjourned at 2:30 p.m.

XII. **EXECUTIVE SESSION**

Upon motion by Regent Kudo and second by Regent Mizuno, the Board unanimously approved convening in executive session, pursuant to HRS §92-5(a)(2)(3)(4). The Board convened in executive session at 2:30 p.m. Following a motion to come out of executive session by Vice Chair Lee and second by Regent Mizuno, which was unanimously approved, executive session was adjourned at 5:15 p.m.

Respectfully Submitted,

[Signature]

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