MINUTES

BOARD OF REGENTS’ MEETING

April 16, 2015

I. CALL TO ORDER

Chair Randy Moore called the meeting to order at 8:50 a.m. on Thursday, April 16, 2015, at University of Hawai‘i at Hilo, UCB 127, Ho‘olulu Terrace, 200 West Kawili Street, Hilo, HI 96720.

Quorum (14): Chair Randy Moore; Vice Chair Jan Sullivan; Vice Chair Eugene Bal; Regent Simeon Acoba; Regent Dileep G. Bal; Regent Chuck Gee; Regent Pete Hoffmann; Regent Ben Kudo; Regent Coralie Matayoshi; Regent Barry Mizuno; Regent Helen Nielsen; Regent Jeff Portnoy; Regent Lee Putnam; Regent Michelle Tagorda; and Regent Stanford Yuen.

Excused (1): Vice Chair Jan Sullivan.

Others in Attendance: President David Lassner; Vice President for Academic Affairs, Risa Dickson; Vice President for Administration, Jan Gouveia; Vice President for Budget and Finance/Chief Financial Officer, Kalbert Young; Vice President for Community Colleges, John Morton; Vice President for Information Technology and Chief Information Officer, Garrett Yoshimi; Vice President for Legal Affairs and University General Counsel, Darolyn H. Lendio; Interim UH Mānoa Chancellor, Robert Bley-Vroman; UH Hilo Chancellor, Don Straney; University of Hawai‘i-West O‘ahu Chancellor, Rockne Freitas; Hawai‘i Community College Chancellor Noreen Yamane; Executive Administrator and Secretary of the Board of Regents, Cynthia Quinn; and others as noted.

Chair Moore explained that two meetings were being held on this date. The first meeting was scheduled for 8:45 a.m. to handle board business. The second meeting that day was scheduled for 11:30 a.m. with an agenda exclusively devoted to Maunakea in response to the public comments made at last month’s Planning and Facilities committee meeting. The second meeting is planned to begin with an informational briefing for many current regents of whom were not on the board for the long history of the university’s role in the management plan for Maunakea. Immediately following the briefing will be the public comment period on the agenda item. The meeting will end at 3pm due to travel time constraints for the return flights for the Regents.

II. APPROVAL OF MINUTES OF MARCH 19, 2015 MEETING

Regent Mizuno moved to approve the minutes of March 19, 2015 meeting. Regent Hoffmann seconded the motion, and the minutes were unanimously approved.
III. PUBLIC COMMENT PERIOD

Executive Administrator and Secretary to the Board of Regents, Cynthia Quinn announced that written testimony had been received and distributed to the board from one individual in support of the work being done at Moku o Lo‘e (Coconut Island). The following individual signed up to provide oral testimony:

1. Joy Cash, member of the Hilo Disabilities Rights group, testified in support of the efforts in connection to meeting the Americans with Disabilities (ADA) standards for the University of Hawai‘i at Hilo.

IV. REPORT OF THE PRESIDENT

President Lassner shared the following events, news and activities of the month:

1. Legislative update. The Senate passed their version of the budget that is more generous to the University than the House version, both for funding the CIP and operating budget. The Senate did not adopt the full lump sum approach, but did provide for $6.7 million of new operating funds as a lump sum with a proviso that it be utilized for performance based funding. UH has proposed this approach to the Legislature in the past, but it was not previously supported. This funding would be available to campuses based on the achievement of agreed upon outcomes. Administration would develop performance metrics and approach early in the next fiscal year, if not sooner, for use the following fiscal year to allow campuses to set targets accordingly during Fiscal Year 2015-2016. CIP funding is still low for Capital Renewal & Deferred Maintenance (CRDM), so continued work with the Legislature on focusing their interest and priorities with the university’s interest and priorities through the conference process is underway.

A non-appropriation bill to improve the commercialization of innovations from students and faculty was held in the House Judiciary Committee, and will carry over to the next legislative session.

2. Common Core update. Hawai‘i, as part of its Common Core efforts, is one of four states to adopt the new Smarter Balanced assessments, which will be given to all Department of Education students. UH has agreed to use the 11th grade scores to place students into math and English in higher education. There have been many conversations over the years regarding the challenges of addressing the barrier of remedial developmental education to improve graduation rates and college attainment in the state. This is a significant step forward, and delivering these assessments in 11th grade will enable them to use 12th grade to prepare students to ready for college level math and English when they arrive at one of the UH campuses.
3. Facilities update. The UH Hilo (UHH) Student Life Center building was certified as LEED Gold. The building is open and fully occupied, and is part of the university’s commitment to 21st Century Facilities.

4. Pālamanui update. Construction is scheduled to finish in July, with move-in planned for August in time for the beginning of classes. The culinary equipment has been ordered. The first semester course offerings will be the same as those offered in Kealakekua site; additional changes will be made moving forward to bring in more programs from other campuses. They are working through some of the issues with the road, but believe it will be available in time for the opening of the campus.

5. UH West O'ahu (UHWO). The campus continues to need parking, better bus service, and classroom space. To address the immediate needs, temporarily Chancellor Freitas identified temporary off-campus space. UHWO will lease 4,600 square feet of space from the Department of Hawaiian Home Lands. Administrators will move into the off-campus space to free up space for more faculty and classroom space. The lease is only for three years and thus deemed minor and administrative and approval is delegated to the President.

6. Cancer Center. The internal report has been completed and will be made available to the regents. Chancellor Bley-Vroman will be actively engaging external reviewers for input, after which the report will be finalized.

7. Western Interstate Commission for Higher Education (WICHE) report. A draft report on the role of the president and chancellor positions will be presented to the regents at the May board meeting.

Report of Pūko'a Council

President Lassner introduced Kinohi Gomes, Director of Operations for Nā Pua No'eau. He noted this presentation was part of an initiative by the Committee on Student Affairs to create additional opportunities for systemwide governance groups to engage directly with the board. The All Campus Council of Faculty Senate Chairs and Student Caucus had previously presented, and Mr. Gomes was presenting on behalf of the Pūko'a Council.

Mr. Gomes provided a powerpoint presentation on the charter, purpose and composition of Pūko’a Council; benefits of and opportunities for collaboration; the legislative funding the board and administration helped Pūko’a Council receive for various Nā Pua No’eau’s positions on all campuses; Title III program initiatives; and systemic initiatives. He explained the concept of Hilo Ma'awe Holu or “building the threads of resiliency,” and how threads have been interwoven to strengthen, beautify and continue resiliency of Native Hawaiians in higher education.

V. REPORT OF THE UNIVERSITY OF HAWAI'I FOUNDATION
President Lassner noted that the University of Hawai‘i (UHF) Development Operations Report for the period July 1, 2014 to February 28, 2015 was distributed earlier to the board. This month’s report was written only, and UHF would provide the quarterly in-person report at a future board meeting.

VI. REPORT ON GIFTS, GRANTS, AND CONTRACTS

President Lassner reported on gifts, grants, and contracts for the period March 1, 2015 through March 31, 2015 the report of which was distributed earlier to the board. Extramural funds continue to track well ahead of last year.

VII. COMMITTEE REPORTS

A. Report from the Committee on Academic Affairs

Committee Chair Gee reported that the committee met on April 2nd to act on two agenda items and received 3 informational items, including a semi-annual report on new provisional to established, and program terminations for the period July 1, 2014 to December 30, 2014; an update on the policy for low-enrollment programs; and a new initiative for annual academic planning to encompass new program reviews for board approval twice a year, plus once a semester report on proposed programs. These new reports will provide the board with a better picture of resource requirements in anticipation of budget allocations for academic programs.

The committee vetted a University of Hawai‘i at Hilo request to change from provisional to established status for its Bachelor of Science degree in Environmental Science (ENSC BS), with a phase out of its Bachelor of Arts degree in Environmental Studies (ENVS BA) by January 2016. As this request for change in status exceeded the normal 6 year probationary period, the committee gave this request a more rigorous review to ascertain reasons for the lateness. Some of the reasons given for the delay included implementation of program structural changes for addressing enrollment goals and a shortfall in faculty strength. There were questions regarding the locus of environmental science in the Department of Geography versus its traditional locus as a Natural Science being more the norm in other universities. The ENSC BS degree capitalizes on the unique geographic environment of the Big Island and its ample opportunities for field studies and internships that are valued by students. Enrollment growth in the program increased from its initial 40 students to 112 students, and data on placement for advanced studies or employment in environment-related fields after graduation is good. The committee raised concerns about the high number of credits required for transfer students from the community colleges and other transferees that exceed the normal 120 credits, which add almost a year of additional credits. This was explained by the negative impact of high numbers of upper division course requirements when the degree was first introduced, which has since been addressed to provide a more acceptable and seamless transfer model. The committee also noted the high instructional cost of the ENSC BS program in comparison to other social science
programs and requested that administration find a way to streamline the template on enrollment, revenue, and cost in analytic form to see the long range impact of a new program, or a program moving provisional to established status. The committee recommends approval of this item on the consent agenda.

The committee also reviewed the request for emeriti titles. The proposed names were found to be in full compliance with board policy and the committee recommends approval.

The semi-annual report on new, provisional to established, and program terminations for the period July 1, 2014 to December 30, 2014 was included in the board materials. There were four new academic programs, four provisional to established programs, and 2 program terminations.

The proposed new initiative for annual academic planning will be reviewed and discussed by the committee at its May meeting.

Chair Moore noted there were two items on the consent agenda related to academic affairs and indicated this was the appropriate time for questions on these items.

Regent Matayoshi said that when she joined the board four years ago, she was concerned about being asked to approve new programs on a piece meal basis without any systemwide or meaningful financial context and finds it still lacking, even though these program approvals are now being handled by the Committee on Academic Affairs. Handling these requests two times a year instead of every month is good, but she indicated she would be abstaining from this and every vote until they have more context in the overall budget and strategic planning for the whole system. Every program sounds good once it reaches the Regents, but still lacks the overall analysis of the financial impact, and efforts to achieve economies of scale such as utilizing distance learning. She will continue to abstain from any vote on new programs until such improvements are made.

Regent D.G. Bal noted that the committee discussion on this program was very enlightening and given the ecumenical nature of environmental sciences, so many other disciplines have a role, social humanities disciplines and some scientific. He was concerned the proposal was geographic-centric, and suggested adding some other courses as electives to give the program a more ecumenical view, which makes sense given that the environment is such a global issue. Chancellor Straney responded that this program is an interdisciplinary and multidisciplinary program and because UHH Geography Department has a very strong focus on environmental aspects of the land and GIS related matters, it is the appropriate locus for this program to reside. He added that geography is no longer a social science, geography grants are funded by the National Science Foundation, and this program will be conducted in a truly interdisciplinary manner.

The board concurred in the utility of a fiscal analysis accompanying the program
proposal packages to provide more of a global level view of the campus regarding fiscal constraints, a more holistic view of academic programs to the overall budget, and noted that progress is slowly proceeding in that direction. New programs relate to overall budgets within departments and colleges and the prerogative of the campuses, but the regents have responsibility for the overall budget. President Lassner responded that the current program follows a historical template and administration will be reworking the process in collaboration with vice presidents and chief academic officers.

B. Report from the Committee on Budget & Finance
G. Report from the Divestment Task Group

Chair Moore gave the report on behalf of Committee Chair Sullivan for both the committee and task group. The committee met to discuss two items: implementation of a systemwide, centralized budgeting prioritization and the operating budget. VP Young summarized the budgeting plans going forward, requested budgets from all the campuses and units, and is laying the groundwork for moving towards a more centralized budget. The operating budget request for Fiscal Year 2016 is expected to be provided for review and approval to the board in May or June. A fully revised process will not occur until later in the calendar year, after the board receives next year’s proposed budget.

The committee also received a report from the Divestment Task Group regarding divesting the university’s Legacy Endowment fund investments from fossil fuel producing companies. Since this report is from a task group, which under Sunshine Law is permitted to meet without public notice, any report from a task group cannot be acted on until the next meeting. The task group is recommending that divestment—get rid of all investments in fossil fuel producing companies—can and should occur, and be accomplished in accordance with proposed revisions to the board investment criteria. They discussed whether they could get rid of fossil fuels investments without compromising the return that the endowment generates, primarily for scholarships and other university purposes, and will the investment industry create vehicles such as mutual funds and exchange-traded funds that permit a reasonable management cost, appropriate diversification, and competitive return. Those types of vehicles will come and the task group is recommending the board adopt revisions to board policy that address both investment and sustainability. He noted that a year and one half ago the board adopted sustainability as a board policy and the changes being proposed would put it in one place and provide clarity. Those recommendations would be coming back in May for action.

Regent Hoffmann asked what percentage of the university’s investment was in fossil fuels. Chair Moore responded that the university had no direct investment in fossil fuel producing companies, because all investments were exclusively in mutual funds, index funds and exchange-traded funds. The objective is to redirect investments that are now in index funds that include fossil fuel producers into index funds that will exclude fossil fuel producers over time. He added that the task group was broad based and included
regents, students and faculty and he appreciated the spirit and intellect that was brought to that effort.

C. Report from the Committee on Intercollegiate Athletics

Committee Chair Portnoy reported that the committee met and had a general discussion on stadium issues and what the future may be regarding UH’s involvement with a refurbished Aloha Stadium, a new state stadium, or the potential for UH to consider its own facility. Dialog is just beginning and will continue in tandem with the Stadium Authority, the regents, and UH administration to find mutually acceptable ways of maintaining the relationship. The committee also received an update on the athletics director search, and there is now a new athletics director, and the board will be reviewing the salary for approval later on in the agenda. They appreciated the efforts of the search committee and chancellor in facilitating the search and selecting Dave Matlin as the appropriate candidate. Budget issues were also discussed, that a significant deficit of between $3.5 million to $5 million is expected for the athletics department, and the budget request to the Legislature for a specific appropriation to support athletics did not pass the House and is not on the Senate agenda either. There is hope there will be some sort of relief for the anticipated deficit in the remainder of the legislative session. The committee also received a full update in executive session on the status of the National Collegiate Athletic Association (NCAA) investigation of the basketball program. A reply to the allegations in the NCAA letter is due at the end of May, and the university is on track for providing its response. The NCAA then has 60 days to respond, after which a hearing before the NCAA Committee on Infractions would be held at the end of summer or early fall.

Committee Chair Portnoy, on behalf of the Intercollegiate Athletics Committee and Board of Regents, recognized Athletics Director Ben Jay, expressed the tremendous appreciation for the hard work done by AD Jay and his staff under very trying circumstances, and wished him the best in his future endeavors. Regent Acoba said that prior to coming on the board, his connection to athletics was as a fan, and he recalled when AD Jay put himself in harm’s way breaking up a fight on the basketball court, and when AD Jay was encouraging the crowd to cheer on the women’s volleyball team during regionals. He added AD Jay’s commitment to the UH athletics program is without question.

D. Report from the Committee on Personnel Affairs

Committee Chair Matayoshi reported that the committee met on April 2. It addressed the board policy on notice requirement for termination of Executive/Managerial (E/M) employees and making a distinction relating to for cause terminations. The proposed policy revision on today’s consent agenda addresses for cause terminations and makes them final. The committee also discussed periodic faculty review and Dr. J.N. Musto, Executive Director of the University of Hawai‘i Professional Assembly (UHPA), testified on the background history surrounding these issues with a suggestion that faculty biography bibliographies (bio bibs) made available
online that would show yearly activities. The bio bibs could be used at 5 year post-tenure and other reviews, and all the information would be public and transparent. The committee supports the idea. The last issue discussed was faculty workload, as the committee was concerned over equity, productivity and accountability. An executive summary regarding equivalencies and their effectiveness is expected. Both issues on periodic faculty review and faculty workload will be reported back at the committee’s July meeting.

E. Report from the Committee on Planning & Facilities

Committee Chair Mizuno said that last night the committee received late testimony from the Ko‘olauapoko Hawaiian Civic Club related to the Coconut Island project and informing the committee that the official name of the island is Moku o Lo‘e, so he will be using that term going forward. He reported that the committee held its meeting on April 1 to discuss five items, 4 were related to Moku o Lo‘e, and 1 on the design for the third group of buildings at University of Hawai‘i at Mānoa (UHM) in need of elevator upgrades. The first item was an update on a $10 million projected approved by the board in July 2014, which due to higher than expected bids exceeded available funds, so the scope was reduced and the cost was brought under $10 million. The item was informational only and does not require board approval. The second, third and fourth items were related to the design, construction and repair of the pier and seawalls at Moku o Lo‘e. The repair cost for the deteriorated seawall will be $5.16 million, design and construction of the Marine Laboratory Buildings 1 and 2 will likely exceed threshold for board approval. Approval is being accelerated due to the June 30, 2015 lapse date; CRDM funds will be utilized for cost overruns. The three items were approved by the committee and full board approval is recommended. The last item was approval of design consultant contract for Phase III of elevator modernization at UHM. This is an ongoing issue related to the poor maintenance, and the committee is recommending approval. He added that all four items on the consent agenda are recommended for approval. The final item was informational only and related to UHM facilities and space utilization. The committee ran out of item to fully discuss this very important subject and the committee will take it up at a future meeting. Administration is focused to redistribute square footage to serve the greatest need while aligning with mission and objectives. The principles involve renovating old space and increasing seat counts, percentage of renovated space, and space per student.

The Board raised concerns on appropriate utilization of CRDM funds and the impact on other projects. VP Gouveia responded that space planning is primarily done at the campus level, but they are looking at a systemwide database that will support each campuses’ ability to manage things and determine appropriate use for CRDM funds. There is a CRDM lump sum fund used primarily at the discretion of the campus to address highest priority items. Chancellor Bley-Vroman added that the renovations at Moku o Lo‘e are desperately needed and among the highest priorities, so CRDM will help leverage the lapsing funds and it was an appropriate and effective to utilize CRDM funds to make a project possible that was partially funded otherwise.
F. Report from the Joint Committee on Community Colleges and Planning & Facilities

Community Colleges Committee Chair Gene Bal reported that the joint committee received an update from Grant Murakami of PBR Hawai‘i & Associates, Inc. (PBR) for the Long Range Development Plan (LRDP) for Hawai‘i Community College (HawCC). The LRDP process is in the preferred plan and preliminary phase and will soon start the technical studies phase. Community outreach was conducted, including six planning advisory committee meetings and the master plan charrette, and a comprehensive list of planning parameters was used in that process. The plan was presented via campus and community meetings in March. He noted that the list was very extensive, with logical and appropriate parameters that were considered in the process. The committee commented that the LRDP should consider HawCC and UHH together to address issues such as funding, shared spaces and maximizing efficient use of resources for both campuses. The joint committee looks forward to the final LRDP later this year.

VIII. ITEMS FOR DISCUSSION & APPROVAL

Regent Matayoshi shared a personal story about Henk Rogers being considered for an honorary degree. He attended UH classes and was an avid learner. He took all the computer and math classes offered at UH, but missed the final exam for one of his classes. The professor subsequently allowed him to take the exam immediately and he received the highest grade in the class. He deserves this honor and will be very appreciative.

Regent Portnoy said that he was pleased to be able to present Tom Moffatt’s name for consideration of an honorary degree, and how pleased Mr. Moffatt was about receiving this honor. Mr. Moffatt spent a few semesters at UH before his professional career, and many people know how much he meant to the community as a music promoter and personality, but also to the world. If Mr. Moffatt had done what he did for Hawai‘i in places like New York or Detroit he would be considered as one of the fathers of rock and roll. He added that it was tremendous the university was acknowledging Mr. Moffatt’s contributions to the state by giving him this well deserved honor.

Chair Moore said that as a prelude to the consent agenda, he noted that the three honorary doctorates are consistent with the discussion held previously in executive session about the appropriateness of individuals recommended for honorary degrees.

A. Approval by Consent Agenda:

1. Board of Regents:
   a. Approval of Amendments to Board Policy Regarding Termination of Executive Managerial Personnel

2. University of Hawai‘i at Manoa
a. **Coconut Island: Approval of Consultant Contract for Marine Laboratory Buildings 1 & 2, Interior Renovation and General Repairs (Project No. UHM 13-308) – Design**

b. **Coconut Island: Approval of Construction Contract for Marine Laboratory Building 1 & 2, Interior Renovation and General Repairs (Project No. UHM 13-308) – Construction**

c. **Coconut Island: Approval of Construction Contract Pier and Seawall Repairs, Lilipuna Pier Repairs (Project No. UHM 10-541-885)**

d. **Approval of Consultant contract for the Various Buildings, Elevator Modernization (3rd Group of Buildings), Project No. UHM 10-536F – Design**

e. **Award of Honorary Doctorate of Humane Letters Degrees to Henk Rogers and U Than Oo**

4. **Honolulu Community College**
   a. **Award of Honorary Doctorate of Humane Letters Degree to Tom Moffatt**

Chair Moore noted that Regent Matayoshi abstained from item 3.a. on the consent agenda, and asked for a motion to approve the remaining items on the consent agenda.

Regent Matayoshi moved to approve items 1.a., 2.a., 2.b., 2.c., 2.d., 2.e., and 4.a. on the consent agenda, Regent D.G. Bal seconded, and the motion carried unanimously.

3. **University of Hawai‘i at Hilo**
   a. **Approval of Change From Provisional to Established Status for the Bachelor of Science Degree in Environmental Science**

Regent D.G. Bal moved for approval, Regent Nielsen seconded, and the motion carried with 13 aye votes and 1 abstention by Regent Matayoshi.

At this time, the board recognized and honored outgoing interim regents Dileep G. Bal and Peter Hoffmann with the presentation of lei and reading of the certificates of appreciation.

Regent Hoffmann expressed disappointment that he could not serve longer and bring his knowledge and perspective to the benefit of the university. He understands the politics of the situation, but was disappointed that he was not informed in advance and to this day has been given no explanation. He enjoyed immensely working with such a distinguished group of people as the regents, President Lassner, vice presidents, and chancellors and vice chancellors. He is committed to the fact that UH is an outstanding organization and bodes well, and he has a very positive and encouraged attitude regarding the future of UH and how important it is to the state. He hopes that everyone understands the difficulties facing the university and the tremendous asset the state has with the men and women who serve the university and their dedication to
higher education. Without an effective university, the state would be in much deeper problems. It was his pleasure to serve here and to take the information and study it, and he hoped to have the opportunity on the Big Island to further the efforts the university is making. He extended thanked Secretary Quinn and the board staff and likened their work to being akin to herding cats uphill. The difficult work was done with professionalism and make the task of neighbor island regents much easier.

Regent D.G. Bal echoed the sentiments of Regent Hoffmann and thanked the board, President Lassner, Chancellor Bley-Vroman, VP Morton, and especially Kaua’i Community College Chancellor Helen Cox. He said the regents have an impossible job to run the gauntlet of slings and arrows from so many groups. It has been an honor to get to know all the regents, who are truly heavyweights in their field, and he particularly thanked Chair Moore for being a superb leader, and hopes that he continues as chair for the near future. He recognized Secretary Quinn and the board staff for their good work. He noted that Victoria Sablan was always frenetically running around and characterized her job as the babysitter of the geriatric jet set; but does it all with effortless ease. He indicated that he knew both governors well, and appreciates Governor Ige making his own choice for regents, and respects that the person he chose was one of Regent D.G. Bal’s oldest friends. He added that he has known David Iha for 25 years, and he is a humble man of gravitas, and assured the board that he personally felt he was an improvement on the regent appointment for Kaua’i.

Chair Moore explained that the board was going into executive session to discuss the matters as stated on the agenda. The board will then reconvene public session for final actions and approvals. The board will convene the separate special board meeting in UCB 100.

IX. EXECUTIVE SESSION

Upon motion by Regent Matayoshi, seconded by Regent Kudo, the Board unanimously approved convening in executive session, pursuant to HRS §92-5(a)(2), to discuss personnel and real estate matters. The Board convened in executive session at 10:22 a.m. Following a motion to come out of executive session by Regent Kudo, seconded by Regent Matayoshi, which was unanimously approved, executive session was adjourned at 11:22 a.m.

X. ITEMS FOR APPROVAL

Attachments B-1(For approval), B-2 (For information only)

The public meeting reconvened at 11:25 a.m. Chair Moore explained that the board went into executive session to discuss confidential matters regarding personnel and real estate matters as indicated on the agenda. Upon motion by Regent Matayoshi and seconded by Regent Gee, the personnel matters on B-1 attachment were unanimously approved.
IX. ANNOUNCEMENTS

Chair Moore said the next board meeting would be at the regular time on April 21, 2015 at UH Mānoa, and there would be a special meeting on June 2, 2015, to approve the budget if they are not able to finish that up by May.

X. ADJOURNMENT

There being no further business, Regent Putnam moved and Regent Tagorda seconded, and with unanimous approval, the meeting was adjourned at 11:28 a.m.

Respectfully Submitted,

/S/

Cynthia Quinn
Executive Administrator and Secretary of the Board of Regents