MINUTES OF THE REGENTS’ COMMITTEE
ON UNIVERSITY AND EXTERNAL AFFAIRS

Date: Thursday, April 15, 2004

Place & time: Campus Center Conference Chamber, Room 220
University of Hawai‘i at Mānoa
4:01 p.m.

Committee Members Present: Regents
Tatibouet (presiding)
Bender
Lagareta
Nunokawa
Lee (ex-officio)

Other Regents Present: Regents
Haynes
Kakuda
Kawakami
Tanaka
Yamasato

Others Present: Evan S. Dobelle, President, University of Hawai‘i
Carolyn Tanaka Wilson, Associate Vice President, External Affairs & University Relations
Sam Callejo, Chief of Staff
Rose Y. Tseng, Chancellor, University of Hawai‘i at Hilo
Mark Silliman, Chancellor, Leeward Community College
Karl E. Kim, Interim Vice Chancellor for Academic Affairs
Jan Yokota, Director, Office of Capital Improvements
Donna Vuchinich, Acting President, University of Hawai‘i Foundation
Kevin Takamori, Associate Vice President for Alumni Relations, UH Foundation
David Iha, Executive Administrator and Secretary of the Board
Carl H. Makino, Executive Assistant to the Board

Approval of Committee Meeting Minutes

Regent Bender moved to approve the minutes of the meeting of the Regents’ Committee on University and External Affairs held on February 19, 2004. The motion was seconded by Regent Nunokawa and unanimously carried.
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Subjects:

1. University of Hawai‘i Foundation Reports

2. Honorary Degrees for Earl Bakken, David Cole and Charles K. Nishioka

3. Legislative Update

University of Hawai‘i Foundation Reports

Associate Vice President Takamori reported on Alumni Affair events, highlighting the establishment of an online community to connect with the alumni and to get out information on alumni activities.

Acting President Vuchinich reported that for the period ending February 2004, the Foundation had raised a total of $18.6 million. 139 donors gave $10,000 or more, with approximately 99% being restricted to specific units, colleges, and campus programs as designated by the donors.

In February the Foundation finalized a pledge of $600,000 which launched a special fund-raising initiative for the creation of the Shi Wu Tea Lodge at Lyon Arboretum. She informed that this would be brought to the Board for approval when the terms of the gift are finalized. Regent Tatibouet asked that in finalizing this, the terms should be in writing to include conditions and what the University would be obligated to come up with financially. Regent Kawakami asked what the tea house would be used for. Acting President Vuchinich informed that it would be for cultural purposes, however, the administration could decide its most appropriate use. She also informed about the gift from the Harold K. L. Castle Foundation to conduct a project to study erosion rates of the Hawaiian Islands coasts.

Regent Lagareta inquired about the consolidation of all 501(c)3 organizations using the University’s name to raise funds. Chief of Staff Callejo informed that approximately 150 independently operating 501(c)3 groups were identified throughout the University. A report was provided to the Board and no action was taken. Regent Lagareta asked if the results as being reported by the Foundation reflected monies collected through these groups. Acting Vice President Vuchinich said that the report reflects all monies that had not been booked before. Regent Yamasato added that the Regents are trying to compare the performance of the Foundation before and after the receipt of funds from the University. He cited, as an example, that at one time Koa Anuenue funds were kept, but now being maintained by the Foundation. He inquired if the figures being reported reflected monies being run through the Foundation by organizations such as Koa Anuenue. A response is forthcoming from the Foundation.
Chairperson Lee inquired about the expenses incurred by the calling center. She reminded that any monies raised by the Medical School be reported monthly.

Regent Haynes commented that when he receives a report, he does not have anything to compare it with, consequently, he does not know how to judge the performance of the Foundation. The Regents need some information about comparable institutions.

Regent Bender stated that he was surprised to see so much of the donations being restricted. Acting President Vuchinich said that this seemed to be the trend because donors want more accountability for their money.

Honorary Degrees for Earl E. Bakken, David Cole and Charles K. Nishioka

Chancellor Tseng recommended that Mr. Earl E. Bakken be awarded the Honorary Doctor of Humane Letters:

Earl E. Bakken’s distinguished international reputation due to his contributions in medical technology. Additionally, Mr. Bakken’s public service activity in the areas of medicine, life sciences, health and wellness, with special attention to native Hawaiians and underserved communities in Hawai‘i, is deserving of this honor.

Born in 1924 in Minneapolis, Minnesota, Mr. Bakken was educated in the Columbia Heights public schools. He served four years in the United States Air Force as a radar maintenance instructor, then enrolled at the University of Minnesota (UM) and earned a Bachelor of Electrical Engineering degree in 1948.

In 1949, Mr. Bakken co-founded Medtronic, Inc., headquartered in Minneapolis and now the world’s leading medical technology company. Medtronic is the leading producer of heart pacing devices and a major manufacturer of prosthetic heart valves, membrane oxygenators, therapeutic catheters, nerve and muscle stimulation devices, and provider of drug delivery systems throughout the world. In 1985, the company was among Fortune 500’s largest publicly held corporations in America. Mr. Bakken was Medtronic’s CEO and Chairman of the Board from the company’s incorporation in 1957 until 1976. He was senior Chairman of the Board until his retirement in April 1989, and currently serves as Director Emeritus, focusing primarily on the company’s mission in the bioengineering industry.

Started in Mr. Bakken’s garage with a first-month profit of $8, Medtronic is now a multi-billion dollar medical technology company serving 120 countries. The success of Medtronic began with the engineering skills and early inventions of Mr. Bakken: AC defibrillators, insulated forceps, animal respirators, cardiac rate monitors, blood-gas shakers, physiologic stimulators, and a bull-semen impedance meter. Arguably, the major contribution of Mr. Bakken to the field of medical technology was his development in 1957
of the first wearable, external, battery-powered, transistorized cardiac pacemaker for Dr. C. Walton Lillihei, a University of Minnesota heart surgeon. In 1984, the National Society of Professional Engineers named the cardiac pacemaker one of the 10 outstanding engineering achievements of the second half of the 20th century.

In 1975, Mr. Bakken founded The Bakken, a nonprofit library, museum, and education center in Minneapolis devoted to the history of electricity and magnetism and their uses in medicine and the life sciences. The Bakken’s collection of rare books and antique instruments and devices is the finest of its kind in the world. Mr. Bakken currently serves as Chairman of the Board of Directors.

In 1988, Mr. Bakken received Honorary Doctor of Science degrees from both Tulane University and the University of Minnesota.

In 1989, Mr. Bakken was decorated by Queen Beatrix of The Netherlands as an Officer in the Order of Oranje Nassau.

In 1992, Mr. Bakken and his wife, Doris, settled in South Kohala on the island of Hawai’i. Focusing his attention on the health and well-being of North Hawai’i’s 40,000 people, Mr. Bakken was instrumental in the development of the North Hawai’i Community Hospital, which opened in 1996 in an area previously lacking full-service medical facilities. The hospital is the first in the nation to integrate the latest Western, technology-based medicine with ancient Hawaiian, Asian, and holistic healing arts, and services an ethnically-diverse community with special attention to the needs of native Hawaiians. Mr. Bakken currently serves as President Emeritus on the hospital’s Board of Directors.

In 2001, The National Academy of Engineering presented Earl Bakken and Wilson Greatbatch the engineering profession’s highest honor: the Fritz J. and Dolores H. Russ prize for their work involving the cardiac pacemaker. The Russ prize was established in 1999 to recognize engineering achievements that are of critical importance in improving the quality of life. This was the first time this award was ever presented.

Mr. Bakken is also affiliated with Five Mountains-Hawai‘i, an organization that promotes and sustains the natural, social, and economic assets of the island community. Based on native Hawaiian values, Five Mountains currently partners with the Kohala Center, in developing innovations in research and education; the North Hawai’i Outcomes Project; and Friends of the Future, an organization that develops community-based activities to improve the health-related quality of life of North Hawai’i’s population. Mr. Bakken has headed Five Mountains, and now serves as Vice Chairman of the Board of Directors of Friends of the Future.
Mr. Bakken’s extensive contributions to the field of health and wellness deserve to be recognized by the University of Hawai‘i system. His genius for technological innovation combined with a keen entrepreneurial spirit has led to improvement of the quality of life for untold thousands of individuals throughout the world.

As a resident of the island of Hawai‘i, it is especially fitting that the degree be presented at the University of Hawai‘i at Hilo campus during the Spring 2004 commencement ceremony, in accordance with Board policy.

Regent Lagareta moved to award Mr. Earl E. Bakken, the Honorary Doctor of Humane Letters Degree. The motion was seconded by Regent Nunokawa and unanimously carried.

Interim Vice Chancellor Kim recommended that the Committee grant Mr. David Cole the Honorary Degree, Doctor of Humane Letters. He informed that Mr. Cole was a recipient of the 1997 Distinguished Alumni Award, is described as a man of great passion and great care for the people of Hawai‘i. Mr. Cole is the newly-named President and Chief Executive Officer of Maui Land and Pineapple, Inc., a 28,600-acre land holding and pineapple production company on Maui. Mr. Cole plans to couple his substantial business background with sustainability and respect for the land.

Raised on O‘ahu, Mr. Cole graduated from Kailua High School and in 1975 received his Bachelor’s degree in liberal studies from the University of Hawai‘i at Mōnoa. As a student, he was active on campus as the Vice President of the Associated Students of the University of Hawai‘i.

Originally moving to the U.S. continent to pursue a law degree, Mr. Cole quickly realized his calling as an entrepreneur and through a series of startups of his own as well as his work at America Online (AOL), has become a distinguished member of the business community. Mr. Cole has been involved in a wide range of industries, including organic farming, nature conservancy, and software and internet services. A versatile businessperson, he served as the CEO of Ashton-Tate, and Chairman and President of NaviSoft – a pioneer in online publishing software that was acquired by AOL in 1994. As a result of the acquisition, Mr. Cole served as President of AOL’s Internet Services Corporation and later as President of their New Enterprise Group. Mr. Cole has been a lead investor in the early stages of several tech companies, including Macromedia Incorporated, Shiva Corporation (acquired by Intel), and Tops Inc. (acquired by Sun Microsystems).

In a surprising career move, Mr. Cole left AOL and in 1996 acquired Sunnyside Farms, a 425-acre failing farm that he has since turned into a profitable 600-acre organic producing entity using the principles of sustainability. Sunnyside Farms now produces organic fruits, vegetables, flowers, meat, and eggs. He is also the Chairman of Twin Farms
Collection, a luxury resort company with holdings in California and Vermont.

Even while away from home, Mr. Cole was an active supporter of local organizations and services, including the Honolulu Academy of Arts, The Contemporary Museum, Child and Family Services, Punahou School and Hawaii'i Preparatory Academy. Mr. Cole remains active in the community and is a Director for Public Broadcasting Service, Island Press, Sesame Workshop and the American Farmland Trust. He is a past director of the Nature Conservancy and the World Wildlife Fund. Mr. Cole is also serving a key role in the agreement between the University Hawai'i and EARTH (Escuela de Agricultura para la Región Tropical Húmeda) University in Costa Rica in working towards environmental and social sustainability.

The honorary degree would be presented to Mr. Cole during the Mānoa 2004 Spring commencement ceremony where he is scheduled to deliver the keynote address.

Regent Lagareta moved to award Mr. David Cole the Honorary Doctor of Humane Letters Degree. The motion was seconded by Regent Nunokawa and unanimously carried.

Chancellor Silliman recommended that the Committee award Mr. Charles K. Nishioka the Honorary Doctor of Humane Letters Degree. He informed that Mr. Nishioka is a self-made man from humble beginnings who overcame substantial odds, setbacks, and adversities to become a highly successful, respected, and distinguished small business person who has achieved national stature and recognition.

He has also distinguished himself through extensive and lengthy public service. Through Rotary International, his service has acquired an international dimension and benefitted the world at large. His record of service exemplifies well the Rotary motto of “Service above Self.” He has continuously strived to improve the quality of life in his community.

Born in Hawaii'i in 1915 to immigrant parents from Japan, Charles Nishioka had to work part-time from an early age to supplement the family income and food supply. As a young man of 12, Mr. Nishioka dreamed of becoming a chicken farmer. Although he also dreamed of attending high school and graduating from the University of Hawaii'i, his father wanted him to go to work full-time as a laborer on the Kahuku Sugar Plantation after completing the 8th grade.

Shortly before graduating from high school, Mr. Nishioka was recruited to work as a farm hand at the proposed Kokokahi Poultry Farm. He was instrumental in planning and laying out the entire 2,000 layer farm and, although he quit the job after six months, he had learned a lot about developing a chicken farm and about himself. He realized that he liked to tinker with machinery and possessed a keen interest in things mechanical. He therefore
enrolled in a correspondence course with the Hemphill Diesel and Automotive School of Los Angeles. He was resourceful and always eager to learn.

Later, after some persistence, he obtained a steady job as a general maintenance man and groundskeeper at the Waialae Country Club for $10.00 a week. Before two years had gone by, he became a supervisor and was earning $75.00 a month. However, he was not satisfied; he yearned to become an entrepreneur and his own boss. By the time he left the Country Club, he had married Elsie Matsumoto.

From 1951 until his retirement in 1989, Mr. Nishioka was the owner-operator of a very successful service station business (Charley’s Chevron Gas Station) in Waipahu, Hawai‘i which later evolved into an auto parts, tire, and auto repair business.

As a result of his persistent negotiations with the Standard Oil Company of California, Mr. Nishioka was allowed to open two additional Chevron service station locations: Saxon’s Service in Pearl City (Saxon being the name of his son) and Char-son Service near the old Waipahu High School. From a small, three-person family operation (Mr. Nishioka, his wife Elsie, and one employee from the neighborhood, with the assistance after school and on the weekends from his two children, Saxon and Elaine), the three service-station operation expanded at one time to 35 full and part-time employees.

Mr. Nishioka’s tire, auto-repair, and auto parts business grew from gross sales of $68,854 in 1951 to over $1.2 million in 1985. After passing the active management of the business to his son Saxon Nishioka,* Charles Nishioka became the Chairman of the Board of Charles K. Nishioka & Son, Inc., dba Charley's General Tire, Charley’s Auto Parts, and Charley’s One-Hour Photo Service. (*After operating the business for quite a few years, Saxon Nishioka has also since retired, and the family business has been sold.)

In 1986, with enthusiastic letters of recommendation and support from well known community and business leaders, as well as from past and present employees, Charles Nishioka was selected by the U.S. Small Business Administration (SBA) as the 1986 Small Businessman of the Year for the State of Hawai‘i. One of those support letters was from then University of Hawai‘i President Albert Simone who thanked Mr. Nishioka for his financial support to the University. Mr. Nishioka had achieved “President’s Club status” because of the level of and the years of his loyal financial support to the University.

Upon his selection for the State award, Charles Nishioka became Hawai‘i’s nominee for the SBA’s National Small Business Person of the Year Award for 1986. To his honor and credit, Mr. Nishioka was selected for this prestigious national award which was presented to him in Washington, D.C. As the national awardee, Mr. Nishioka also had the opportunity to personally meet then U.S. President Ronald Reagan. The national winner is selected on the basis of record of stability, growth in employment and sales, financial
condition, innovation, response to adversity, and community service.

In 1958, he was recruited by two business executives to join the Boy Scouts of America in support of the Sustaining Membership Enrollment Drive (SMED) for the Waipahu area. Subsequently, Mr. Nishioka became the Chair of SMED for the larger Kaala District. As part of this larger drive, Mr. Nishioka recruited, selected, and motivated volunteers for the Boy Scouts. Over the years, his efforts became increasingly successful and, sixteen years later in 1974, he was awarded the Boy Scouts’ Silver Beaver Award for Distinguished Service. He was then asked to join the Aloha Council of the Boy Scouts and, later, the Council’s Finance Committee.

In 1971, when the West Pearl Harbor Rotary Club was established, Mr. Nishioka served as its Charter President. He continues to this day as a member of this Rotary Club and has maintained a combined perfect attendance record for Rotary Club meetings since 1963 of 41 years.

During his 33 years to date with the West Pearl Harbor Rotary Club, Mr. Nishioka has provided substantial service through the following: Member of the International Relations Committee; sustaining Member of the Hawai‘i Rotary Youth Foundation; contributing supporter of the Rotary Foundation; and Coordinator of the Japan/Hawai‘i Rotary (Youth) Exchange Program.

For this Exchange Program—which promoted the Rotary objective of advancing international understanding and goodwill—Mr. Nishioka coordinated the cultural exchange visit through which 16 high school students from Hawai‘i visited Japan for two weeks with the hosting and other assistance of Rotarians in Japan in selected Japanese cities. Mr. Nishioka spent months organizing and coordinating visas, itineraries, and home stays in Japan. The students gained a wealth of intercultural experiences and insights and also served as ambassadors of goodwill for Hawai‘i and the United States.

In accordance with Board policy, Mr. Nishioka as well as the other recipients, will be presented the honorary degree during 2004 commencement ceremonies.

Regent Lagareta moved to award the Honorary Doctor of Humane Letters Degree to Mr. Charles K. Nishioka. The motion was seconded by Regent Nunokawa and unanimously carried.

Legislative Update
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Associate Vice President Tanaka reported that the budget bill had passed two houses and that most of the University bills were headed for conference committees. $3 million was requested for the Kaka‘ako project of which the University received $1 million and no library funds.

Director Yokota reported that the University received $25 million for deferred maintenance. Regent Kawakami asked what happens if the project or request was not given full funding. She informed that at that point there needs to be an assessment if the project can still move forward.

Regent Haynes asked if the Governor has line item veto. Director Yokota said responded that the Governor does have such authority.

The final Conference Committee CIP appropriations included 18 projects totaling $100.256 million of which $81.651 million would be from State general obligation bonds. The final Conference Committee CIP Budget lapsed $2.077 million in prior appropriated funds. The lapses are for projects that are completed or otherwise unrequired. In general, the University is not opposed to the lapsing of these funds.

There being no further business before the Committee, the meeting was adjourned at 5:00 p. m.

Respectfully submitted,

David Iha, Secretary

Dated: May 18, 2004

c: Chairperson Patricia Y. Lee
   Members, Committee on University
   and External Affairs
   President Evan S. Dobelle
   Vice President Paul Costello