MINUTES

BOARD OF REGENTS’ MEETING

AUGUST 20, 2015

I. CALL TO ORDER

Chair Randy Moore called the meeting to order at 10:00 a.m. on Thursday, July 16, 2015, at John A. Burns School of Medicine University of Hawai‘i at Mānoa, 651 Ilalo Street, MEB 314, Honolulu, HI 96813.

Quorum (15): Regent Simeon Acoba; Regent Eugene Bal; Regent Wayne Higaki; Regent David Iha; Regent Ben Kudo; Regent Coralie Matayoshi; Regent Michael McEnery; Regent Barry Mizuno; Regent Randy Moore; Regent Jeff Portnoy; Regent Lee Putnam; Regent Jan Sullivan; Regent Michelle Tagorda; Regent Ernie Wilson; and Regent Stanford Yuen.

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

II. APPROVAL OF MINUTES OF JULY 16, 2015 MEETING

Regent Acoba moved to approve the minutes of the July 16, 2015 meeting. Regent Wilson 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 and late written testimony had been received and distributed to the board from seven individuals:

1. State Representative Isaac Choy in opposition to executive management salary adjustments.
2. Randall Francisco, individual citizen, in support of executive management salary adjustments.
3. Bob Cooney, UHM Faculty Senate Executive Committee Chair, commenting on the separate roles of the university President and Mānoa Chancellor, and the organizational structure of the UH System and Mānoa.
4. J.N. Musto, Executive Director of the University of Hawai‘i Professional Assembly (UHPA), in support of an organizational change for UH System and Mānoa.
5. Les Wilson, UHM Faculty, in support for the Snyder-Design Build to give more space to microbiology and biology.
6. Kelly Zakimi, Associated Students of the University of Hawai‘i (ASUH) President, in support of the recommendation to maintain separation between the university President and UHM Chancellor.
7. Marguerite Butler, Associate Professor of Biology at UH Mānoa, in support of more faculty input for the Snyder Design-Build.

The following individuals presented oral testimony:

1. J.N. Musto commented on how the organizational structure of UH System and UHM evolved throughout his tenure as Executive Director of UHPA.
2. Bob Cooney and Marguerite Butler raised concerns about the lack of faculty input for the new Snyder building, organizational structure of UH System and Mānoa, and Academic Deep Dive discussion.
3. Unhee Lim, Associate Professor at the UH Cancer Center, raised concern about lack of faculty input in Cancer Center review and selection of director.
4. Jorianne Jasper, 2nd year law student and member of the Student Bar Association, Matt Tsujimura, 3rd year law student and President of the Student Bar Association, at William S. Richardson School of Law (WSRSL); and Tyler Gomes, President of the WSRSL Alumni Association, testified in support of construction of the Community Legal Outreach Center at the Law School.

Chair Moore congratulated J.N. Musto on his retirement and thanked him for his service.

IV. REPORT OF THE PRESIDENT

President Lassner reported on the following news and activities of the month:

1. Meeting with members of the UHM Graduate Student Organization (GSO) to address employment concerns that led to the GSO seeking unionization. A subsequent meeting was held with administrators to discuss response, and a follow-up meeting was scheduled with GSO to discuss collaboration on approaches to regularly update the salary schedules for graduate assistants; when to consider step movements; the nature of appointments and addressing adequate termination notice in policy; and how to handle sick days short of a formal sick leave policy. It is still expected that the GSO will continue to seek unionization this coming legislative session.
2. The HGEA Unit 8 Interest Arbitration initial hearings took place, parties are preparing final briefs, and the arbitrator’s decision is expected late October. The parties can still settle, though it is unlikely.
3. Enterprise Risk Management (ERM) planning is ongoing for a 1, 3, and 5 year plan to embrace ERM across the system. VP Gouveia is working with the Office
of ERM, in collaboration with VP Okinaga, VP Young and VP Yoshimi, utilizing AGB best practices, and with UH AEON Insurance Co. and Accuity, LLC, the external auditor offering expertise.

4. Stewardship efforts for Maunakea as listed in the Governor’s plan continues, including working with Mauna Kea Management Board and the Department of Land and Natural Resources on providing more cultural programs and education initiatives, providing a decommissioning schedule for 3 telescopes, restarting the EIS for the lease process and conducting a full cultural impact assessment; drafting access rules and conditions on non-cultural access; extending the lease and returning lands to the state that are not used for astronomy, and revisiting additional contributions from sublessees for stewardship through investments in the existing collaborative Maunakea Shared Services process.

5. Project Imua news coverage received on the community college participation in testing the scientific payload developed by faculty and students at the National Aeronautics and Space Administration (NASA) Wallops Flight Facility in Virginia, as part of the ongoing preparations for an August launch. NASA provided a grant through the Space Grant College, and UH had the only set of community college students in the nation participating alongside primarily research universities. The value of the positive media coverage on this project is valued over $100,000.

6. Two workforce proposals were submitted to the U.S. Department of Education (DOE) and USA Funds, respectively. One proposal tracks the impact of moneys received from the U.S. DOE for Title III on Native Hawaiian students and shows the importance of these types of programs. The other proposal tracks current and projected workforce needs, particularly in STEM and innovation sectors, and graduates in the workforce to gain a greater understanding of success.

7. Daily enrollment is holding steady at a 1% decrease, which is the best stabilization since the recession. Final numbers are expected in October and given the fluctuations that occur there may be an increase.

8. He extended his personal thanks to J.N. Musto for his support and collaboration.

9. Chancellor Freitas announced his intent to retire, and recognized him for his role in establishing Palamanui and UH-West O‘ahu.

V. UNIVERSITY OF HAWAI‘I FOUNDATION FOURTH QUARTER AND ANNUAL FINANCIAL REPORT AND OVERVIEW BRIEFING

University of Hawai‘i Foundation (UHF) President Donna Vuchinich gave a positive fourth quarter and year-end report on UHF investment performance closing at $129 million, largely due to a gift from Jay Shidler. She provided a PowerPoint briefing (Attachment 1) on the UHF operations, sources of funding, growth and expenditures, and upcoming campaign to be launched in 2016.

Questions raised by the board included the impact of deferred irrevocable giving upon the year-end report, other deferred gifts and percent fall off that may impact the report, performance comparison to peers, and amount of carried interest with the investment advisor and the number of institutional funds versus retail funds.
President Vuchinich responded that deferred giving impacted 65% of the final report, and information for all deferred giving is tracked, as is the carried interest with the investment advisor, that will be provided to the regents upon request. Retractions of gifts are minimal, and performance is respectable overall in comparison to peers, but lower in the level of endowment, which can be in the billions of dollars at other institutions.

VI. EXTRAMURAL FUNDING FOURTH QUARTER AND ANNUAL REPORT

VP Syrmos provided a report on the fourth quarter results for extramural funding, that showed a 9% increase compared to last year, at $425 million. There was a marked increase in community college training grants, and a strong quarter is expected. Projections for next year are expected to be at least on par with last year.

The board commended the community college efforts in almost doubling the increase in awards. The board asked if the increase in 2015 awards help the financial situation of the UH Cancer Center. VP Syrmos responded that the increase in 2015 awards would help the Cancer Center with payroll for researchers and indirect cost recovery returns to the Cancer Center, but the amount is unlikely to be substantial enough to help the Cancer Center out of their current financial situation.

The board asked if the Office of the VP for Research monitored the number of grants and provided assistance to various departments with grants notification, grant writing, and application strategy. Administration said it does provide notices of upcoming grant opportunities to all campuses. Individual faculty members decide what smaller contracts and grants they want to apply for except in cases where matching funds or space conditions are needed. Larger grants are coordinated between the Office of the VP for Research and the UHH and UHM campuses. They are exploring creating a grant writing office, but struggling with how to fund it.

VP Syrmos indicated under consideration is reorganization of the Office of Research Compliance from UHM to the System, which will result in substantial monetary and space savings. Former Regent John Dean and Billie Richardson, the Interim Director of the Office of Technology Transfer and Economic Development are working on forming a task force on technology transfer that will be presented to the board in the next 3 to 6 months. Lastly, they will be creating entrepreneurship and innovation hubs at UH Maui College and UHH that are similar to the one at UHM campus.

VII. COMMITTEE REPORTS

Chair Moore noted that summaries of the committee meetings were included in the materials. He noted the lengthy consent agenda for items that the committees are recommending for approval, and encouraged regents to ask questions during the committee reports. When it comes time for the consent agenda, regents should indicate if they wish to take any items off the agenda and vote on them separately.
A. **Report from the Committee on Academic and Student Affairs**

Regent Putnam reported the Committee for Academic and Student Affairs discussed the charter and goals and objectives the committee wants to focus on this upcoming year. VP Dickson will be doing an academic deep dive today regarding strategic academic planning on a systemwide basis.

B. **Report from the Committee on Budget & Finance**

Regent Sullivan reported the Budget and Finance Committee reviewed its bylaws and charter and set goals for the year; recommended approval of the bond resolution and delegation of authority to fund new projects and refinance outstanding bond issues; received a quarterly investment report from UBS; and VP Young provided an update on the supplemental budget process and schedule. Chair Moore and Regent McEnerney will help refine the templates for the UBS financial reports.

The committee requested that in conjunction with the UBS investment report, Administration provide a report detailing how the revenues from the endowment were spent and allocated, specifically the awards given to Regent Scholarships. Chair Moore indicated the committee had reviewed the figures last February, and agreed it was something the committee could review. There were no questions regarding the bond resolution on the consent agenda.

C. **Report from the Committee on Independent Audit**

Regent Yuen reported the Independent Audit Committee requested the Internal Auditor reconcile the governing documents, charter, and statute and recommend amendments, if needed, at the next committee meeting. The committee reviewed and accepted the Fiscal Year 2016 audit plan and the audit report for Fiscal Year 2015. The internal auditor provided positive progress reports for the corrective actions underway for prior audits of the culinary programs at Kapi'olani Community College and Leeward Community College, and prior audit of the Office of Continuing Education & Training program. The committee received a status update on the external consultant request for proposal and development of the business plan for the Cancer Center of Hawai‘i that was recommended by the External Advisory Committee, with the scope limited to the Cancer Center and not a business plan for the medical school. Completion is targeted for late September or October, with a parallel track to search for a new director. The committee also discussed evaluation of the internal auditor in executive session. Chair Moore noted there were no action items from this committee.

D. **Report from the Committee on Personnel Affairs**

Regent Putnam reported the Personnel Committee recommends for approval of the methodology to calculate salary adjustments for Executive & Managerial (E/M) employees. A legislative appropriation funded the increases for E/M employees who
are excluded from collective bargaining. The committee also approved salary ranges for Vice Chancellor of Research at UHM and Vice Chancellor for Administration at UHWO, and recommends approval of appointments that will be discussed in executive session.

President Lassner summarized the methodology based on equity and merit rather than across the board increases. The increase is for 2 years and the board has the flexibility to change the methodology to a lump sum or other method for the second year. The board recognized that increases are still less than what faculty and staff have received. Concerns were raised that permanent increases may result in escalating pay scales and consideration of lump sum may be more appropriate.

E. Report from the Committee on Planning & Facilities

Regent Kudo reported the Committee on Planning and Facilities recommended for approval items on the consent agenda.

1. $1.4 million construction management service contract for the marine laboratory buildings 1 & 2 on Coconut Island, which will reduce deferred maintenance (DM) by $3 million.
2. $1.49 million consultant contract for a campuswide infrastructure trunk line at UHM to develop a comprehensive plan to upgrade stressed infrastructure and provide efficiencies and cost savings for the future.
3. A construction contract for the William S. Richardson School of Law’s Community Legal Outreach Center (CLOC) to be funded $3.5 million in general obligation bonds and $3.5 million in revenue bonds. The project had received approval prior to the moratorium, but as a consequence of the project, the committee urged that all future requests should have an evaluation with metrics to determine needs and justify efficient use of facilities as a threshold question. If the needs evaluation is not sufficient, then the project does not get approval for construction costs. Future requests should also include a reserve for repairs & maintenance (R&M), which is consistent with efforts to reduce DM, particularly at UHM.
4. $50 million for a Snyder design build construction contract as the current building is in need of significant repair. This proposal provides space to relocate current Snyder occupants to create a science quad, allows swing space for other buildings when they undergo renovation, and repurposes the original building as an academic space. The request is consistent with the spirit of the moratorium to reduce R&M and DM.
5. Lease renewal for the John A. Burns School of Medicine use of the 7th and 8th floors of the medical office building at the Kapiʻolani Medical Center for Women & Children.
6. A construction contract for the Administration & Allied Health building at UHWO allied health construction using $33.7 million appropriated by Legislature, and recognizing the space needed for growth of enrollment and staff, who are
currently in rented space in order to provide additional classroom space on campus.

The committee received an update on UHWO master plan progress on a request for quotation for a master developer to develop the commercial properties around UHWO to create a campus village. Solicitation is expected soon. The committee also received an update on call for offers for the UHH University Village Phase II project; planning is ongoing and there is no deadline for the issuance of calls for offers.

The board raised concerns about the net loss of 16,000 square feet of space and faculty concerns regarding input for the Snyder design-build project, what measures were being taken to avoid persistent delays and cost overruns, and who would be held accountable for the project. Regents also noted that the committee is to focus on strategic direction, and this project was part of a much longer range program.

Administration explained design build projects are fixed fee which should enable projects to be completed more quickly and help address issues of overruns and change orders experienced in earlier projects. This is a new approach to construction projects and once approved the planning phase and vetting the project can begin with faculty on functionality and space requirements. Accountability for the Snyder design-build project will be at the system level, with the system office hiring additional managers experienced in design build and project management to oversee the project, be more fiscally responsible, control costs and timeframes with better project managers and provide training. A space inventory assessment is important and necessary, and currently more information is needed to determine whether additional space is necessary or if a decrease in space is risky. There is a working hypothesis that there is a need for certain types of space (e.g., research, laboratory), and no need for additional classroom space that affords take down of some administrative office space, or a combination of the office and classroom space. Utilizing the current space inventory more efficiently may mean less space is required overall. Within UHM, the quality of the space is a greater issue than the quantity, and much of the demotion expected in this project involves temporary or portable spaces, some of which may create opportunities for future space needs once the university reduces DM levels.

The board also asked if there was an established need for new space versus alternative space for the CLOC project. Chancellor Bley-Vroman and Dean Avi Soifer indicated no other space was available on campus to house the project.

F. Report from the Committee on Research & Innovation

Regent Bal reported the Research and Innovation committee had an excellent initial meeting reviewing the charter and setting goals and objectives for Fiscal Year 2016.

VIII. ITEMS FOR DISCUSSION & APPROVAL

A. Approval By Consent Agenda
1. University of Hawai‘i System
   a. Approval of Fiscal Year 2016 System (UOH 900) CIP Appropriation Projects

2. University of Hawai‘i at Mānoa
   a. Approval of Construction Management Service Contract for Marine Laboratory Buildings 1 & 2 Coconut Island
   b. Approval of Consultant Contract for a Mānoa Campus-wide Infrastructure Trunk Line
   c. Approval of Construction Contract for the William S. Richardson School of Law Community Legal Outreach Center (CLOC)
   d. Approval of Design-Build Construction Contract for the Snyder Replacement Building
   e. Approval of Agreements Allowing the John A. Burns School of Medicine to Continue to Use the 7th and 8th floors of the Medical Office Building at the Kapi‘olani Medical Center for Women and Children: (1) Rent Reconciliation Agreement (from 1/1/2014 to 8/31/2015) and (2) Use and Occupancy Agreements (from 9/1/2015 to 12/31/2015)

3. University of Hawai‘i at West Oahu
   a. Approval of Construction Contract for the Administration and Allied Health Facility

4. University of Hawai‘i System: Approval of a Supplemental Resolution Authorizing the Issuance of Revenue Bonds for Refunding and University Projects in an Amount Not to exceed $225,000,000

Vice Chair Sullivan moved to approve the consent agenda, Regent Kudo seconded the motion, and the consent agenda passed by unanimous vote.

B. University of Hawai‘i System
   1. Affirmation of the Separate Roles of the UH System President and the UH Mānoa Chancellor, and Directive to Design and Implement Organizational Changes and Consolidations to Improve the Efficiency and Effectiveness of Support Services

The President presented his proposal to maintain the current separate roles of the President and the UHM Chancellor, citing discretely different responsibilities and focuses, support from the external WICHE review, and ongoing efforts to centralize system responsibilities to allow the campuses to focus on direct management of campus priorities.

Lengthy discussions ensued on concerns raised about cost effectiveness and streamlining with economies of scale and preventing status quo. Regent Sullivan made a motion to affirm the separate roles with a board directive for the president to design and implement organizational changes and consolidations to improve the efficiency and effectiveness of those units, and bring the reorganizational plans to the board for review and approval before the end of this calendar year. Regent Bal seconded the motion. Further discussion ensued regarding the appropriate role of the regents, the need for significant change in management, cost benefit analysis of separate versus combined
roles, and the need for a deadline to show commitment to the process. Regent Acoba suggested the motion be separated to vote solely on the question of merger or not, and then to vote on the reorganization plan. There was no second. A vote was taken on the original motion. All voted in favor, with Regent Acoba and Regent Kudo in opposition. The motion carried.

IX. EXECUTIVE SESSION

The board took the agenda items out of order and upon motion by Regent Yuen, seconded by Vice Chair Sullivan, the Board unanimously approved convening in executive session, pursuant to HRS §92-5(a)(2), to discuss personnel matters. The Board convened in executive session at 12:03 p.m. Following a motion to come out of executive session by Vice Chair Sullivan, seconded by Regent Yuen, which was unanimously approved, executive session was adjourned at 3:14 p.m.

The meeting reconvened at 3:15 p.m. Chair Moore announced that the board went into executive session to discuss personnel actions relating to salary adjustments funded by legislative appropriation and for appointments and reappointments of personnel as provided in the Attachments A-1 and A-2 to the agenda.

X. PERSONNEL ACTIONS

Attachments A-1 (For Approval), A-2 (For Information Only)

Chair Moore asked for a motion to approve the personnel actions on Attachment A-1. Regent Yuen so moved, Regent Mizuno seconded the motion, and the motion passed by unanimous vote. Regent McEnerney was excused.

VIII. ITEMS FOR DISCUSSION & APPROVAL CONTINUED

C. University of Hawai‘i System

VP Dickson provided a PowerPoint presentation on the process for academic planning and the need for a systemwide academic planning that includes consideration of facilities and budgets systemwide.

Comments were raised regarding efforts to streamlining processes, need for clarity of roles of the board, administration and campuses, recognition that planning for programs and physical plant needs go hand in hand, and need for systemwide master planning to allow proper analysis of projects at the subcommittee level.

XI. ANNOUNCEMENTS

Chair Moore announced the next board meeting is September 17, 2015 at Leeward Community College.
VP Morton announced that Palamanui campus received approval to occupy on Monday, in time for the new academic year.

XII. ADJOURNMENT

There being no further business, Regent Matayoshi moved, Regent Tagorda seconded, and with unanimous approval, the meeting was adjourned at 3:56 p.m.

Respectfully Submitted,

/S/

Cynthia Quinn
Executive Administrator and
Secretary of the Board of Regents
Development Operations
FY 2015
July 1, 2014 to June 30, 2015

Fund Raising Results

Fiscal Year 2015 Goal: $66.0 million
July 1, 2014 – June 30, 2015 Results: $129.0 million

The following summarizes fundraising results by type of account and type of gift:

<table>
<thead>
<tr>
<th>Account Type</th>
<th>Gifts &amp; Pledges</th>
<th>Deferred Gifts</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowment</td>
<td>$6,362,311</td>
<td>$10,777,866</td>
<td>$17,140,177</td>
</tr>
<tr>
<td>Expendable</td>
<td>24,193,656</td>
<td>65,974,052</td>
<td>90,167,708</td>
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<tr>
<td>Bequest Intentions</td>
<td>0</td>
<td>14,080,000</td>
<td>14,080,000</td>
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<tr>
<td>Gifts-in-kind</td>
<td>41,642</td>
<td>0</td>
<td>41,642</td>
</tr>
<tr>
<td>Grants Directly to UH</td>
<td>7,240,425</td>
<td>0</td>
<td>7,240,425</td>
</tr>
<tr>
<td>Total</td>
<td>$38,213,034</td>
<td>$90,931,918</td>
<td>$129,044,952</td>
</tr>
</tbody>
</table>

- 29,477 donors gave outright endowment and expendable gifts and pledges totaling $30.6 million for this fiscal year.
- Of the $30.6 million in outright endowment and expendable gifts and pledges, 352 donors gave gifts of $10,000+ totaling $22.0 million; this accounts for 72% of the total gifts and pledges.

Comparison to previous fiscal year

<table>
<thead>
<tr>
<th>YTD Comparison</th>
<th>Number of Gifts</th>
<th>Gift Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Fiscal Year</td>
<td>36,973</td>
<td>$129,044,952</td>
</tr>
<tr>
<td>Previous Fiscal Year</td>
<td>31,646</td>
<td>$98,583,866</td>
</tr>
<tr>
<td>Comparison Fav/(Unfav)</td>
<td>5,327</td>
<td>$30,461,086</td>
</tr>
</tbody>
</table>
FY 15 - $129 million

- Corporations, $12,012,156
- Other Individuals, $20,443,913
- Faculty & Staff, $2,599,796
- Alumni, $82,666,008
- Foundations, $9,262,942
- Other, $1,777,540
- Students, $16,388
- Parents, $294,208
FY 15 - $129 million

- Athletic Program, $5,882,017
- Special Programs, $6,562,073
- Libraries, $469,626
- Student Aid, $40,888,715
- Public Service & Extension, $1,615,889
- Chairs & Professorship, $25,375,128
- Research, $9,914,566
- Program Enrichment, $2,025,341
- Property, Buildings & Equipment, $713,314
- Faculty & Academic Support, $33,980,265
- Other, $1,646,018
60 Years of Service to UH

UNIVERSITY OF HAWAI'I FOUNDATION

UNIVERSITY OF HAWAI'I FOUNDATION

Celebrating 60 years

UNIVERSITY OF HAWAI'I FOUNDATION

The University's Campaign for Hawai'i
Building Rainbow Bridges

UNIVERSITY OF HAWAI'I FOUNDATION
UHF’s Service to UH

- RAISE Philanthropic Support
- MANAGE Private Investments
- INSPIRE giving and foster UH pride and passion among donors, alumni & community
UHF’s Funding

- UH provides $3M annually to UHF for alumni relations, fundraising, relationship management & asset management. This contract, renewed in 2009, accounts for just about 25% of our annual budget. *This amount is capped by the legislature*

- UHF generates over 75% ($9.37M FY ’15) of its own budget annually
  - Endowment mgmt. (1.5% annually)
  - New gift origination (5% one time)
  - Income on operations (interest income)

- Substantial ROI for the University - $30M provided over the last decade has produced over $500M in private support for UH
• Direct correlation between funds raised and expenses required to raise those funds.
• $250 million return for UH will require a continued $3 million per year investment from UH.
UHF Serves UH by Raising Philanthropic Support

By partnering with UH leadership to raise major, leadership and principal gifts for the priorities of all 10 campuses through building lasting relationships that will produce lifetime committed donors.
### Gift Processing & Account Administration

<table>
<thead>
<tr>
<th>Description</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total donor/prospect/alumni records in AWA</td>
<td>&gt; 480,000 donors</td>
</tr>
<tr>
<td>Alumni Records</td>
<td>&gt; 270,000 alumni records</td>
</tr>
<tr>
<td>Gift transactions processed (FY 2014)</td>
<td>Over 41,000 gifts</td>
</tr>
<tr>
<td>Online gift transactions (FY 2014)</td>
<td>Over $1M online gifts</td>
</tr>
<tr>
<td>Accounts in IFAS</td>
<td>&gt; 6,000</td>
</tr>
<tr>
<td>Number of UH Account Administrators</td>
<td>&gt; 2,700</td>
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<tr>
<td>Number of UH staff with IFAS access</td>
<td>673</td>
</tr>
<tr>
<td>A/P transactions processed (FY 2014)</td>
<td>&gt; 25,000</td>
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<tr>
<td>A/P checks processed (FY 2014)</td>
<td>&gt; 1,200 per month (14,000 per yr.)</td>
</tr>
<tr>
<td>Endowment accounts</td>
<td>&gt; 1,100</td>
</tr>
<tr>
<td>Endowment market value (3/31/15)</td>
<td>$266M</td>
</tr>
</tbody>
</table>
UHF Serves UH by Managing Private Investments

Investment Performance

Endowment Performance vs. Portfolio Benchmark

<table>
<thead>
<tr>
<th>Year</th>
<th>Annual Rate of Return</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>UHF</td>
<td>12.60%</td>
<td>15.40%</td>
<td>-1.60%</td>
<td>-15.80%</td>
<td>10.40%</td>
<td>19.20%</td>
<td>-2.10%</td>
<td>11.40%</td>
<td>14.90%</td>
<td></td>
</tr>
<tr>
<td>Benchmark</td>
<td>10.40%</td>
<td>15.00%</td>
<td>-1.30%</td>
<td>-21.10%</td>
<td>7.90%</td>
<td>19.90%</td>
<td>-1.70%</td>
<td>10.30%</td>
<td>14.20%</td>
<td></td>
</tr>
</tbody>
</table>

Annual Rate of Return
- Actual: 2014 = 14.9%
- Benchmark: 2014 = 14.2%

Annualized Return
- Trailing 3 years: UHF = 8.0%, Benchmark = 7.5%
- Trailing 5 years: UHF = 10.7%, Benchmark = 10.0%
- Since 12/31/03: UHF = 6.8%, Benchmark = 5.6%

Linear (UHF)
UHF Serves UH by Managing Private Investments

Endowment Growth

($ Millions)

$300

$250

$200

$150

$100

$50

FY04 FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14

$113.2 $125.6 $142.9 $178.1 $181.4 $151.2 $169.4 $207.3 $201.5 $226.3 $261.5

UNIVERSITY of HAWAII FOUNDATION
UHF Serves UH by Managing Private Investments

ROI – Cash to UH accounts at UHF

Cash Made Available

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$20,000,000</td>
</tr>
<tr>
<td>2011</td>
<td>$25,000,000</td>
</tr>
<tr>
<td>2012</td>
<td>$30,000,000</td>
</tr>
<tr>
<td>2013</td>
<td>$35,000,000</td>
</tr>
<tr>
<td>2014</td>
<td>$40,000,000</td>
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</tbody>
</table>

Endowment Payout | Cash Gifts | Total

$0 | $5,000,000 | $10,000,000
$5,000,000 | $10,000,000 | $15,000,000
$10,000,000 | $15,000,000 | $20,000,000
$15,000,000 | $20,000,000 | $25,000,000
$20,000,000 | $25,000,000 | $30,000,000
$25,000,000 | $30,000,000 | $35,000,000
$30,000,000 | $35,000,000 | $40,000,000
$35,000,000 | $40,000,000 | $45,000,000
$40,000,000 | $45,000,000 | $50,000,000
UHF Serves UH by Inspiring Giving & Fostering UH Pride:
Alumni Engagement
UHF Serves UH by Inspiring Giving & Fostering UH Pride:

Media & Video

Advertising/Marketing & UH Magazine

Newsletters

Stewardship

$1 Million challenge grant for UH Manoa Scholarships
UHF’s Impact

Fundraising Results

Annual Goal vs. Actual

<table>
<thead>
<tr>
<th>Year</th>
<th>Goal</th>
<th>Actual</th>
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<tbody>
<tr>
<td>FY2010</td>
<td>40,000,000</td>
<td>41,155,989</td>
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<td>FY2011</td>
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<td>FY2012</td>
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<td>FY2013</td>
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<td>FY2014</td>
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<td>98,583,866</td>
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</tbody>
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UNIVERSITY OF HAWAI'I FOUNDATION
UHF Campaigns

Historic Campaign Performance

Average Funds Raised: Historical Comparison (FY 1992 – FY 2009)

$70,000,000

$60,000,000

$50,000,000

$40,000,000

$30,000,000

$20,000,000

$10,000,000

$0


Comprehensive Campaign

Centennial Campaign

Average: $40 million

Average: $25 million

Average: $14 million
UHF Campaigns

Post-Campaign Value

Campaign Period

Post-Campaign Value

Revenue

Years

UNIVERSITY OF HAWAIʻI FOUNDATION
Upcoming UHF Campaign

Campaign Update

- Currently in quiet phase of a seven year $400 to $500M (preliminary) campaign
- Conducted a Capacity Analysis to determine if timeline and preliminary goal should be increased
- Planning a public announcement in 2016
Upcoming UHF Campaign

Campaign Next Steps & Public Launch

• UHF Board & UH BOR agree on campaign fundraising goal
• The UH BOR will be asked to vote on campaign goal and approve launch
• Press conference & public launch event will be held and followed by a series of signature celebration events.
• Campaign web micro-sites for campuses & college units go live
Mahalo for your support!