I. CALL TO ORDER

Chair Allan Landon called the meeting to order at 9:00 a.m. on Friday, November 21, 2008, at Kaua’i Community College, One Stop Center Lobby, 3-1901 Kaumualii Highway, Lihue, Hawai’i 96766.

Regents in attendance: Chair Allan Landon; Vice Chair Howard Karr; Artemio Baxa; Byron Bender, Ph.D.; Carl A. Carlson, Jr.; Ramón de la Peña, Ph.D; James Haynes II; Dennis Hirota, Ph.D.; Kitty Lagareta; Ronald K. Migita; Teena Rasmussen; and Harvey Tajiri. Excused: Michael Dahilig; Marlene Hapai, Ph.D.; and Jane Tatibouet.

Others in attendance: President David McClain, Ph.D.; Vice President for Academic Planning & Policy Linda Johnsrud, Ph.D.; Vice President for Budget & Finance/Chief Financial Officer Howard Todo; Vice President for Community Colleges John Morton, Ph.D.; Vice President for Legal Affairs and University General Counsel Darolyn Lendio, Esq.; Vice President for Information Technology Services/Chief Information Officer David Lassner, Ph.D.; Interim Executive Administrator and Secretary of the Board Presley Pang, Esq.; and others as noted.

II. APPROVAL OF MINUTES

Upon motion by Vice Chair Karr and second by Regent Migita, the minutes of September 19, 2008, were unanimously approved, with the following amendments: on page 8, listing various design and construction projects, the donation from Hilton should be $5 million instead of $15 million; for the environmental sciences building, it should be clarified that the UH will request $22 million in revenue bonds to fund this project.

III. PUBLIC COMMENT

Public testimonies were given regarding agenda item #18 “Presidential Selection.”

Ms. Nancy Bushnell, Kaua’i Community College Faculty Senate Chair, testified that the faculty would like increased representation on the UH Advisory Presidential Selection Committee. She referred to testimony submitted to the Board Office from the All Campus Council of Faculty Senate Chairs (ACCFSC) and the Council of Community College Faculty Senate Chairs (CCCFSC).

Ms. Noe Noe Wong-Wilson, representing the Pūko’a Council, a systemwide council of Native Hawaiian faculty, staff, and students, testified that the Council would
like to see more representation from the Neighbor Islands on the Committee, especially faculty. The Pūko’a Council also offers to serve on the Advisory Committee.

Mr. Sevki Erdogan, faculty from UH Hilo, testified that the faculty, especially on the Neighbor Islands, feel excluded from the search process, and requested increased participation of faculty on the Committee.

[Secretary’s Note: Chair Landon responded to these public comments at the end of the meeting, see pages 9 and 10 below.]

**IV. REPORT OF THE PRESIDENT**

President McClain introduced Kaua’i Community College Chancellor Helen Cox.

Chancellor Cox welcomed the Board to the campus, noted that the Board’s meeting was being conducted in the new One Stop Center, and thanked the Board for its support in constructing this facility.

Chancellor Cox said that the campus works closely with its community, and one partnership it has developed is with Kawaikini School, a public charter school temporarily housed on the college campus. She invited Mr. Kimo Perry, president of Kawaikini’s school board, to address the Regents.

Mr. Perry thanked the Board for its decision in March 2008 to approve a 25-year lease arrangement allowing Kawaikini to use land owned by Kaua’i Community College.

He explained that Kawaikini opened on July 29, 2008, with 79 students in K-12, and 16 faculty and staff. Almost all of the teachers are UH graduates. The School has strong parent involvement and support from Kamehameha Schools, Office of Hawaiian Affairs, Department of Education, state and county agencies, and private organizations. He introduced some of the faculty and students to the Board.

Ms. Ilima ‘Apana, a Kawaikini teacher with a bachelor’s degree in Hawaiian Studies from UH Hilo, expressed her appreciation for everything that the UH System has offered her.

Ms. Lei Wann, UH Hilo graduate in Anthropology and currently conducting her student teaching at the School, thanked the Board for providing a home for Hawaiian immersion students.

Ms. Debra Gochros, graduate of UH Mānoa and a Kawaikini teacher, spoke of her love for the School and the students. She said that the students see a future for themselves in business, technology and sustainability. They are inspired to continue to college and return to a career on Kaua’i.

Ms. Kaipo Mau-Esperito, a sophomore at Kawaikini, said that the students do project-based learning, often going out of the classroom into the field. She thanked the Board for supporting the School, and spoke of her love for the School and the ohana it has created for the students.
Continuing with his report, President McClain noted the following:

- He has issued a standing invitation to President-elect Barack Obama to come and address the University community.

- A Sustainability Matters website has been created, highlighting the University’s efforts, such as the E-waste disposal, sustainable Saunders Hall, and other initiatives. Sustainability Matters is accessible from the front page of the UH website at www.hawaii.edu.

- Discussions to extend a UH Mānoa partnership with HECO to reduce energy usage to the entire UH System (excluding Kaua‘i, but including MECO and HELCO) are underway.

- The Women’s Campus Club held its 100th anniversary on October 28, with an exceptional keynote speech by National Academy of Sciences member and UH Mānoa Professor David Karl.

- The Rubber Slipper Tours included a well-attended tour of JABSOM. The next tour will be at the West Hawai‘i campus in late November.

- The President read into the minutes the following statement developed in June 2006 in consultation with the Council of Chancellors describing the role of the University System and its relationship to the campuses:

  The University of Hawai‘i System provides primary leadership in setting and communicating the statewide objectives and agenda for public higher education in Hawai‘i, to include new initiatives to address underserved populations and geographic areas. It establishes a coherent and cohesive framework for the missions of the campuses and sets expectations of educational excellence and integrity throughout the system.

  The System develops policies on matters of systemwide concerns in a consultative manner, promulgates them and monitors their effectiveness.

  The president (and where appropriate the vice president for community colleges) gives full responsibility and authority to the chancellors for campus operations and to implement and administer delegated system policies without his/her interference. The president holds chancellors accountable for the operation of the campuses and for delegated compliance.

  The System clearly delineates the operational responsibilities and functions of the system from those of the campuses and consistently adheres to this delineation in practice.

  The System provides fair distribution of resources to address statewide objectives and support effective operations. The System controls its own expenditures.

  The System acts as the liaison between the campuses and the governing board. The System also has primary responsibility for establishing the legislative agenda for public higher education and for relations with the
congressional delegation. The System, in collaboration with the University of Hawai‘i Foundation, leads and coordinates advancement efforts involving the campuses, including development of public support, alumni affairs and fundraising. The System and the campuses employ effective means of communication and exchange information in a timely manner.

The System regularly evaluates the delineation of roles, governance, decision-making structures and processes to assure their integrity and effectiveness in helping to meet educational goals. The System widely communicates the results of these evaluations and uses them as the basis for improvement.

- A 20 percent reduction in General funds, which involves a reduction of approximately $30.6 million, is now a greater possibility. The University submitted scenarios based on 10, 15, and 20 percent reductions.
- UHM Chancellor Virginia Hinshaw spent two weeks in Beijing and in Bali to represent the University of Beijing Forum and to represent the President on the East-West Center Board.
- UHH Chancellor Rose Tseng accompanied Governor Lingle for meetings in Taiwan.
- The City Council passed zoning changes that benefitted UH West O‘ahu’s Kapolei campus development.
- The President announced, again, the retirement of Vice President for Administration Sam Callejo and expressed his appreciation for Vice President Callejo’s services.
- President McClain commented that in March 2006 there were three goals that led him and Mrs. McClain to extend their service to the University: recruiting an effective chancellor for the Mānoa campus, a goal which was achieved with the appointment of Virginia Hinshaw; conducting a festive 18-month celebration of the centennial of the University’s founding, which has been accomplished; and reaching the centennial campaign goal of $250 million, which is imminent. [Secretary’s Note: see Report by UH Foundation, below.]
- JABSOM Dean Jerris Hedges indicated that things are going smoothly with UCERA. He will provide an update to the Board in early 2009.
- The President and Mrs. McClain will be moving out of College Hill in spring 2009 to allow repairs to be made prior to the installation of a new president. These repairs include addressing structural issues in the porte cochere, the lanai and the cottage; stabilizing the integrity of the building envelope (roofing and windows); and repairing or refinishing some floors and cabinetry.
V. REPORT OF THE UNIVERSITY OF HAWAI'I FOUNDATION

Foundation President Donna Vuchinich provided an update on the centennial campaign goal to reach $250 million by June 30, 2009:

- $26 million dollars has been received for the Community Colleges.
- $426,000 was raised for UH West O'ahu.
- $10.8 million has been raised for UH Hilo towards a $15 million goal.
- $184 million has been raised for UH Mānoa.

As of November 18, 2008, the Foundation reached 99.9 percent of its goal, raising $249.7 million.

Vice Chair Karr asked if there have been any reduction in distributions due to the financial crisis. Ms. Vuchinich responded that distributions from about 80 accounts out of 850 have been suspended. The Foundation portfolio was down about 9 percent at the end of September 2008, and the Foundation’s investment committee has been monitoring this closely and diligently, taking a long-term approach.

Regent Rasmussen asked why the expenses for development personnel increased by almost one million dollars. Ms. Vuchinich replied that approval to hire staff was given some time ago, but physical space to house this staff was lacking until now. There was a surge in hiring in one quarter.

Regent Lagareta expressed her appreciation to the Foundation and President and Mrs. McClain for their efforts in reaching the $250 million goal.

VI. ITEMS FOR BOARD ACTION

Approval to Amend BOR Policy, Chapter 6, to Establish a Professional Fee at the College of Engineering, UH Mānoa

College of Engineering Dean Peter Crouch requested that Chapter 6 of the BOR Policies be amended to include a professional fee to be charged to engineering students. This fee will create a dependable source of funds to upgrade the engineering labs and equipment.

Fees for lab support is a common practice among UH's peer institutions, and the fee being proposed is in line with these peer institutions. A survey of students and alumni indicate support for and general acceptance of lab fees.
Dean Crouch indicated that lab fees would be included in a report to the College's accrediting association. He also indicated that the College will work with students and faculty to ensure that the fees are spent in an equitable manner.

Regent Migita asked if other professional schools at UH require lab fees. Vice President Linda Johnsrud explained that dental hygiene, nursing, architecture, and business administration all charge fees.

Regent Migita asked whether nonresidents should be charged a higher fee. Vice President Johnsrud responded that fees are specific to a program and to the needs of the lab, and as a general rule do not differentiate between resident or nonresident. President McClain explained that lab fees are user fees imposed on students who use a specific set of equipment or facilities. These users obtain the same benefit, so they should all pay the same amount. The President commented that the place to differentiate between the resident from nonresident is tuition which pays for education in general.

Regent Hirota encouraged further discussion of additional fees, and commented that the requested fee for UH is about one-third of the fees charged by his alma mater.

Regent Baxa indicated his support of this fee.

Regent Rasmussen encouraged the College to involve the students in how the fees will be used. Dean Crouch responded that their accreditation process has a mechanism for feedback from the students.

Regent Tajiri asked why the proposed increase fee is fixed and not automatically adjusted over time. President McClain explained that in 2006, there was discussion about an indexed fee, but for clarity, it was decided to establish a fixed dollar cost. The Administration will explore indexing fees.

In response to Regent Haynes’ question why fees are not assessed against freshmen, Dean Couch said that generally the first year of an engineering major does not include lab courses.

Upon motion by Regent Hirota and second by Regent Lagareta, the establishment of a professional fee for engineering students was unanimously approved.

Approval of CIP and R&M Contracts for FY 2008-2009

Associate Vice President Brian Minaai requested approval for two construction project contracts totaling $26.7 million: a $22 million contract for the C-MORE project of the Biomedical Sciences Building on the Mānoa campus; and a $4.7 million contract for electrical infrastructure upgrades at Maui Community College.

In response to Vice Chair Karr’s question about a master plan for Maui Community College, it was explained that the campus has a Long Range Development
Plan which has been updated within the last ten years. This proposed electrical infrastructure contract will replace obsolete or undersized cabling and transformers.

Upon motion by Regent Tajiri and second by Regent Haynes, the contracts were unanimously approved.

Approval of Structure of GEAR-UP Tuition Assistance Trust and Delegation of Implementing Authority

Chair Landon recused himself from this item.

Vice President Linda Johnsrud requested approval of the general structure of the GEAR-UP tuition assistance trust and the delegation of authority to the President to sign and implement the trust. This request is modeled after a decision by the Board in March, 2005 to establish the original scholarship trust of $4.2 million.

To date, $1.3 million in scholarships have been awarded to students. Student participation begins in the sixth grade. The trust ensures that scholarships are available when they enroll in college.

In September 2005 the University received a second federal grant which is enabling GEAR-UP to implement a second tuition assistance program. Vice President Johnsrud explained that these new funds cannot be added to the original trust due to changes in the conditions for awards. A new trust for these new funds must be established.

In response to Regent Rasmussen’s question on trust administration, it was explained that the original trust was administered by Bank of Hawai‘i. An administrator for this new trust has not yet been chosen. Proposals will be solicited through the procurement process service-ordered to RCUH.

Upon motion by Regent de la Peña and second by Regent Haynes, the structure of the second GEAR-UP trust and delegation of implementing authority to the President were unanimously approved.

Chair Landon returned to the meeting.

EXECUTIVE SESSION

At 11:05 a.m., upon motion by Regent Bender and second by Regent de la Peña, it was unanimously approved to move into executive session, pursuant to HRS §92-5(a)(2)(3)(4), followed by a lunch recess.

The public session resumed at 1:50 p.m.
VI. ITEMS FOR BOARD ACTION (continued)

Approval of Exception to Grant Emeritus Title for Dr. Wai-Fah Chen

UH Mānoa Vice Chancellor Gary Ostrander requested approval of an exception to grant emeritus title to former College of Engineering Dean Wai-Fah Chen. Emeritus researcher titles require a minimum of five years as a researcher. Although Dr. Chen was not technically classified as a researcher by the UH personnel system while he was the Dean of the College, during his eight and a half years at the University, Dr. Chen was an active scholar and researcher, having published 340 papers, about 81 books, and edited another 22 books.

Regent Migita noted that Dr. Chen thus met the intent and spirit of the requirements for emeritus status because he was actively engaged in research during his seven years as Dean.

Upon motion by Regent de la Peña and second by Regent Migita, the emeritus title for Dr. Wai-Fah Chen was unanimously approved.

Approval of Request to Enter into a Contract with Townsend Hawai'i, LLC

This item was deferred.

Approval to Reappoint Barry Taniguchi and Ron Terry to the Mauna Kea Management Board

UH Hilo Chancellor Rose Tseng requested the reappointments of Barry Taniguchi and Ron Terry to the Mauna Kea Management Board, effective January 1, 2009.

Chancellor Tseng noted that in June 2000, the Board of Regents approved the Mauna Kea master plan, which established the Mauna Kea Management Board. This 7-member board advises the Chancellor on matters relating to the lands leased to the University on Mauna Kea.

Chancellor Tseng explained that the Mauna Kea Management Board is facing several critical issues, including the preparation of a comprehensive management plan. Chancellor Tseng said that it is essential that the Management Board retain members who have an institutional knowledge and thorough understanding of the issues. Barry Taniguchi has been on the board from the onset, and is a very respected community member. Dr. Ron Terry is a UH Hilo graduate and an environmental community expert.

Upon motion by Regent Migita and second by Regent Carlson, the reappointments of Barry Taniguchi and Ron Terry were unanimously approved.
Approval of Amendment to the U.S. – China Center Lease

Regents Migita and Hirota recused themselves from this item.

Chancellor Rose Tseng requested amending the U.S. – China Center lease to allow redesign of building structure, site plan, and individual units. The Chancellor also requested clarification of the extent of the University’s right of approval, and authorization to the President to finalize and execute other lease amendments and implement the agreements.

Chair Landon remarked that the Board received an update on the cost issues and the financial environment for this project. The sense of the Board is to continue to move forward, and the flexibility permitted by the proposed amendment is the best way to allow the project to proceed.

Upon motion by Regent de la Peña and second by Regent Carlson, the amendment was unanimously approved.

Report on the Status of the Presidential Selection

Chair Landon updated the Board on the status of the presidential search and selection process.

At the previous Board meeting, a UH Advisory Presidential Selection Committee of 12 members including 3 Regents was established. The Committee held its first meeting on November 13, 2008, in an open public meeting. It is the goal of the Committee to conduct all future meetings as openly as possible. The public is welcomed to participate, observe, and testify.

The Committee’s charge is to determine the qualifications for the next President and to devise the best process to conduct a search and selection. This process may include selecting a consulting firm to identify and recruit potential candidates. The Committee is chaired by former regent and distinguished alum Donna Tanoue.

There are two subcommittees: one to determine credentials, chaired by John Morton, and composed of Mike Chun, David Karl, Jay Shidler, and Shanah Trevenna; and a BOR Task Group to identify and evaluate potential consulting firms, composed of Regents Haynes, Lagareta, and Migita.

Regent Lagareta reported that a list of 14 potential consulting firms was pared down to 5 after lengthy phone interviews with all 14. The 5 were requested to submit written proposals by December 3rd, 2008. The Task Group will review the proposals to narrow the field to three firms, then invite these three firms to Hawai’i in December for an interview with the entire Committee. The Advisory Committee will submit a report to the Regents.

Chair Landon indicated that the Regents wish to engage a consulting firm as soon as possible to begin organizing the search process and to start identifying and recruiting presidential candidates.
Chair Landon commented that he has received several requests to appoint individuals on the Advisory Committee who represent certain constituencies, and he acknowledged the public testimony given earlier. He has taken the approach that the Committee members do not represent specific constituencies; rather, each Committee member is asked to represent and see to the best interests of the University system as a whole. The membership on the Committee is a cross-section with a broad degree of diversity and includes a student, faculty members, a former union president, and members from Neighbor Islands, business, donors, alumni, and Regents. Chair Landon reiterated that he may appoint additional members should that become helpful to the Committee.

The Regents purposefully concluded that the Committee would operate as much as possible in the sunshine, so the Committee will post its meetings, agenda items, and published minutes. Open meetings will provide ample opportunity for anyone who feels that they should represent a constituency or point of view to participate in the process. A person unable to participate in a meeting may also contact any member of the Advisory Committee—all of whom have been publicly identified—and share his/her views with the Committee member. This would be a second way to have input into the process.

President McClain indicated that the Administration can assist with transportation-related expenses to allow a member of entities such as the ACCFSC, Pūko’a Council, and Student Caucus, to attend meetings of the Committee.

Chair Landon will invite the chair of the Committee to update the Board on its progress at the next Board meeting. He remarked that the Committee is working very well together and has a very good sense of purpose and enthusiasm.

VII. APPROVAL OF APPOINTMENTS, CHANGES IN APPOINTMENTS, LEAVES OF ABSENCE, PROMOTION, TENURE, WAIVER OF MINIMUM QUALIFICATIONS, EMERITUS TITLES, SHORTENING OF PROBATIONARY PERIOD, SALARY ADJUSTMENTS, POSITION ACTIONS, CLASSIFICATION, PRICING
[ATTACHMENTS B1, B2]

With respect to the consent agenda for personnel actions, President McClain recommended approval of the appointment of Dr. Michele Carbone as the interim director of the Cancer Research Center of Hawai‘i; noted the earlier approval of emeritus researcher title to Dr. Wai-Fah Chen; and requested approval to award professor emeritus title to Bill Chen of UH Hilo.

Upon motion by Regent Lagareta and second by Regent Migita, the appointment and awards of emeritus status titles were unanimously approved.

VIII. ANNOUNCEMENTS

Chair Landon announced that the next meeting of the Board will be on January 9, 2009, at the University of Hawai‘i at Mānoa. He indicated that there may be a need for a meeting before then.
EXECUTIVE SESSION

At 2:15 p.m., upon motion by Vice Chair Karr, second by Regent de la Peña, and unanimous approval, the Board returned to executive session, pursuant to HRS §92-5(a)(3)(4)(5). Executive session concluded at 3:45 p.m., and the Board returned to public session.

IX. ADJOURNMENT

The meeting was adjourned at 3:46 p.m.

Respectfully Submitted,

Presley W. Pang, Esq.
Interim Executive Administrator and Secretary of the Board