

MINUTES

BOARD OF REGENTS' MEETING

JANUARY 23, 2014

I. CALL TO ORDER

Chair John C. Holzman called the meeting to order at 9:06 a.m. on Thursday, January 23, 2014, at Kaua'i Community College, Office of Continuing Education & Training, Room 106 &D, 3-1901 Kamuali'i Highway, Līhu'e, Hawaii 96766.

Quorum (14): Chair John C. Holzman; Vice Chair, James H.Q. Lee; Vice Chair, Saedene K. Ota; Jeffrey Acido; Gene Bal; Carl A. Carlson; John Dean; Chuck Gee; Ben Kudo; Barry Mizuno; Randy Moore; Jeffrey Portnoy; Tom Shigemoto; and Jan Sullivan.

Attended later: Coralie Chun Matayoshi

Others in Attendance: Interim President, David Lassner, PhD; Interim Executive Vice President for Academic Affairs, Joanne Itano, PhD; Vice President for Community Colleges, John Morton, PhD; Vice President for Legal Affairs and University General Counsel, Darolyn H. Lendio, Esq.; Vice President for Budget and Finance/Chief Financial Officer, Howard Todo; Vice President for Research, Vassilis Syrmos, PhD; Interim Vice President for Information Technology and Chief Information Officer, Steven Smith, PhD; Associate Vice President for External Affairs and University Relations, Lynne Waters; UH Mānoa Chancellor, Thomas Apple, PhD; UH Hilo Chancellor, Donald Straney, PhD; UH Maui Chancellor, Clyde Sakamoto, EdD; UH West O'ahu Chancellor, Manuel Cabral; Kaua'i Community College Chancellor, Helen Cox, PhD; Honolulu Community College Chancellor, Erika Lacro; Hawai'i Community College Chancellor Norene Yamane, MEd; Executive Administrator and Secretary of the Board of Regents, Cynthia Quinn; and others as noted.

At this time, Chair Holzman welcomed new Regent, Jeffrey Portnoy. Chair Holzman also welcomed new Board office staff members Melissa Matsuura, Interim Executive Assistant, and Sara Young, Planning & Operations Specialist.

II. APPROVAL OF MINUTES NOVEMBER 21, 2013 MEETING

Chair Holzman noted that the approval of the minutes was being deferred until the February 20, 2014 Board meeting to allow the Board more time to review the minutes.

III. PUBLIC COMMENT PERIOD

Executive Administrator and Secretary of the Board of Regents, Cynthia Quinn announced that no persons signed up to present oral testimony.

Executive Administrator and Secretary of the Board of Regents, Cynthia Quinn announced that the committee received the following:

1. Doorae Shin, submitted written testimony in support of a system-wide sustainability policy and emailed notice of intent to testify along with Cali Reed, Marcos Alarcon and Zhenya Delate who were arriving at 10:00 a.m. and requested they be provided time to testify when they arrive.

Chair Holzman asked the members of the Board if there were any objections to the students being allowed to present their testimony when they arrived. There were no objections.

Executive Administrator and Secretary of the Board of Regents, Cynthia Quinn announced that the committee received the following written testimony in support of a system-wide sustainability policy that will be distributed to the Board:

2. Susannah Welch
3. Nick Chagnon
4. Gabriel Sachter-Smith
5. Albie Miles
6. Timothy Botkin
7. Janet Gillmar
8. Antonia Agbannawag
9. Kelley Tagarino
10. Dhaita Zhergi, who submitted her own testimony and also emailed testimony from 41 individuals and 23 students from Mid-Pacific Institute
11. Robert Peel
12. Cali Reed

IV. REPORT OF THE PRESIDENT

President Lassner began his report thanking Chancellor Cox and her team for hosting the Board meeting today. He noted that Chancellor Freitas was not present today. He stated that they had met after the Intercollegiate Athletics Meeting where the idea of a Division II athletics program at UH West O'ahu had been discussed. After creating the financial and business plan, Chancellor Freitas decided it was best to shelve the project for now because it did not "pencil out" and this item will not be moving forward in the near term. President Lassner also noted that Chancellor Freitas was being honored by the National Football League and the Hawai'i Tourism Authority as one of the "Hawaii NFL Greats" and he was on duty this week promoting the Pro Bowl and related activities

President Lassner said that in December, Chancellor Sakamoto and UH Foundation had been actively working with Pūlama Lāna'i, the organization established by Larry Ellison after his purchase of most of Lāna'i to advance his vision for sustainability on the island. There was a full day workshop with a team from Pūlama Lāna'i, which is headed

by Kurt Matsumoto and a team of UH research and scholars to look at all the areas of sustainability, including energy, water, health care, economic development and workforce development. Pūlama Lāna'i shared their vision and the UH team shared their capabilities around the System. The group is looking forward to developing ideas together, including possibly establishing a Sustainability Institute that would be located on Lāna'i, which would help Mr. Ellison realize his vision of Lāna'i becoming a model sustainable island.

President Lassner announced that two new buildings have opened since the last Board meeting. The first building is the Hawaiian Language Building at UH Hilo. Regent Carlson was on hand to offer the remarks and greetings on behalf of the Board of Regents, along with Governor Abercrombie and other public figures. President Lassner hoped the Board would get a chance to see the building at their March Board meeting and noted it was a fabulous building and reflects the mission of the University of Hawai'i. The second building is the new IT Center at UH Mānoa was dedicated and people are getting ready to move into the building. Both projects are great steps forward for UH.

On another note, President Lassner said that former Regent Momi Cazimero reached out to him a few months ago regarding rejuvenating the Legacy Path initiative that was created almost a decade ago. This was an opportunity for people to buy bricks on the Legacy Path located right across the street from the Law School. At the time, there was a vision for a statue to be there, and people would be able to buy bricks closer to the statue at a premium price. He said the Legacy Path initiative has been resurrected thanks to former Regent Cazimero who is very passionate about this initiative. Janet Bullard from UH Foundation is spearheading the effort and as of now the fund has been dedicated to beautification of the UH Mānoa campus.

Chair Holzman asked about the cost of the bricks near the statue. President Lassner explained that there will a seal instead of statue because fire trucks need to have access to that location; bricks near the seal are \$900 and entry level bricks are \$300.

President Lassner then provided highlights of the work of the Administration. First, responses to the budget provisos are expected to be completed this week. Second, regarding the conditions on the supplemental budget that the Board had adopted, work is ongoing for an execution plan for capital improvements and repairs and maintenance, including substantial discussions in multiple forums, including this Board meeting. Third, bond ratings presentation is underway with VP Todo working with bond issuance and issuers and counsel to make a presentation at a future board meeting. Lastly, regarding improving financial reports for the Board, he has assembled an internal working group that reviewed a preliminary set of reports developed from the new financial system. There is a meeting scheduled for next week to look at the second version of those reports with a plan to bring the reports to the next Budget & Finance Committee meeting in February. Good progress has been made and this information is being pulled directly out of Kualii and reconciles budget to actual by expenditure authority, which is something they have never been able to do before.

President Lassner also reported on two other activities that they are beginning to work on, and will work closely with the Board on: 1) review tuition as part of the current five year tuition schedule agreement, and 2) work on the biennium budget policy paper, despite not knowing the results of the supplemental budget request to the Legislature. He said by this fall the Board should be positioned to approve a biennium budget request that gets transmitted to the Governor and the Legislature at the end of this calendar year. The administration is having discussions on what that might look like and they look forward to bringing that to the Board.

Chair Holzman indicated he had asked Regent Moore to lead a task group that would interact with the Administration as it conducts the tuition review, with the point not being to do the Administration's work but rather to see the assumptions being put into the paper, discuss those and provide guidance. The task force consists of Randy Moore, Chair; Sadene Ota; and Regent Shigemoto. Chair Holzman added that he was also looking at bringing in someone from outside the Board. President Lassner answered that the Administration looks forward to working with the task group and the opportunity for alignment between Administration and the Board.

Regent Gee asked President Lassner to clarify what he meant by the review of the budgetary process. President Lassner responded that the Board policy on budget requires a biennium budget policy paper, which then becomes the basis for the biennium budget request. He noted that the Board has requested the Administration view the budget holistically, and not just focused on the State budget requests; that said, the State asks for the request in a very specific format. Thus, Administration will need to craft a biennium budget policy paper that is responsive to the Board's expectations in terms of being a holistic approach to the financing of the University while also providing the guidance needed for the portion of the budget that goes through the State processes as well—it will be different than previous biennium budget policy papers.

Regent Gee commented that the Academic Affairs Committee had long sought that kind of holistic tie in with academic programs, rationalizing what they do by way of graduation with respect to budgets.

Chair Holzman asked President Lassner on the status of one proviso that related to budget reallocation. President Lassner responded that this proviso is in draft, and thanked Regent Kudo for his suggestion that they seek guidance from the author of the proviso. The author was very agreeable that a qualitative approach was more appropriate than a formulaic approach at this time.

Chair Holzman also asked about the status of the question of a reserve policy. He understood that it is a challenge to determine what reserve policy is appropriate by each unit, and asked what should the Board could expect, whether regular reporting, or a part of the internal working group on financial reports, or something separate. President Lassner responded it was separate activity being led by VP Todo. VP Todo added that

the reserve policy also affects the biennium budget policy paper. Chair Holzman suggested Administration provide regular progress reports to the Budget & Finance Committee to help keep the Board in touch with this issue because he anticipates it will be a long process.

President Lassner then announced that Kimo Yamasaki from UH West O'ahu is the recipient of the President's Award for Buildings & Grounds Maintenance. He added that he started working with Kimo when he was doing emergency messaging in the absence of a VP for Administration, and Kimo was the UH West O'ahu contact.

Regent Gee requested a report from President Lassner about his recent trip to the White House. President Lassner reported that he was invited to the White House for an invitation summit on improving access to higher education for low income students. There was a private dinner of about 80 college and university presidents with U.S. Education Secretary Duncan, Senior Advisor to the President Valerie Jarrett, the Director of the Domestic Policy Council to the White House Cecilia Muñoz, the Director of the National Economic Council Gene Sperling, who wanted to hear what colleges and universities are doing and they could do better to support us. It was a frank discussion with good ideas shared in both directions. The next day was a full day event filled with panels discussing good and best practices. Later in the morning, President and Mrs. Obama came in and spoke. They were introduced by a young man who couldn't read at the age of 14 and was earning money tap dancing on the streets of New Orleans, and is now a sophomore at Bard College. Michelle Obama spoke and was extremely passionate about this topic as she grew up in a lower middle class area in Chicago and ending up at Princeton, which she attributed to her brother being recruited to play basketball there or she would never have considered a place like Princeton. President Obama shared his theme that in the absence of his ability to move Congress on much of anything, he said he had a pen and telephone, which means he can do things by Executive Order and he intends to do so. President Lassner felt that some of the things in the Department of Education could probably be done by Executive Order. President Obama also said having a telephone means he could convene groups like the summit, which President Lassner found very impressive. The price of admission to the Summit was a set of commitments which he will share with the Board. Even though he was a late invitee, President Lassner assembled a holistic team on one day's notice consisting of Chancellor Apple, Chancellor Straney, VP Morton, IEVP Itano and Joanne Taira from Academic Affairs and the System level and Karen Lee from P-20, and they assembled a very nice piece of work based on Achieving the Dream, Complete College America, and Access to Success. People came up and complimented President Lassner on their 15 to Finish program that is being adopted in other states. President Lassner did not feel UH was behind on this, they can do better and there are new ideas out there that can be adopted. The ideas depend on how they work with the high schools to identify students and get them ready. In his opinion, as a state, Hawai'i is ahead of the game. There are institutions doing a lot, but there are not many states that are ahead of us, but there are some with great practices into which the University should look.

Chair Holzman suggested that President Lassner share the package of his experiences with the task group reviewing tuition because it is relevant information.

Report of the Host Campus

Chancellor Cox welcomed the Regents, President Lassner, and everyone to the Kaua'i Community College (Kaua'i CC) campus. She noted it was her sixth year as Chancellor with the last five years focused on building on the work of her predecessors and working with her amazing team at Kaua'i CC. She said that the building blocks have put Kauai CC in the position where they can move more rapidly and nimbly to meet the needs of the community, and are now at the tipping point. She explained that the building blocks are initiatives such as the ASNS degree recently approved by the Board that allows them to offer associate of science degrees; and new partnerships with businesses in the community to enhance the educational experience. She presented the big picture for two concepts, and then turned it over to faculty and students who demonstrated their work at Kaua'i CC.

Chancellor Cox explained that the two concepts for Kauai CC are relevance and leveraging System resources. In terms of relevance, Kauai CC focuses on the community needs - what programs are needed; are the programs serving the community; what do students need in order to lead productive lives in the community; are students getting livable wage jobs on Kauai or preparing to successfully move on a future somewhere else; are we engaging students in their education in meaningful ways by connecting them to the community. In terms of leveraging the System, Kaua'i CC is the community college that needs the system more than any other units for two reasons: (1) Kaua'i CC is the only higher education institution on Kaua'i, which is not true of the other main islands; and (2) they are the smallest, and therefore needs the assistance from the System to serve their students adequately. She added that they focus on how best to use the strength of the System so students get where they need to go, no matter where that may be. To demonstrate the work in these areas, she introduced two faculty members Mr. Eric Knutzen, Executive Director of Ho'ouluwehi Sustainable Living Institute, and Dr. Georgeanne Friend, Head of the Electronic Technology Program at Kaua'i CC, both of whom brought students to present their work in applied research in these areas.

Mr. Knutzen presented a new certificate program offered in the fall semester called the CEE WEALF (Culture, Economics, Environment, Water/Waste, Energy, Affordable Living & Food) that uses the CEE WEALF model of training and education to help move from an unsustainable world to reach a more Mālama 'Āina (nurture the land which feeds use) goal; he showed a video about sustainability featuring industry leaders on Kaua'i; and shared good news about Kaua'i CC and Ho'ouluwehi receiving the American College & University Presidents' Climate Commitment 2013 National Climate Leadership Award.

Mr. Knutzen then introduced Jin-Wah Lau, a student at Kaua'i CC who presented her poster on "Shoreline Variation Analysis of Kekaha Beach" that won the Best Poster

Presentation at the Marine Option Symposium on Maui in April 2013, and used in presentations to Mayor Carvalho's office, the Kaua'i County Council, and the Planning Commission.

Dr. Friend then shared three developments regarding their program: First, most of their classes are full or nearly full, indicating an increase in students pursuing technology degrees and utilizing this program as a STEM pathway that will lead to good jobs for students in the future. Second, the forecast on workforce needs on Kaua'i to 2020 shows a shortage of baccalaureate engineers and computer technology degrees on Kaua'i, presenting future career opportunities for local students; to respond to the anticipated shortage, the program is planned to become a pre-engineering degree program. At present an AS degree is offered, that articulates to Maui College for a Bachelor of Science in Engineering Technology, and this pre-engineering degree will articulate to UH Mānoa College of Engineering. Third, in connection with the Daniel K. Inouye Technology Center that houses the ground station for the Hawai'i Space Flight Lab from Mānoa and funded by NASA and NSA, Kaua'i CC's role continues to grow and when Mānoa launches the biggest rocket ever launched by a university this fall carrying 13 cube satellites, Kaua'i CC will be the ground station for that event and students will run the ground station.

Dr. Friend then introduced Dominique Boeder, a second year Electronics Technology student who talked about her experience as a 2013 Space Grant Trainee working on Collection of UV Data and Comparison to Total Solar Irradiance with the Hawai'i Space Flight Lab. Miss Boeder said this semester Kaua'i CC is proposing designing and developing their own cube satellite to be included as payload on the rocket being launched this fall and she will be working on System and Mechanical Engineering of the Cube Satellite. The payload will also include a UV spectrometer or a neutron detector.

Chancellor Cox closed the presentation extending her appreciation of her students and the opportunity to lead as Chancellor for six years.

Chair Holzman thanked Chancellor Cox for the presentations and for hosting the Board meeting at the Kaua'i CC campus. He also noted the connection of the college's sustainability focus and STEM initiatives to the overall priorities of the Board and the University and how great it is to see so many students benefitting from it.

V. REPORT OF THE UNIVERSITY OF HAWAI'I FOUNDATION

University of Hawai'i Foundation (UHF) President Donna Vuchinich started by saying she would provide the Legacy Pathway Brochure to everyone and noted the lowest price brick was only \$250 and that it was a great way to memorialize and celebrate an individual's relationship with the University. President Vuchinich then provided a report on the status of the UHF. She said the investment from the private sector continues to grow. She reviewed the UHF financials through the end of 2013 and also provided the financials for the beginning of 2014. The numbers were lower in November, but that

accounts for a large multi-million dollar gift they received last December. She said they are making good progress and have a strong pipeline. She asked everyone to mark two dates on their calendars: on February 18, there will be a special event for President's Club members at the new IT Center; and April 15, UHF in partnership with Sea Grant and Gordon Grau, will present the annual Pauley Lecture on Sustainability featuring former Vice President Al Gore.

Chair Holzman asked President Vuchinich to explain the status of the 'Ahahui Koa Ānuenuē (AKA) Memorandum of Understanding with UHF and UH Mānoa. President Vuchinich responded they are targeting March for completion and said that employees will not be transitioning off until the Intercollegiate Athletics Committee approves that transition at their February meeting. She indicated UHF is happy to work with AKA's volunteer leadership and the new staff member that is coming in February to ensure everything is transitioned appropriately. UHF's major gift team is working with Athletic Director Ben Jay on major solicitations.

Regent Gee commented that when he looked over the budget sheets for the Athletic Department it is very evident how important the work of UHF is. He said if not for the funds generated by the UHF, and Chancellor Apple's forgiveness of preexisting debt, the Athletics Department would not be able to operate at all. He noted how vital the \$10M to \$11M in funds were to the athletics programs, and asked President Vuchinich to explain what is happening with fundraising efforts. President Vuchinich responded that the volunteer group AKA works on selling premium tickets and seating that raises significant assets. UHF provides major gift services, estate planning services and annual giving services to UH Mānoa and UH Hilo athletic departments. She indicated they have been ramping up those efforts and want to do more. UHF is very excited about the T.C. Ching Field completion and occupying of that building and completion of that pledge. She said UHF has specifically been working with Ben Jay and UHF's major gift team to create a very significant strategic plan around facilities and private investment opportunities in those facilities. Ben Jay and Greg Willems will be making solicitations visits over the next few months. All of this is in addition to the regular annual giving that is done through all the booster groups who work with AKA. She said everyone is coordinating their efforts to move in the same direction. UHF knows the importance of intercollegiate athletics for the students and the community, and they also understand the competitive league UH is in and are excited about the Big West and the competition and good performance our teams are having. She noted it does take private investment and that will be critical going forward for UH to stay competitive and remain in the divisions UH is currently in. She also said UHF is recruiting a new major gift director since Calvin Soji is retiring.

Athletics Director Ben Jay reiterated that over the next few months he and Greg Willems will be soliciting donations from big donors, which is not something that UH needs to improve. They are taking the strategic plan/game plan with them and citing the needs of the athletics department on both the financial and facilities sides so the teams can compete not only out on the field and the court, but also in our ability to recruit. He said at the present time they are juggling the financial situation and he met

with his staff recently to discuss how to go forward. They are pushing hard on the revenue side with games remaining in both men's basketball and volleyball and he thinks they will have a baseball subscription renewal, but football put them into a large hole so more work needs to be done. He indicated they will be working very closely with AKA when John Kobayashi comes in as the new President and continue working with UHF.

Regent Gee was wondering about the magnitude of gifts and expressed concern that \$10M was not nearly enough, and asked what the size of endowments was in other universities such as Ohio State. Jay responded the range was hundreds of millions of dollars and it depended on the size of the university; in athletics fundraising and gifts and endowments alone Ohio State raises \$35M per year. He noted that UH at present is just trying to fund its annual budget and shore up the short term, while looking at the intermediate term, and then long term of what to do with the department. He cautioned that all funding cannot come from fundraising; it will have to come from many sources. He said one of the most telling statistics he saw when he arrived here was when you talk about life time giving to athletics there were only 3 gifts over \$500K, with one of those being the Clarence T.C. Ching gift. He said life time giving is an area they need to build because they don't have the big dollars and they have to go after them with every bit of energy they have.

Regent Lee asked how much of the \$11M shown on the UHF books is from the sale of premium seats, and Jay responded probably \$5 or \$6M. Jay added that they are working towards the collaborative MOU with AKA, with AKA looking forward to expanding their ability to fundraise and do entrepreneurial events. Even with five months left in the fiscal year, they are trying to get the MOU done and plan at least one event to raise revenue. He indicated they had set some lofty revenue goals this year to match their \$30M operating budget, and are falling short on the football revenue. He explained that even if they were having stellar seasons in men's and women's basketball, men's volleyball and baseball, it still falls short from matching what football revenue drives for UH; football still generates more than all of those sports combined. He said their emphasis right now is to get football healthy and competitive because successful seasons of football are what is going to sell tickets and raise funds.

Regent Gee added that he only raised the question about magnitude because not too long ago this university had a terrible time raising \$5M or \$6M and now \$61M is the goal and doable. Jay responded that the UHF team has done an incredible effort to raise this much as this is not an easy community in which to fundraise.

Chair Holzman said the Board would do everything they can to get the MOU approved once they get the paperwork and Jay responded that they are working on it.

Chair Holzman added that he was encouraged there was going to be new cooperation between UHF, the Athletic Department and AKA, and encouraged Jay to see if they could make something happen because obviously that needs to be done at this point. Jay concurred and said that he appreciated the support.

Executive Administrator and Secretary of the Board of Regents, Cynthia Quinn notified Chair Holzman that student testifiers had arrived. Chair Holzman stated that they will be allowed to testify at the time when the sustainability action item is taken up in the agenda.

VI. REPORT ON GIFTS, GRANTS, AND CONTRACTS

VP Syrmos said he distributed copies of the first annual report for extramural awards for last fiscal year with a comparison to previous fiscal years. He said the reports contain a lot of data, with charts, that hopefully provide useful information for the Board. In conjunction with these enhanced reports, the Research website is being revamped accordingly. He summarized that the extramural awards for the first six months of the year totaled \$241M, which was down 4% from \$252M last year. This decrease is nevertheless higher than the first quarter which was down 7.2%. He reported extramural awards for November totaled \$30M, up from \$15M last year. December figures were also down, but he hoped that the figures will improve as the government is back open for the next half of the fiscal year. He indicated an omnibus budget bill was recently signed that provides budgets for every funding agency. He also informed the Board that pursuant to a request by the Board, there is now a report that shows expenditures for the first six months. He noted that while the expenditures were higher for the first six months of this year in comparison to last year, the indirect cost recovery was also higher for last fiscal year. This report can be found on the VP for Research website. He noted the research awards for the first six months are actually \$20M more than last year, and research awards have a higher overhead rate. He said their indirect cost recovery is strong, but he was concerned that training grants were low for the first half of the year.

Regent Gee referred to the two charts provided as of October 31 and noted that the one on the revenue side seems to be a trend line that shrinks by about 3% to 4%, while the expense line is increasing by that amount. He asked if there was any way to lower the variable cost in terms of funded research. VP Syrmos responded that the variable cost for their operations is for research administration and decreasing the cost of that is an item has been discussed but a decision has yet to be made. The decrease would be looking at expenditures, but they are going up and will continue to go up and then start leveling off sometime this next fiscal year.

Regent Gee asked who controlled the expenditures and VP Syrmos responded the principal investigator controls the expenditures.

VII. COMMITTEE REPORTS

b. Report from the Committee on Budget and Finance

Regent Sullivan reported that the committee did not meet over the last month and as President Lassner reported, the Administration has been working to address the

conditions the committee had attached to the budget so they appreciate that. The committee will be meeting in February and hope to propose policy revisions to the budget policy to incorporate ATG's recommendations. The committee also plans to update some of the budget policies, that will be worked on with Administration and the committee looks forward to reviewing the new draft financial statement format.

Chair Holzman asked Regent Sullivan on her thoughts about how the committee would work with the Administration on the biennium budget paper. Regent Sullivan responded that she has found some good models used by other universities that involve a committee in the process and that it is worth having an informal discussion about that. President Lassner added that they would invite Interim EVP Itano who is working with VP Todo on the Administration side.

Regent Sullivan said the investment task force of the committee also met and is going to report on that meeting. Chair Holzman confirmed that there was an item on the agenda for that report.

c. Report from the Committee on Planning & Facilities

Regent Mizuno reported that the committee met twice since the last Board meeting. The committee has been focusing on the deferred maintenance plan and Chapter 10 of Board Policy regarding land development. The committee approved a capital improvement program and is recommending approval of a maintenance contract, that is later in the agenda. He said that the committee did not have time to review the CIP Project status and deferred it to February. Regarding the deferred maintenance plan, he said the Administration has been very busy reengineering the process involving all the major campuses and community colleges, a process that is being led by the Business Council. The planning is expected to be complete by the end of March. He noted that the committee will be asking for the agenda item on policy 10-1, 10-2 and 10-3 to be referred back to the committee because there is more work to be done on those. Lastly, he mentioned the last item the committee is recommending approval of is the \$5.5M CIP for campus security at UH Hilo.

Chair Holzman added that later on there will be a report to the full Board on deferred maintenance.

a. Report from the Committee on Academic Affairs

Regent Gee reported that the committee met on January 9. The committee heard testimony regarding the internal reorganization of the UH Cancer Center (UHCC). After testimony was taken, Chair Holzman issued a statement that was signed by Chancellor Apple, Interim President Lassner, Director Carbone and others, regarding leadership reorganization at the UHCC. Dr. Pat Blanchette will join UHCC as the Interim Associate Director for Administration and Chief Operating Officer, and Dr. Virginia Henshaw will serve as an Senior Advisor. Dr. Carbone remains as the director who reports to Interim VP Brian Taylor.

Regent Gee said the committee will be recommending approval of a request from Kapi'olani CC (KCC) for a new certificate in dental assisting. There is a job market demand for certified dental assistants, professional community support and expressed interest from students, particularly at the military bases. KCC has indicated they can support the program using existing resources and internal allocation.

Regent Gee said the committee also discussed possible issues of replication of programs in connection with a review of a report on major academic actions from July 1, 2012 to June 30, 2013. While all programs undergo a comprehensive review every five years, the community colleges do a mini review every year. The committee had discussions about programs that appeared to be replications and found that many of these programs are designed to address different scopes and levels of study (e.g., the different curriculum between a B.S. and B.A., A.S. and an A.A. and A.A.S.). Some programs are variations or reorientations of existing programs to be more responsive to changes in community or current job market needs. The committee also discussed the termination of programs. He noted the process begins with a program review and recommendations for either improvement or termination. The president must approve all terminations, which is something the Board may change, with a proviso that remaining students must be allowed to complete a program before it is terminated. Finally, there is a system-wide review, including streamlining pathways to a career through academic maps, and there is a grant for the community colleges to build such maps. The most recent system-wide plans for performance measures are current to 2015, and review is underway for the next five year period 2015 to 2020 outcomes and other types of indicators.

Regent Gee said the committee also discussed self-supporting programs, which is an issue the Legislature recently raised regarding the school of pharmacy. As a matter of public policy, the University does not ask students to pay for the full cost of their education; however, there was a consensus among the committee that the vast majority of the students would not be able to afford it, and an educated workforce would best serve our unique island state interests. Therefore, any movement to make programs fully supportive needs to undergo a more thorough review at the committee level and then be discussed at the full Board level.

Regent Gee reported that the committee discussed the emeritus awards that are up for approval before the full Board.

Chair Holzman added that yesterday the Planning & Facilities Committee was also looking at the issue of the reality of having self supporting schools at UH from the perspective of affording the cost of construction for the college of pharmacy.

Regent Gee said there are many models to consider but there is a concern among committee members that there may also be unintended consequences if they move to hastily. If other professional programs follow suit and allowed to keep their tuition funds for supporting building and other kinds of needs, then there would be a consequence of

15% of those revenues not going to scholarships. Our public policy of affordable education would not be served well.

e. Report from the Committee on Student Affairs

Regent Acido reported the committee met on January 9 to discuss several initiatives and issues. One of the main concerns from last year was offering a standard care system-wide for students in terms of mental and physical health services. Interim Associate Vice President for Students Jan Javinar led the study and survey to determine the most basic on-campus service that can be provided on a System-wide level. Some campuses are on a referral basis only. Students with mental or physical issues are unlikely to go. He added that the least that should be done is to offer the most basic on-campus services.

Regent Acido said for several meetings now the committee also discussed policy changes and approaches to the sustainability. He noted that students are proposing policy changes on the agenda for Board approval.

Regent Acido added that in light of President Lassner's visit to Washington, D.C., the committee tasked IAVP Javinar to study recruitment and retention, affordability and access to the University as a whole. Regent Acido said that he thinks the University has done an amazing job, and undertook some amazing initiatives in recruiting and retaining some of our students. He said the other universities have been following UH in terms of recruitment and retention, which is very exciting.

Regent Acido ended by saying the reports on the physical and mental health services and access and affordability are expected in the next several months.

Regent Ota said that there had been brief discussions about for campus safety, especially at Mānoa, and she was wondering if a discussion about campus safety was going to happen within the Student Affairs Committee. Regent Ota said this was prompted by a discussion with Patricia Wistinghausen, the Campus Public Safety Manager for Kaua'i CC, who mentioned the campus security program they started that got the word out to students about things they could do.

Regent Acido responded that no student has brought it up yet, but he is hoping that since Regent Ota brought it up the committee can take on that issue.

President Lassner safety has been raised as a concern recently, as a letter from the Commission on the State of Women was received, Senator Tokuda brought it up at the Ways and Means and Finance hearing, and President Obama has made this a priority as well in the last week. President Lassner said it was on their radar for Administration, and Chancellor Apple is working at the Mānoa campus and some of the questions have been broader than just one campus as well, so it is definitely a high priority now.

Chair Holzman added that he had a meeting last week with Cathy Betts, the

Executive Director of the Hawaii State Commission on the State of Women and Amy Monk who is one of the commissioners, and they were very, very concerned about violence against women on the UH campuses so it would be very good if the Student Affairs Committee could take a look at that issue. He said they definitely focused on Mānoa and that it was an issue that is out there and is getting some attention. Chair Holzman added that he was informed there is a Title IX audit of Mānoa going on right now and in particular the Commission is proposing that the results go directly to the Legislature.

Chancellor Apple indicated they were made aware of the audit last spring, a task group was put together complete the audit, and the materials were sent in over the summer. He said the audit was done by the Office of Civil Rights and the Department of Education on Title IX, and that Jenn Rose was the lead for this, who is an expert on Title IX and VAWA. The report has been in for 8 to 9 months and Jenn Rose is keeping in touch with our contact at USDOE. They are still digesting our data. He said they have also had a series of 15 to 20 meetings with people around campus trying to make sure the policies are in good shape, and in compliance with VAWA and Title IX requirements. He also added that Jenn Rose has run about 35 education programs in the last year so that all of the faculty and administration are aware of their responsibilities when they become aware of an incident.

Regent Acido said he has a good relationship with Jenn Rose. When he teaches evening classes he often has the whole class walk together because it is late at night. He is very aware of the safety concerns and will put it on the next Student Affairs Committee meeting agenda.

f. Report from the Committee on Community Colleges

Regent Ota reported that the committee met January 22 on the beautiful Kaua'i CC campus. She indicated there were two agenda items coming up for approval. She said VP Morton had led a working group comprised of the seven chancellors, the Faculty Senate Chair, and a Student Government leader on updating the 2015 strategic plan. The working group is focusing on the following topic areas in order to improve student success—student success in broad terms meaning transfer or graduation—educational effectiveness, Hawaiian and other underserved population success, a seamless system, distance education, workforce and economic development, resources, stewardship and sustainable infrastructure. She said VP Morton gave the committee an overview of the work being done and presented various types of data the working group is looking at in order to establish the goals for 2015, basically honing in on where we are now and where we would like to be. She added that VP Morton will be coming back to the Board in the fall to present the full strategic plan.

At 10:35 a.m., Chair Holzman welcomed Regent Matayoshi to the meeting and indicated the Personnel Affairs Committee report would be taken up at the end of the committee reports agenda item.

g. Report from the Committee on Intercollegiate Athletics

Regent Kudo reported that the committee has been monitoring the ongoing negotiations between the UH Foundation and the Athletics Department, and the finalization of the MOU. He said they were trying to schedule a meeting in February at a time when the MOU will be ready for the committee to review and vet. He noted no date has been set yet as they are trying to coordinate schedules.

h. Report from the Committee on Independent Audit

Regent Lee reported the committee met in December to consider various audit reports and since these items are on the agenda for action he would discuss them at that time.

d. Report from the Committee on Personnel Affairs

Regent Matayoshi reported the committee met on January 9 and is working on revamping all the housing policies including the executive policies and will bring them to the Board in March. She said the focus of University housing is on recruitment, and there are tenants who are staying longer than they should. She said the committee had a presentation on executive/managerial salaries which will be given to the Board in March. The committee had commissioned a salary survey and some of the findings were interesting. Instead of hiring at the median rate, the study suggested hiring between the minimum and control point. About 50% of executive/managerial positions are being hired above the control point. She said it was also suggested that more distinction be creating among executive/managerial positions by recruitment market to ensure an appropriate balance between the higher education market and the local market because they were looking at things like the local market for government executive salaries. She said they were told to highlight the rich benefits package and make sure people are aware of it and looking at the entire benefits package and not just salary.

Regent Gee added that the committee convened again this morning to finish up approving salary requests for four positions, the new Vice President for Administration, the Associate Vice President for Procurement and Property Management, a Director of the Office of Technology Transfer and Economic Development, and the Associate Dean for the College of Engineering. He said these positions will be discussed in executive session later this afternoon.

i. Report from the Committee on Presidential Selection

Regent Carlson reported that the committee continues to do its work and it has been an exhausting and extensive outreach program with over 30 outreach meetings, including 2 yesterday on Kaua'i. He said during the outreach program the committee met on various campuses, and met with a lot of groups including community boards, economic development boards, neighborhood boards, faculty, and faculty senate. He

indicated the committee sat and listened during these outreach programs, there had been good dialogue and as a result the committee had compiled over 300 pages of notes. He said some of the things people are saying is the new president must have great leadership skills; be a visionary; have a relationship with UH, a UH grad would be nice; someone who perhaps is either local or has been here a while or has great local knowledge; knows how to navigate the system in Hawai'i because we are all about relationships and the president needs to know how to do business here and needs to understand business from that standpoint because of the size of the University; recognizes that the University is a System and appreciate the power of that system and how it works and also recognizes the importance of the community colleges to the System; needs to be able to get along with people and be likeable, which is an important aspect because if the person is likeable they can navigate the System; and someone who can cooperate and collaborate, and recognize all the various elements of the University that make the institution work including students, faculty, and staff. He extended his thanks to the committee and its dedicated members.

Regent Carlson said the committee has been very active and one of the objectives of the committee was to retain a search firm to assist the committee with its work. He said that in listening to the people during the outreach meetings and in discussions amongst the committee itself, there is some question as to whether they want to actually go through with retaining a search firm at this point. He noted there has been an emphasis in committee discussions on perhaps seeking a local candidate and there possibly being some urgency to do that. He said that if the committee were to go that direction, they are not convinced they want to spend the public monies on retaining a search firm. He added that at this point the committee does not have a recommendation to come back to the Board in terms of a candidate, but it being their charge to nominate someone they will continue to do their work. He extended his appreciation to the committee for the efforts they have put in; people have worked hard and will continue to work hard to get the job done and foster the University in the good work it does. He said the matter will be discussed again later today and he is happy to answer any questions.

Regent Gee asked Regent Carlson to elaborate on the diversions of thought between the community and the campus on whether the president should be an academic or not. Regent Carl responded that there had be discussion about a truly, nontraditional candidate; however, at the faculty and campus level, the role of an academician is certainly pretty powerful and there is an emphasis to that extent. He said that with other groups that has not been emphasized as much.

Chair Holzman said he had a slightly different take on the feelings of the academic community which was that it wasn't so much an absolute requirement for another academic or researcher, but rather a concern about bringing in a person who did not understand the customs, mores, ways of doing business on a campus and there might be someone completely apart from that. He noted that clearly they would prefer an academic, but it seemed to be more of a concern about someone who had no appreciation for the way business is done in the University.

Regent Carlson added that the committee is very diverse and they have had an opportunity to have discussions on all aspects of this. He said that what is coming out is committee work and it is interesting to listen to some of the committee members because when they hear something from another member or the outreach program they often times say they didn't really understand that. He said that all of this has led to a very enlightened process for the committee, not just in terms of gathering information, but in terms of understanding the University and our community better. He is hopeful that one of the things that comes from the committee is after the work is completed that the University in some way, whether it's Regents or some committee, will continue to get out in the community and conduct this sort of outreach program to talk about what the University does, but mainly to listen to what people have to say about the University and its mission.

Chair Holzman asked if there was going to be a meeting on Friday, and Regent Carlson responded yes, as part of the agenda they have invited Dr. Lassner to come and talk to the committee about its work and also to hear about the University.

Regent Sullivan acknowledged Regent Carlson for his leadership and direction on this committee. She said it had been a slow, painful process, but she feels the community outreach meetings have been extremely important and informative, and a really good part of the process. She added that everyone has learned a lot, it has not been quick, but it was the right thing to do.

Chair Holzman endorsed what Regent Sullivan said about Regent Carlson's leadership. He noted Regent Sullivan's and Regent's Carlson's point about the outreach, and said that in his participation as an ex-officio member, he feels he is better informed now than he was before.

There being no further questions, the Board took a break at 10:51 a.m. and reconvened at 11:06 a.m.

VIII. ITEMS FOR DISCUSSION/BOARD ACTION

Board of Regents

1. Approval of Revisions to Board of Regents' Policy, Chapter 10-1 and 10-3 related to development of land and physical facilities

Chair Holzman announced that this agenda item was being deferred in order for the Planning and Facilities Committee to further review the matter.

2. Approval of Revisions to Board of Regents' Policy, Chapter 4-1 relating to sustainability

Chair Holzman invited VP Morton to report on this agenda item. VP Morton reported

that two years ago where sustainability was discussed at a System retreat, and one of the outcomes was that they found there was a rich set of grass root resources available among the 10 campuses—the work by Mr. Knutzen and Kaua'i CC is an example—and it became a task of how to capture and frame the UH role on sustainability. He said there was a conference held last spring with a couple hundred people that Aurora Winslade and Dhaita Zhergi organized, and the outcome was there was no notion of any formal Board Policy adopted that included a comprehensive statement of how UH approaches sustainability. He said the students were very engaged on this issue and wanted their university to be committed to sustainability, so they started working on how to translate the work of the conference into an actual policy statement. He said that policy is in front of the Board today and it is not only modifying the University's mission to include a comprehensive System-wide view of sustainability and all the work that needs to be done to make that real, to turn it into metrics, reporting, an implemented through Executive Policy. He said this policy has his recommendation that it be adopted. He then invited students to share their views on sustainability.

Cali Reed, a UH Mānoa student studying political science and minoring in environmental studies, testified as a representative of various student organizations on the UH Mānoa campus to show their strong, undivided support of the proposed System-wide sustainability policy.

Doerae Shin, testified in support of the proposed sustainability policy as a representative of the UH Mānoa Sustainability Council and a student organizer with the Statewide Student Sustainability Coalition of Hawai'i, which is a diverse group of about 100 students from all campuses and multiple disciplines who are very passionate about sustainability.

Marcos Alarcon, a Kapi'olani CC student in the travel and tourism program, who testified in support of the proposed sustainability policy that pulls from Hawai'i's unique heritage and value system.

Zhenya Delate, a second year student in UH Maui College's Sustainable Science Management program and active member of the Student Sustainability Coalition of Hawai'i, who came from Hāna to testify in support the implementation and roll out of the proposed sustainability policy.

Michael Estes, a Kaua'i CC student who joined the Kaua'i CC Sustainability Club after being inspired to care about sustainability through the leadership of Chancellor Cox and the passion of Mr. Knutzen and Ho'ouluwehi Institute, testified in support of the proposed sustainability policy by emphasizing that in terms of sustainability, wherever the Board of Regents goes, the System will go and so will higher education in the islands.

Regent Matayoshi commented that as head of the Red Cross, whose job is to worry about global warming and climate change, she wanted to applaud the students, and feels so inspired by them and their leadership in wanting the Board of Regents to do the

right thing, and made a motion to approve the proposed sustainability policy. Regent Shigemoto seconded the motion.

Regent Moore thanked the students for coming, and said the Board had discussed this matter thoroughly in the Student Affairs Committee, and the Board is extremely supportive of the proposed policy. He cautioned that adopting a policy does not in and of itself mean anything, action is required. He again thanked the students and VP Morton for leading the charge, and it is time for the Board to pick this up, and do something with it.

VP Morton said he wanted to acknowledge Regent Acido's efforts with this matter.

Regent Acido thanked the students and said it had been a year since the conference at UH West O'ahu, which was led by UH students at a System-wide level who have been able to pull in tremendous community support from BYU, HPU, Chaminade, and experts from the UC system and East Coast schools. The conference was an amazing student-led initiative, backed by VP Morton, which gave UH students a chance to lead by example.

Regent Sullivan commented that she thinks the last page of the policy was inadvertently not transmitted to the Board, so she had Sara Young transmit it to everyone so they could see it and be sure they knew the policy they were voting on in its entirety.

Chair Holzman thanked Regent Sullivan for the procedural comment. VP Morton asked for clarification which piece was not transmitted, and Regent Sullivan said it was the last part with the subsections.

Regent Gee thanked the students for testifying today and the students who gave eloquent testimony at the Student Affairs Committee. He said that if the Board adopts the policy, he feels it needs a little more wordsmithing. He felt if the University really wanted to make a difference, it needs to emphasize certain areas: UH could be a leader in island ecosystems; they could emphasize our unique Polynesian culture and the fact that there is a diversity of Asian cultures represented in Hawai'i; and emphasize that UH has virtually every single field except veterinary medicine represented at the University. He noted that environmental studies is essentially an interdisciplinary field of work so if this policy is crafted, those areas need to be emphasized that are truly unique to Hawai'i and where Hawai'i can make a difference to the rest of the world.

VP Morton commented that Regent Gee just echoed what they heard from participants at last year's conference and as this sets the University's broad policy, it also directs the President to work with the campuses on doing exactly what Regent Gee was talking about.

VP Morton told Regent Moore that Michael Estes probably said it best, that the Board is going to set the tone if they adopt this policy, it is not sufficient but it is a necessary step and they hope the Board will be able to do that. He said the students have worked on this for a year on their own initiative and he thinks they will keep that effort going as will the faculty, staff, and others within the University.

Regent Portnoy said he echoed all the comments about the philosophy of this policy and the work the students have put in. He said it was very manini, but he had trouble really understanding section 4-1.c. because some of the language doesn't make sense to him. He knows it probably went through a thousand revisions with hundreds of people trying to wordsmanship this, but he prefers mission statements to be clear and direct and he thinks this section could use a little more work at some point. He gave the example of "The University will be a global leader and model the integration of sustainability" and indicated that he didn't really know what that means. He also referenced the last sentence that talks about the relationship of family, culture, community, justice and then the word "work" is in there. He stated he was happy with the policy as written, but thinks it could be more direct and clearer.

Regent Gee added that he found those same things.

Chair Holzman commented that he did not think the Board wanted to send this back, but wanted to approve the policy today and could be scrubbed as suggested. He also added that in reading the last paragraph (6) it seems to be where the beginning action begins, however the initial action starts where it says that "The President is responsible for doing thorough review of the University and unit missions as needed, at least every ten years" so maybe this could be considered year one, and the Board would expect a review from the president that takes into account the comments made by Regent Gee about coming with an action plan that focuses on the unique things that Hawai'i can do.

VP Morton responded that (5) and (6) were not part of the sustainability policy. Chair Holzman said it was part of was going to be done as a University. VP Morton clarified that was existing language for the mission statement of the University. Chair Holzman responded we need to establish what the president will do now. VP Morton directed everyone to the beginning of (4)(a) where the presidential sustainability policy is, which has the details getting hammered out. Chair Holzman said there was not any really clear tie to when the details will be hammered out and as a Board they need to be clear that this is something that goes in writing.

Regent Sullivan referred to the last paragraph of section (4) says "The President is delegated authority to develop specific processes that carry out the intent of the Board policy. The President or his/her designee shall report to the Board annually on progress in carrying out the University's commitment to sustainability." She said she thought this was good language.

Chair Holzman asked if everyone was satisfied and comfortable and Regent Gee suggested the policy be adopted in principle and remand it to Administration to fine tune

the wording.

President Lassner invited any Board members who have concerns about the language to email him and he will work with VP Morton and Regent Acido to make sure what gets published will reflect everyone's comments.

Chair Holzman asked if everyone is comfortable with the action required and the fact that the President will come back with the statement to the Board. Regent Gee asked to amend Regent Matayoshi's motion to make the policy be adopted in principle rather than adopted as is.

Chair Holzman suggested that the policy be adopted and the policy be proofread. Regent Sullivan suggested that if the policy is adopted, then the President is delegated the authority to gather comments and modify the policy, so instead of it being done in principle, the Board actually acts on its. Chair Holzman indicated that would be fine with him and asked if everyone was comfortable with that.

Regent Gee then made a motion that the policy be adopted, subject to modifications by the President and the motion carried by unanimous vote.

VP Morton announced that the next sustainability conference is being held March 13 to 15, 2014, at Windward CC, and invited all Regents to attend.

3. Approval of By-Laws for the Committee on Community Colleges

Regent Ota noted the updated rules and responsibilities of the Committee on Community Colleges were in front of everyone. She added that it was probably more of an overhaul of the document which VP Morton and Regent Kudo worked on and has been approved by the committee. She hopes everyone read it carefully because the committee worked very hard on it and was looking for a motion to approve the new by-laws. She made a point that this was not reflective of the work that was going on with the Administration and community colleges, they are doing a wonderful job, this is more representative of what is already being done at the strategic level and the committee by-laws are catching up to them.

Regent Dean moved to approve, seconded by Regent Carlson. The motion carried by unanimous vote.

4. Report by the Board regarding Board of Regents' Policy on Investments

Regent Dean reported that he, Regent Moore, and VP Todo met with UBS, and he asked David Morimoto, the Treasurer for Central Pacific Bank, to join them. Regent Dean said that Mr. Morimoto runs CPB's investment book, which is about \$1.8B, so Mr. Morimoto is well versed in different products but also in terms of restoration risk and other risk in a portfolio. He said that he and Regent Moore talked this morning and both

agree they need to go backwards before going forward, so they gave it back to President Lassner and VP Todo to do further work on all the investment policies and they will all be getting together on Monday. He shared his thoughts that you cannot expect high yields from the foundation without risk, and he thinks that is where we are right now when we look at the goals. He thinks it is the Board's responsibility to decide how much risk we want to take. He noted that we are in a difficult market today for the foundation and one might say there is risk in putting a large percentage of portfolio in equities. If you look at the alternative, which is pure debt, to get anything close to a yield that we want we would have to go out on the interest rate curve and the interest rate yield curve is still flat. He added that they will meet on Monday, and asked everyone to be patient as they go backward and look at the investment policies.

VP Todo thanked Regent Dean and Regent Moore and said that Mr. Morimoto had been very helpful and knowledgeable. He reiterated that they will all get together on Monday and gather their thoughts so they can make a presentation to the Budget & Finance Committee sometime in February. Regent Dean added that he would also like Mr. Morimoto to present to the committee at that February meeting as well.

Chair Holzman thanked Regent Dean, Regent Moore and VP Todo and said they look forward to the report in February.

University of Hawai'i System

5. Approval of System reorganization to provide for a Vice President of Administration

President Lassner said this reorganization plan came to the Board through the Personnel Committee, and is the mechanism by which they reestablish the Vice President for Administration, as recommended by the advisory task group. He said this follows the UH processes, and involved consultation with unions. He said, in general, there was strong support for the proposal, a couple of concerns came up and as a result they will probably strengthen some of their outreach, in particular the student caucus, but the reporting lines remain unchanged. He added that the plan is budget and position neutral, as it essentially takes vacant executive and secretarial positions and reassigns them to this particular priority. He said this plan is also neutral in terms of the number of Vice Presidents, but one of the losses is there is not a VP with Student Affairs in its title, and students were concerned about that. He said they do have an Associate VP for Student Affairs, and this reorganization plan puts that position into Academic Affairs. He indicated that personally he feels that is the right place for the position, and that is how they responded to the students, noting that Academic Affairs is the lead on things like tuition, transfer and articulation. He also assured students that they would be inviting that lead chief student affairs officer to meetings of other groups as appropriate so they can be sure they don't disconnect from student concerns. He added that the student affairs office is staffed with 4 people, so it does not require a separate VP. He added that since the committee reviewed this, they noticed there are places in Board policy where names of VPs appear, so they have added into this action

memo some amendments to the language in Board policy to eliminate VP positions that no longer exist.

Regent Dean makes a motion to approve, seconded by Regent Moore.

Regent Gee suggested that sustainability be put under this new VP position to ensure it has a home and takes an active role.

Regent Sullivan said she supported this change, but had a question being driven by the real property management part, which the Board has been struggling with in terms of the deferred maintenance issue. She thinks everyone here would agree it is extremely important to have the right person in this position, and asked whether there was going to be an open search for this position, and how they intended to proceed.

President Lassner responded that there are two vacant positions that become available should this reorganization pass. The first position to recruit for would be the VP for Administration, which will be an open, local search. He said he did not anticipate putting out ads nationally but everything on the internet is essentially global. He would then invite the new VP to fill the vacation Associate VP position. Regent Sullivan thanked President Lassner for clarifying his intent.

There being a motion on the floor and seconded, the Chair put the motion to a vote and the motion unanimously carried.

6. Approval of Capital Improvements Program and Repairs and Maintenance Project Contracts for Fiscal Year 2013-2014

VP Todo noted this contract for renovation of the UH Hilo Campus Security Center was brought before the Planning & Facilities Committee and as Chair Mizuno mentioned it is being brought to the Board for approval.

Regent Carlson made a motion to approve, seconded by Regent Mizuno. The motion carried by unanimous vote.

7. Acceptance of the University of Hawai'i Audited Consolidated Financial Statements for the Years Ended June 30, 2013

VP Todo said that there are several audit reports on today's agenda, all of which were reviewed and accepted by the Internal Audit Committee in December. He thanked Accuity and Cory Kubota for their cooperation on this because this audit report was issued in December, which was an optimistic goal given the fact that this was the first report done under the Kualii Financial System. He added that they were one of the first, and had beaten the State which set goals to get their financials out in December and may not get them out until later this month. He said they did meet their goal of getting this out in December and it was thanks to the team effort. He noted it takes a village and he is proud of everyone including Accuity, the Internal Audit office, and the

Financial Management office, for getting this done on time.

Regent Lee reported that the Internal Audit Committee did meet and reviewed the UH consolidated financial statements for the year ended June 30, 2013 with Cory Kubota of Accuity and Accuity issued a clean, unmodified opinion. As VP Todo stated, the issuance of the report on time validated the successful implementation of the Kualii Financial System. He said the committee voted to recommend that the Board accept the unmodified financial audit for UH for the year ended June 30, 2013.

Regent Sullivan made a motion to approve, seconded by Regent Dean. The motion is carried by unanimous vote.

Chair Holzman said since Cory Kubota was present, he suggested that for efficiency the Board take up Item 10 and Item 11 and then come back to deferred maintenance item later.

University of Hawai'i at Mānoa

10. Acceptance of the University of Hawai'i at Mānoa Intercollegiate Athletics Financial Statements and Agreed-Upon Procedures Report for the Year Ended June 30, 2013

VP Todo said that Mānoa athletics has an annual financial audit as well as agreed upon procedures report. He said the financial audit reflects that the athletics department is doing pretty well considering that Chancellor Apple decided to forgive a significant amount of deficit. He noted that the annual agreed upon procedures report is something that is done to comply with NCAA requirements. He added that Accuity also provided some management letter comments to which the athletics department responded to with a corrective action report.

Regent Lee reported that the Internal Audit Committee reviewed all three reports for the UH Intercollegiate Athletics Department for the year ended June 30, 2013 with Cory Kubota of Accuity. He said there were two issues noted in the business issues report: (1) the lack of procedures to reconcile complimentary versus unsold tickets in the Paciolian ticket system and the potential for abuse since only two people operated the system; and (2) the athletics deficit. He said the report stated that the financial condition of the athletics department is of great concern to the department's administration and that the department continues to require financial support from the University to assist and monitor its fiscal position. Regent Lee said that Athletics Director Ben Jay provided the Athletics Department's response to the items in the report, and the committee had the opportunity to question Director Jay with respect to the responses provided. In terms of tickets, Director Jay said that more people will be trained on the Paciolian ticket system. In terms of the deficit, the Athletics Department fully realizes the seriousness of the problem and is working to eliminate the annual deficits. He added that the deficit coming up for this year is expected to be \$1M, the original projection was \$250K, but poor attendance and ticket sales resulted in a higher

amount. He said that Chancellor Apple and Director Jay stated that the Athletics Department had been restricted to an annual deficit of no more than \$1M in three years, and planned to eliminate the annual deficit in year 4. Regent Lee said the committee voted to recommend the Board accept the audit report, internal control and business issues report, and the agreed upon procedures report for the UH Mānoa Intercollegiate Athletics Department for the year ended June 30, 2013.

Regent Gee commented that one of the areas of concern he had was irregularity with the sports camps. He noted that in the report it says the problem has been resolved, and that revenue from the camps is fully accounted for properly.

Mr. Kubota responded that Accuity does consider that comment to be resolved for Mānoa. He said the athletics department made some significant changes to processes, and designated a specific individual to handle cash management functions related to the collection of camp fees, and revenues as well as revising the budgeting process to determine what are camp expenditures and how much in terms of compensation is being paid to the coaches. Accuity considered this matter addressed.

Regent Matayoshi said the audit also asks the athletics department management to work with the UH Administration to develop and implement a long term financial plan to assure the financial stability of the department. She noted that the athletics department was going to limit the deficit to \$1M in the next year and get rid of the deficit in year 4 and asked if there was a longer term solution or plan for discussion.

Chair Holzman interjected and said it was just six or seven months ago the Board adopted a new policy on athletics and since he chaired the task group he wanted to read it. The policy stated "The athletics department will prepare an annual budget that balances expected revenues and expenses. Should the department end the fiscal year in deficit, meaning the total expenses exceed revenues, including institutional support and student fees, the chancellor will report to the Board of Regents on plans to reconcile the deficit and to account for its cost. The chancellor may eliminate the deficit of the athletics department by providing funds from other sources, as permitted by law, to offset such deficit." Chair Holzman added the policy goes on elsewhere to state should there be a deficit, the athletics director and the chancellor should consider reconfiguring. The policy did not focus on what athletics is trying to do, rather it was talking about year to year, and an exception is now being made to the policy, and everyone should be aware of that.

Director Jay said that the athletics department is in the initial stages a five year revenue plan where they have goals to increase the number of revenues and will watch expenses for the next five years. He said they have targeted within the next three years to get to a point where they can pay for themselves with institutional support they get, the monies they raise through their regular operations, what they raise from fundraising, and also corporate support. He indicated they were looking at a number of variables, and as Chancellor Apple stated before, he feels if they cannot reach their goals in the next few years, they will have to seriously take a look at who we are, what we are doing

and what we are supporting. The possibility of program reduction is one of those options. He noted that currently UH offers 21 sports, and the NCAA minimum is 16, so those are options that are still out there. He added that they are diligent in their efforts to try and turn this around in the next two to three years.

Regent Portnoy commented that at one of the meetings he attended he asked the question about whether the \$10M deficit had either been forgiven or funds had been transferred. Regent Portnoy asked Chancellor Apple and Director Jay that if there was a \$1M deficit in June, what the plan was to make it up. Chancellor Apple responded that the relieving of the athletics debt is very important to understand that those monies were paid out to whoever their creditors were. He said they always balanced their books at Mānoa at the end of the year and that was a paper debt. He said they have other debts on campus but none anywhere near that large, and they have some surpluses as well. He noted it was really a financial move with the certainty that they were never going to see that money again in the near term from athletics. He said that in the future, if they are fortunate enough to get into a major conference and get the television revenues they may see that turn around. He noted that they have a deficit virtually every year except for one year they went to a bowl game. The deficit has always been covered by Mānoa. He said that someone could ask where those funds are from and they are funds that were not spent on something else. He said in the previous year they hit an all-time bottom of \$3.3M, and it is very true that is money that could not be spent on academic or other types of programs. He said they are seeing much better numbers this year, despite football revenues being down. He added that Director Jay has done an outstanding job of looking at expenses and trying to build revenues in other areas such as fundraising. He said he told Director Jay that he was giving him a three year runway because to expect him to come from a \$3.3M deficit to break even in one year was unrealistic. He said they will fund it the same way they have for the past 10 years.

Chair Holzman said he agreed with what Chancellor Apple was saying but felt strongly that Chancellor Apple should also bear in mind the financing of this deficit is occurring while other programs at Mānoa are being seriously cut. He felt that Chancellor Apple shouldn't simply say that they are writing this off, because they are covering it and everyone is being paid. He added that other programs at Mānoa are not getting the funds they should be getting, and could have counted on, so there is a price being paid for this program and it should be very clear in everybody's mind what we are doing.

Chancellor Apple said there are a lot of other things going on at Mānoa in general relative to budget. He said they are putting into place before July 1 methods to reward and incentivize teaching students, graduation students, and building that into the budget. He added that the exact details of that are not done yet, but they are working towards the optimal major goal of having successful students and they are absolutely committed to that.

Chair Holzman recognized that based on what they saw as a task group when they

started this there have been major improvements in the way Director Jay is conceptualizing and running the athletics department and probably could use more time. Nonetheless, the reality is that we are paying for athletics and cutting other programs.

Chancellor Apple responded that there were many programs at the University that do not break even, and athletics is one of those programs.

Regent Portnoy said his only point was that the public perception, rightfully or wrongfully, was that the debt was forgiven and he thinks that was the way it was written up and publicized probably inadvertently. He said he was trying to clarify and that the debt was not forgiven, it was money taken from other sources to pay the debt and he appreciated Chancellor Apple acknowledging that fact.

Chair Holzman noted that the action item before the Board was approval of the three audit reports.

Regent Dean made a motion to approve, seconded by Regent Mizuno. The motion carried by unanimous vote.

University of Hawai'i at Hilo

11. Acceptance of the University of Hawai'i at Hilo Intercollegiate Athletics Agreed-Upon Procedures Report for the Year Ended June 30, 2013 and Related Internal Control and Business Issues Report and Corrective Action Response

VP Todo reported that this report is similar to Mānoa's and is required by the NCAA to be done every three years for compliance purposes. He said that Hilo started this process and because they found it to be useful, they are voluntarily doing this and will continue to do this annually.

Regent Lee said the Internal Audit Committee reviewed the agreed-upon procedures report for UH Hilo and there was one internal control issue noted, relating to a soccer coach being paid for a camp that nobody attended. He said that former Athletic Director Dexter Irvin explained to the committee that the coach had held two camps for which he was not paid. The committee told Director Irvin that this was not acceptable practice and Director Irvin agreed and assured the committee it would not happen again. Regent Lee added that Director Irvin has since left UH Hilo. He said the committee voted to recommend the Board accept the agreed-upon procedures report for UH Hilo Intercollegiate Athletics Department for the year ended June 30, 2013.

Regent Gee moved to approve, seconded by Regent Dean.

Regent Kudo said in fairness to Director Irvin, it should be clear that his departure was not connected in any way with the issue in the report. He said that Director Irvin

left UH Hilo for a better position. Regent Lee responded that Regent Kudo was correct.

Chair Holzman thanked Regent Kudo for the clarification and put forward the motion for a vote and the motion was unanimously approved.

Chair Holzman stated that the Board would be going back to item 8 on the agenda.

University of Hawai'i at Foundation

8. Approval of Naming Opportunity for the Information Technology Building at Mānoa

President Lassner invited Interim VP for Information Technology and Chief Information Officer, Steve Smith, to give some background on this item. VP Smith said he is asking for Board approval so they can go out and seek private funding from donors for naming opportunities in the new IT center. He noted as President Lassner did, this building is a real diamond for UH and next week all of the staff will be moving in. He said that the funds that would be collected for this would go into an endowment that would then be used for System-wide IT programs and services. He added that this is new territory for them because new IT buildings and data centers are fairly rare within higher education, but they felt this was a real opportunity to seize. He then invited the Regents to come and visit the facility because he loves to give tours.

UHF President Donna Vuchinich said they are excited about this opportunity. They have waited a long time for this facility, and it is absolutely superb. She said for UHF this is about sustainability, and being able to have something state-of-the-art that can be maintained long term knowing that they cannot always rely on state and federal funding. She noted that providing naming opportunities will allow UHF to expand and really move forward part of their initiative for that intensive science on which so many of UH's top research areas depend. UHF has benchmarked this facility against peers nationally and based on square footage and location and the information on the naming opportunities before the Board that it does meet comparable opportunities across the country. Upon inquiry by Regent Moore, President Vuchinich highlighted the premier areas they feel will be compelling to potential donors interested in this sort of facility.

Regent Lee asked if there was an opportunity to name the entire building itself. President Vuchinich responded that naming state buildings, such as this building, requires that the individual to be deceased for at least five years. She added that if private funding is used to build a facility then that would allow for private naming; however, spaces within buildings and on campuses is allowed for under the state policies.

Regent Gee asked for an example of what the naming opportunities at the UH Cancer Center netted for the University. President Vuchinich responded that those naming opportunities have netted \$20M so far. She noted that generally it is programs

that are named instead of the building, and that Shidler College of Business is really the program name and not the building it sits in.

Regent Dean asked how much is a program. President Vuchinich answered that there is a naming opportunity for the cancer program under conversation, that could raise about \$20M. Regent Dean said he thinks this is a wonderful thing, and this one is for maintenance, and expressed how important he thinks it is for the sustainability of all future buildings to include that. President Vuchinich added that part of the UH Cancer Center funds do go to maintaining that building.

Regent Gee made a motion to approve, seconded by Regent Dean. The motion carried by unanimous vote.

Chair Holzman suggested that in the interest of trying to manage time, the Board hold on agenda Item 9 on deferred maintenance, and go to Item 12 and Item 13 instead.

University of Hawai'i at Community Colleges – Kapi'olani Community College

12. Approval of New Program: Provisional Certificate of Achievement in Dental Assisting

Regent Gee said the program the Academic Affairs Committee is recommending for approval is a 39 credit program to confer a certificate of achievement in dental assisting at Kapi'olani CC. He noted there is a certificate of completion program at UH Maui College, and this certificate of achievement program will not replicate that. He said there is a demonstrated need in the job market and the resources needed involves redeploying existing faculty for teaching. He noted that the only new resources needed are \$10K for accreditation expenses and \$22K for specialized course software, which will come from internal sources. He added there is a request for a student fee of \$275 to cover the cost of the certificate of achievement program, and that will require Board approval. On behalf of the committee, he recommended this certificate program be approved, seconded by Regent Matayoshi. The motion carried by unanimous vote.

University of Hawai'i Maui College

13. Approval of the University of Hawai'i Maui College Mission, Vision, Core Values and Institutional Learning Outcomes

VP Morton, on behalf of Chancellor Sakamoto, referred back to earlier discussions regarding mission statements needing to be reviewed, and indicated that it usually happens in conjunction with accreditation visits. He said that UH Maui College is having its accreditation visit later this spring, and have been going through the process of reviewing their mission statement, their related vision, institutional outcomes and values, which was done in a very collegial process involving faculty and students. He indicated this document was brought forth to the Community Colleges Committee

yesterday and he asks that the document be adopted by the Board along with Chapter 4.

Regent Ota said Chancellor Sakamoto presented the document to the committee yesterday, and their understanding is there was not much change from the original mission statement, but the language is more concise and they added learning outcomes as well. She said that given UH Maui College is in the Senior WASC accreditation level, it was a good time to go through this exercise. She reiterated it was a process involving the whole school and on behalf of the committee she recommends approval.

Regent Shigemoto moved to approve, seconded by Regent Dean. The motion carried by unanimous vote.

Regent Matayoshi said she had a standing request to have a more holistic approach as it relates to the budget. The Board should see where the trends are, what is going to continue and what is going to be added, all at the same time when the Board is working on the budget. She recognizes that there is a timeline for accreditation purposes, but when the Board is discussing the budget, it should be in the context of strategic plans and visions for each of the campuses.

Chair Holzman clarified that Regent Matayoshi was saying there should be a clear link between the mission statement and the budget, and Regent Matayoshi said that was correct.

VP Morton confirmed that was something the accrediting bodies require the University to do. Regent Matayoshi stated that this information should be transmitted to the Board.

Chair Holzman asked for a vote on the motion, and the motion was unanimously approved.

University of Hawai'i at Mānoa

9. Report on Planning to Address Deferred Maintenance

Chancellor Apple said their plan for tackling deferred maintenance has three parts, two parts relate to people and one part relates to the actual buildings. He noted that in the supplemental budget there were a number of positions that were requested, but they did not want to put those positions into a structure that was not sound. He said that Interim Assistant Vice Chancellor for Physical, Environmental & Long Range Planning, Steve Meder, will be presenting a reorganization that they intend to do. He said that IAVC Meder and VP Todo will also be presenting policy changes on how they approach things. Lastly, Chancellor Apple reminded everyone they had a request for 22 positions at Mānoa added into the new, better structure for facilities maintenance to avoid incurring new deferred maintenance, and these positions will also be involved in aspects that would help UH do better zone management of current facilities. He said

there were also 17 position requests at the System level to help with deferred maintenance. He added that IAVC Meder and his team have done a heroic job of outlining on a chart the different capital renewal and deferred maintenance items. He noted the charts are color coded to indicate capital renewal items, with each color representing a different system. Other colors represent deferred maintenance, and projects that overlap deferred maintenance with capital improvement projects.

IAVC Steve Meder started by linking the discussion to the earlier topic of sustainability. He stated that as the policy moves towards implementation, there is an opportunity to incorporate sustainability through the campus. He noted that this presentation is the same presentation that he made to the Planning & Facilities Committee at its January 8 meeting. IAVC Meder presented the slides that illustrated the timeline of the deferred maintenance, capital renewal, and capital improvement projects, as well as the reengineering of the processes and resource structures to implement the tasks.

Following the presentation, Regent Dean complimented IAVC Meder and his team for their efforts in taking on this tremendous undertaking and said he was hoping to support it.

Regent Gee stated that he does like both the comprehensive and strategic planning process. He then asked what percentage of the \$450M in deferred maintenance was estimated for Mānoa campus, and what percentage is being allowed for contingencies at Mānoa campus, such as unexpected damage to Hamilton Library during the storm a few years ago.

IAVC Meder responded that out of the \$487M that they used as a baseline for deferred maintenance, roughly \$400M is for Mānoa. He referred back to the slide on capital renewal for 2014 to 2024, that shows \$22M in interior finishes, noting that this was not in deferred maintenance, but instead were other types of interior build outs that are germane to certain activities such as research. He noted that the RTRF could actually supply some of the funding that is specific to those research activities, so as they have that amount, he hopes some of it can be shared over time by other sources. He added that fundamentally as they move forward over time they are looking at \$500M worth of deferred maintenance.

Regent Matayoshi asked about the ability for the work to actually be done and what was the Plan B if the Legislature doesn't fund the 22 positions. IAVC Meder responded that they will keep on going. He said there have been a number of discussions about this and part of the Plan B is they will do as much as they can. He added there has been a history where over time the duties and responsibilities of the facilities office has organically grown with less help over a 15 year period.

Chancellor Apple pointed out that they might really have to contract out to change the mode where they fix their own buildings themselves, and what doesn't get done turns into deferred maintenance. He noted while there will be a review on workforce,

without the positions needed they will have to start using outside people to get the work done. IAVC Meder agreed and said they are already looking at performance contracts for the appropriate locations. He added they are looking at all areas where they can make a difference.

Regent Matayoshi said that when there were discussions about going to the Legislature for the revenue bond funding, there were some conditions or questions about the effect of the revenue bond debt service on tuition. When you look at the audit of FY 2013, it looks like our total debt service on revenue bonds is about \$45.2M. She asked if there is already \$45M and we add \$28M for 30 years that is quite a bit, and she is concerned about that.

President Lassner responded that the plan they laid forward was based on the assumptions about the UHPA salary restorations, and the tuition schedule that was already adopted by the Board with no assumptions of changes. He indicated that this was the part of the conversation they needed to have when they talk about the mid-term assessment of the tuition schedule, and hopefully they will have the wisdom of the Legislature's actions at the time the assessment is being made and in understanding the plan to restore facilities.

Regent Kudo thanked all the Regents for their support of this very weighty problem. He said the magnitude and complexity is really exacerbated with the 25 year timeframe. He indicated there are four parts to this:

- (1) Board support - the moratorium was enacted and really detailed measures are being taken to ensure everything is in the best situation possible to get this thing into reality.
- (2) The plan, which IAVC Meder and his team have laid out, for which he thanked them for the work that has gone into plan. He said the work and the plan incorporates not only the physical work but also the human resource part of it in terms of the number of people and the organization and structure. He believes VP Todo and the Business Council group is putting together the policies and procedures and the financial aspect of the plan that is very complex as well because it goes into procurement, planning and other things that will be meshed into this plan. He added that his understanding is this will be unveiled to the Board sometime in March.
- (3) The hearts and minds of the people working the trenches. He noted there are 346 employees at Mānoa, not including community colleges and other 4 year programs that are involved in this. He said one of the challenges they face is that the workload of these employees has increased over the years, they have been basically neglected, and have had to do more with little or the same amount, which means there is a great deal of psychological and emotional buy in that needs to be overcome to get those employees to do the

work required over the next 10 years. He thanked Regent Mizuno and Regent Sullivan on making in-roads into discussions with the workers in the trenches to hear their concerns because those workers are very important to the success of this project. He indicated we are working on it, but we are not there yet. In addition, the complexity is made more difficult by the unions and collective bargaining agreements that we have and these workers are members of, which is something they are striving to deal with as well. He added that he thinks everyone's heart or at least their minds are in the right direction in trying to correct the deferred maintenance problem.

- (4) The biggest question mark right now is what the Legislature will ultimately do, and he didn't think anybody could know that at this point. He said there were all kinds of options and alternatives out there, detours, and off ramps being offered, but we are moving forward. He said he could honestly say that the Legislature wants, realizes and appreciates how important of a problem this is, and how we get from here to there will differ depending on who you talk to; but he feels their hearts and minds are also with us in addressing this issue. He noted that we will be asking everyone for some assistance next month in regards to addressing some of the legislative issues and questions. He added that unveiling this and understanding these types of reports is very important to everyone as we talk with people in the business, academic and social communities as well as the legislators and political leaders about what is being done to address this particular problem, which has greater ramifications to the students, the programs, and everything else that is going on.

Regent Kudo reiterated this was his perspective, that there are four levels -- we have a plan, we are trying to make it work with the people, and we are also trying to work with the Legislature as part of this continuing effort. He asked everyone to be patient and and remain hopeful that we will make it at the end.

President Lassner thanked the Regents and said it had been a long road since starting this topic in October. He also thanked IAVC Meder and his team for their work. He noted that a recent article in the paper mentioned the plan was going to require the relocation of Mānoa classes off campus, but he did not recall that being said to the committee so he asked IAVC Meder for clarification. IAVC Meder responded that he did not say that and it was not even an intention of the plan. He said any off campus relocations would be for non-critical campus functions.

President Lassner asked IAVC Meder if the work described in the reorganization and the revised policies and procedures is work that is being done anyway to improve the operations, and also asked if IAVC Meder would give a status update on the reorganization. IAVC Meder responded that the work was ongoing and the reorganization proposal is going through final changes. He noted that some of the

individual units within Facilities are ahead of others in being able to develop or reinforce existing procedures and some are just getting started. He added that they are looking to get everyone up to speed within the six month timeline, so hopefully by July 1. President Lassner asked if that included the union consultation process. IAVC Meder said yes.

Regent Sullivan thanked Chancellor Apple and IAVC Meder for allowing her and Regent Mizuno the opportunity to meet with and listen to staff. She said it was a very eye opening experience and a good for them to do as they have a better appreciation of just how big a mountain there is to climb. She said they were doing a great job of bringing everyone on board. She noted that everyone has to be moving in the same direction and regardless of what the Regents say or want, it won't happen if everyone doesn't get aligned. She commented that she couldn't help but notice Holmes Hall is slated to be renovated five years from now and how it breaks her heart to see the building. She spent a lot of times at Holmes Hall when she was in Law School and it is an old, dated building. She said when there is talk about making STEM a priority and increasing our research and development, developing entrepreneurship programs and Hawaii Business Roundtable is completely supporting UH moving ahead; to have this dated facility for the next five years is completely contrary to our policies. She has visited other campuses that puts our engineering building to shame. She indicated she was not sure how priority is done, but she wants to put this on the record, and have it considered. She also asked if there was any way to decrease the construction schedule from 24 months to 18 months because that would move the schedule quite a bit. She wasn't sure if the schedule was conservative and whether they needed to look at methods to improve this because a lot of time is being lost. She added that she did not need an answer she was offering comments on things that could be improved.

Regent Portnoy referred to an earlier discussion about what happens if there isn't adequate funding to get the additional staff necessary and Chancellor Apple suggested they might have to go outside the University and then he asked Chancellor Apple where that money would come from. He added that he thinks it would be more expensive to hire people outside and he wasn't sure about that contingency plan as being financially viable. Chancellor Apple responded that clearly there would need to be an expenditure and it would need to be calculated into the plan. He said that doing so would drag out the plan.

Regent Gee suggested that the aspect of preventive maintenance and the training of deans and directors who occupy the building be factored into the plan. He said that sometimes deans and directors are unaware of what to do, and having some simple training on how to anticipate problems might remedy that situation and keep things from becoming an OSHA issue. He added that high humidity and the materials that buildings are built with sometimes cannot withstand the elements.

Chair Holzman thanked Chancellor Apple and IAVC Meder for coming to grips with the problem, and also thanked the Regents who worked in partnership with them. He was optimistic that this will get done one way or another and thanked everyone who

pitched in to help. He expressed his hope that the exterior appearance of our buildings can be improved as well as the interior, even though he knows aesthetics may not be a major concern.

Regent Dean asked if landscaping would be included, and Chair Holzman responded that the trees are beautiful, but the landscaping could use some work.

Chancellor Apple said they have started a campus beautification program, but agreed there were some really bad paint jobs out there and they have a long way to go. He said UH is a tuition-driven university so there is a need to impress prospective students and their parents and hopefully that will lead to increased enrollment. He thanked everyone, and said there had been some profound changes in their thinking. He also said he thought the visits by Regent Sullivan and Regent Mizuno were incredibly powerful to the workers because they knew they were being listened to, and how important this matter was to University leadership.

IAVC Meder said that the interior/exterior quality of the buildings is important, but he also felt that performance of the building is just as important. They don't want the buildings to look good but cost more to run. He said there needed to be visible and metrics-based approach to these decisions. He noted there was a convergence of opportunity and thinking, and the working relationship right now is unprecedented, and is really helping. He feels they are on a threshold, and need to go forward. He added that this is a collective issue and will only be solved collectively.

IX. EXECUTIVE SESSION

Upon motion by Regent Dean, seconded by Regent Lee, the Board unanimously approved convening in executive session, pursuant to HRS §92-5(a)(2)-(4), to discuss personnel matters, consult with attorneys on powers, immunities, and liabilities, consider negotiations concerning acquisition of public property, and discuss authority of persons conducting labor negotiations and conducting negotiations. The Board convened in executive session at 1:12 p.m. Following a motion to come out of executive session by Regent Dean, seconded by Regent Gee, which was unanimously approved, executive session was adjourned at 4:33 p.m.

Chair Holzman said that the Regents discussed the following in Executive Session:

- Discussion of Personnel Actions (Attachments B-1 and B-2)
- Update on Selection of the President for the University of Hawai'i
- Mauna Kea Lease

X. PERSONNEL ACTIONS

[Attachments B-1 (For approval), B-2 (Information only)]

Chair Holzman asked for a motion on the next agenda item on personnel actions on

Attachments B-1 and B-2. Regent Dean so moved. Regent Moore seconded the motion. The motion carried upon unanimous vote.

XI. ANNOUNCEMENTS

Chair Holzman announced that there would be an ABG conference in Orlando in April and Regents who are interested in attending should send him an email and noted they were going to be sending Executive Administrator and Secretary of the Board of Regents, Cynthia Quinn, to the conference because there is a section for professional board staff.

Chair Holzman also announced that March 8 is the potential new date for the retreat, but nothing has been decided yet and the place is yet to be determined.

Chair Holzman announced that the next meeting is scheduled for February 20, 2014 at the University of Hawai'i at Mānoa.

XII. ADJOURNMENT

Having no further business, upon motion by Regent Dean and seconded by Regent Moore, and unanimous vote, the meeting adjourned at 4:36 p.m.

Respectfully Submitted,



Cynthia Quinn
Executive Administrator and
Secretary of the Board of Regents