

AMENDED
NOTICE OF BOARD OF REGENTS MEETING

Board business not completed on this day will be taken up on another day and time announced at the conclusion of the meeting.

Date: Thursday, January 26, 2017

Time: 9:30 a.m.

Place: University of Hawai'i at Mānoa
Information Technology Building
1st Floor Conference Room 105A/B
Honolulu, Hawai'i 96822

AGENDA

I. Call Meeting to Order

- II. Public Comment Period:** All written testimony on agenda items received after posting of this agenda and up to 24 hours in advance of the meeting will be distributed to the board. Late testimony on agenda items will be distributed to the board within 24 hours of receipt. Registration for oral testimony on agenda items will be provided at the meeting location 15 minutes prior to the meeting and closed once the meeting begins. Written testimony may be submitted via US mail, email at bor@hawaii.edu, or facsimile at 956-5156. Oral testimony is limited to three (3) minutes.

III. Report of the President

IV. Committee Reports

- A. Reports from the Committee on Academic and Student Affairs
- B. Report from the Committee on Independent Audit

V. Items for Discussion and/or Approval

- A. For Action
 - 1. Consent Agenda:
 - a) Minutes of the November 17, 2016 Meeting
 - b) Approval of Provisional to Established Programs:
 - (1) Associate in Science in Natural Science, Leeward Community College
 - (2) Associate in Science in Early Childhood Education, University of Hawai'i at Maui College
 - (3) Bachelor of Arts in Second Language Studies, University of Hawai'i at Mānoa
 - c) Approval of Established Programs:
 - (1) Master of Environmental Management, University of Hawai'i at Mānoa
 - (2) Bachelor of Science in Dietetics, University of Hawai'i at Mānoa
 - d) Approval of New Provisional Programs:
 - (1) Associate in Science in Integrated Industrial Technology, Leeward Community College

2. Approval to Post Public Notice to Repeal Hawai'i Administrative Rules Title 20: A) Chapter 16, "Personal Records"; and B) Chapter 24, "University-Owned Faculty Housing Units."
3. Approval to Hold Public Hearing Regarding Amendments to Hawai'i Administrative Rules Title 20, Chapter 10, "Delinquent Financial Obligations."
4. Approval to Hold Public Hearing Regarding The Simultaneous Repeal of Hawai'i Administrative Rules Title 20, Chapter 1, "Rules of Practice and Procedure", And The Adoption of a New Chapter 1, "Rules of Practice and Procedure."
5. Approval to Request Governor's Final Approval of Repeal of Hawai'i Administrative Rules, Title 20, Chapter 3, "University of Hawai'i Patent and Copyright Policy."
6. Appointment of Permitted Interaction Group for Independent Audit Committee
7. Approval of Establishment of the Hawai'i Community Reinvestment Corporation Distinguished Endowed Professorship in Affordable Housing in the Department of Urban and Regional Planning and the University of Hawai'i Economic Research Organization, College of Social Sciences
8. Approval of Resolution honoring Doris Ching, Interim Chancellor, University of Hawai'i, West – O'ahu
9. Approval of Resolution Reaffirming UH commitments to undocumented and all students
- B. For Information/Discussion
 1. Board Education: State Ethics Code and Best Practices by Daniel Gluck, Executive Director, State Ethics Commission
 2. Report on Status of UH Metrics for AY2015 - 2016
 3. Update on Sustainability at the University System
 4. Update on Cancer Center of Hawai'i Business Plan
 5. UH Legislative and Budget Proposals for 2017 Legislative Session

VI. Executive Session (closed to the public):

- A. Personnel: (*To discuss the following personnel matters pursuant to HRS §92-5(a)(2)*)
 1. Update on Executive Searches
- B. Private Donations: (*To consider matters relating to the solicitation and acceptance of private donations pursuant to HRS §92-5(a)(7)*)
 1. Discuss naming opportunity

VII. Announcements

- A. Next Meeting: February 23, 2017 at Honolulu Community College

VIII. Adjournment

ATTACHMENT

A – Personnel actions posted for information only

Attachment A: Pursuant to §89C-4, Hawaii Revised Statutes, the following proposed compensation actions for excluded executives and managers are disclosed for purposes of public comment.

Executive/Managerial

Campus	Last Name	First Name & Middle Initial	Proposed Title	Unit	Nature of Action	Monthly Salary	Effective Date
System	Ching	Doris	Acting Administrative Program Officer (Director of Academy for Creative Media)	Office of the Vice President for Research and Innovation	Appointment (casual 45% FTE)	\$5,718.75	February 1, 2017 - December 5, 2017
System	Okimoto	Hae	Director of Information Technology (with additional duties as Interim Associate Vice President for Student Affairs)	Office of the Vice President for Academic Planning and Policy	Temporary Salary Adjustment	\$15,709	January 27, 2017 - June 30, 2017
System	Schatz	Stephen	Director of Hawai'i P-20 Partnerships for Education	Office of the Vice President for Academic Planning and Policy	Appointment	\$13,834	March 1, 2017
UH Mānoa	Furutani	Laurie	Interim Director of Student Affairs	Student Housing Services	Appointment	\$8,766	January 27, 2017 - January 26, 2018
UH Mānoa	Ma	Tianwei	Interim Associate Dean (Academic Affairs)	College of Engineering	Appointment	\$13,500	January 27, 2017 - August 31, 2017
UH Mānoa	Osorio	Jonathan	Interim Dean	Hawai'iinuiākea School of Hawaiian Knowledge	Appointment	\$13,750	January 27, 2017 - January 26, 2018
UH Mānoa	Yeh	Sheila	Assistant University Librarian	University Library Services	Appointment	\$10,417	On or around March 2017
UH Hilo	Abarca	Thora	Interim University Librarian	Office of the Vice Chancellor for Academic Affairs	Appointment	\$7,943	February 1, 2017 - January 31, 2018
Hawai'i CC	Manuel-Cortez	Dorinna	Interim Vice Chancellor	Office of the Vice Chancellor for Students	Appointment	\$7,648	February 1, 2017 - January 31, 2018

MINUTES

BOARD OF REGENTS MEETING

JANUARY 26, 2017

I. CALL TO ORDER

Chair Jan Sullivan called the meeting to order at 9:31 a.m. on Thursday, January 26, 2017, at the University of Hawai'i at Mānoa, Information Technology Building, 1st Floor Conference Room 105A/B, 2420 Correa Road, Honolulu, Hawai'i 96822.

Quorum (14): Chair Jan Sullivan; Vice Chair Benjamin Kudo; Vice Chair Randy Moore; Regent Simeon Acoba; Regent Eugene Bal; Regent Brandon Marc Higa; Regent Wayne Higaki; Regent David Iha; Regent Michael McEnerney; Regent Jeff Portnoy; Regent Lee Putnam; Regent Michelle Tagorda; Regent Ernie Wilson; and Regent Stanford Yuen.

Others in attendance: President/Interim UH-Mānoa (UHM) Chancellor David Lassner; Vice President for Academic Planning & Policy Risa Dickson; Vice President for Administration Jan Gouveia; Vice President for Community Colleges John Morton; Vice President for Legal Affairs/University General Counsel Carrie Okinaga; Vice President for Research & Innovation Vassilis Syrmos; Vice President for Information Technology/Chief Information Officer, Garret Yoshimi; Vice President for Budget & Finance/Chief Financial Officer Kalbert Young; UH-Hilo (UHH) Chancellor Donald Straney; UH-West O'ahu (UHWO) Chancellor Maenette Benham; Leeward Community College (LeeCC) Chancellor Manual Cabral; Honolulu Community College (HonCC) Chancellor Erika Lacro; Executive Administrator and Secretary to the Board Cynthia Quinn; and others as noted.

II. PUBLIC COMMENT PERIOD

The board received the following testimony:

1. As to Item IV.B.4, Update on Cancer Center of Hawai'i Business Plan, written testimony from Jeff Shonka and Stephen Tabussi, First Insurance Company of Hawai'i, Ltd., in support of Dr. Holcombe and the Cancer Center of Hawai'i.
2. As to Item VI.A.1 execution session on the update on executive searches, written testimony from David Mihaila, regarding concerns about UH administration.
3. As to Item IV.A.9 approval of resolution reaffirming UH commitments to undocumented and all students,
 - a. Written testimony from Dwight Holloway (UHM law school student), regarding concerns about fiscal responsibility and compliance with state charter.
 - b. Written testimony from Paul Chandler (UHM Faculty), Kim Falinski, and Subramanian Shankar (UHM Faculty), in support.

- c. Written testimony from April Bautista (UHM alum), Gaye Chan (UHM faculty), Linda Krieger (UHM law school faculty), Andres Gonzalez (UHM law school student), Gregory Seiichi Pōmaika'i Gushiken (UHM faculty) in support with suggested edits, and referencing a petition in support in circulation.
4. Marguerite Butler, Chair of the UHM Faculty Senate (UHMFS) Executive Committee provided oral testimony on two resolutions recently approved by the UHMFS calling for a revised committee structure for the University of Hawai'i Board of Regents, and endorsing a day of resistance on inauguration day Friday January 20, 2017.

III. REPORT OF THE PRESIDENT

President Lassner provided updates combining the president and chancellor report. Highlights included: progress on the nationally recognized STAR registration program milestones and goals; the National Oceanic and Atmospheric Administration announced the He'eia National Estuarine Research Reserve is now a living laboratory which will be managed in partnership with the State of Hawai'i through the UH Hawai'i Institute of Marine Biology; construction of the university's first design-build project, a state-of-the-art Life Sciences Building at UHM, will begin in fall 2017; the first critical first step in land planning and development for the university lands in West O'ahu was taken with the selection of Hunt Companies Inc. and Stanford Carr Development as the master project developers, and initial negotiations are underway; and development of the Systemwide Integrated Academic and Facilities Plan is progressing, with a task group meeting tomorrow and an update will be provided next month.

He concluded with a midyear progress report on board mandates on stewardship and management of UHM resources in preparation for the upcoming tuition schedule that is largely on target with a comprehensive report to be provided at the end of this academic year. He highlighted the following items: the energy plan is delayed to the next academic year in order to shift from an Energy Services Company (ESCO) model to a more comprehensive public-private partnership approach that includes financing, design-build construction, operations and maintenance into one pro forma to evaluate and complete; the enrollment management plan for recruitment and retention is in progress, with a systemwide group developing strategies to be implemented at the campus level, both currently and in the long term, that consider peer models, consolidate fragmented elements so that management is multi-element based, inclusive in all areas (e.g., recruitment, retention, advising, financial aid), and acknowledges the series of pressures unique to admission and retention.

The UHM master plan is progressing with the completion of a classroom utilization study that will be used in conjunction with an upcoming space study that will provide an overall baseline, and peer comparison. Also, through repurposing a planning contract, development is underway for a high level facility strategy for the campus long term plans and revenue development ideas that will include input from UH faculty, students, the community and stakeholders; the School of Architecture students are also looking at redevelopment ideas for the UHM lower campus. The space study will be a first step in

understanding space is institutional not departmental, and should be allocated based on needs and priorities. The space policies of other universities will be reviewed.

Efforts to academically and administratively restructure UHM is in process, with mini retreats with administrative and faculty leadership held to identify rationale for changes, ideas, and opportunities that enables UHM to move forward as a modern research university focused on holistic, 21st century need of the state, specifically UHM's focus as Hawai'i's research university distinguished from the UHWO comprehensive program, offering relevant and compelling program and degrees that includes professionals as a service and revenue opportunity, is responsive to current and emerging work force needs and strengthens the economy, and competitive for major research awards, enhances interdisciplinarity, and focused on areas of excellence. Grassroots engagement with the broader public is planned next month. In anticipation of no new growth in either tuition or state funding, position control is now centralized and managed by resources, needs, and campus priorities; stress testing budget models and peer comparisons are underway to guide allocations for next fiscal year.

President/Chancellor Lassner then yielded the floor to the chair of the UHM Faculty Senate, Marguerite Butler, who provided the board a handout entitled "Mānoa Brag Book, A sample of programs at UH Mānoa," and a slide presentation highlighting collaborative teaching programs and accomplishments of UHM faculty and students. Board Chair Sullivan noted that the presentation was exceptional and thanked faculty for the hard work to prepare the presentation.

IV. COMMITTEE REPORTS

A. Report from the Committee on Academic and Student Affairs

Committee Chair Putnam summarized the committee report attached. She expressed appreciation for the attendance by most regents, and that the 6 program actions were on the consent agenda. In the interest of time, she briefly referred to the reports and recounted the extensive discussion on the proposal for a new BA in Aeronautical Sciences, and need for additional information to return to the committee at a later date. She noted that there was an abstention to approving programs, and commented that concerns might be addressed upon expected major changes in policy and procedures to move towards a more integrated system that is student centered and evidence based, so reports can be in a more synthesized format. She summarized the reports received regarding the workforce planning tool as a major help in career planning, and program development; and a study by Ad Astra on classroom space and offerings, with plans to link to STAR to identify student needs, efficiency opportunities and bottlenecks, inform policies and procedures systemwide to provide a seamless web for pathways. Due to time constraints, the report on HGI metrics was deferred to this board meeting and includes performance based funding. No additional comments or questions from the board were raised.

B. Report from the Committee on Independent Audit

Committee Chair Moore referred to the summary report and recounted the

November board meeting when the full board delegated the responsibility to review and accept external auditor reports to the committee to meet a December state deadline; the committee did so, and received an education session. He noted that the external auditor commented that the UH financial system and finance staff were the strongest in two decades were the strongest in two decades, deficiency issues are being addressed, and the biggest risk being decentralized expenditure processes of federal grants was being addressed with training. No additional comments or questions from the board were raised.

V. ITEMS FOR DISCUSSION & APPROVAL

A. For Action

1. Consent Agenda:

- a) **Minutes of the November 17, 2016 Meeting**
- b) **Approval of Provisional to Established Programs:**
 - (1) **Associate in Science in Natural Science, Leeward Community College**
 - (2) **Associate in Science in Early Childhood Education, University of Hawai'i at Maui College**
 - (3) **Bachelor of Arts in Second Language Studies, University of Hawai'i at Mānoa**
- c) **Approval of Established Programs:**
 - (1) **Master of Environmental Management, University of Hawai'i at Mānoa**
 - (2) **Bachelor of Science in Dietetics, University of Hawai'i at Mānoa**
- d) **Approval of New Provisional Programs:**
 - (1) **Associate in Science in Integrated Industrial Technology, Leeward Community College**

Board Chair Sullivan explained that the items on the consent agenda include the draft minutes and items recommended for approval by the committees, and sought a motion to vote on all items at once. There were no objections. Regent Putnam moved to approve the consent agenda, seconded by Regent Wilson, and the motion carried unanimously.

- 2. **Approval to Post Public Notices to Repeal Hawai'i Administrative Rules Title 20: A) Chapter 16, "Personal Records"; and B) Chapter 24, "University-Owned Faculty Housing Units.";**
- 3. **Approval to Hold Public Hearing Regarding Amendments to Hawai'i Administrative Rules Title 20, Chapter 10, "Delinquent Financial Obligations."**
- 4. **Approval to Hold Public Hearing Regarding The Simultaneous Repeal of Hawai'i Administrative Rules Title 20, Chapter 1, "Rules of Practice and Procedure", And The Adoption of a New Chapter 1, "Rules of Practice and Procedure."**

5. Approval to Request Governor's Final Approval of Repeal of Hawai'i Administrative Rules, Title 20, Chapter 3, "University of Hawai'i Patent and Copyright Policy."

VP Okinaga introduced Associate Vice President for Legal Affairs Gary Takeuchi who provided a slide presentation as to the justification and rationale for the addition, modification, and repeal of Hawai'i Administrative Rules in the proposal. He explained that most amendments are to conform to law and bylaws, and provided a chart that illustrated the differences for each proposal and referred to the memo proposal that described the changes in detail.

Despite the need for efficient management, concern was raised regarding Item V.A.5 repealing Title 20, Chapter 3, "University of Hawai'i Patent and Copyright Policy," as to the impact on property rights that may involve substantial amounts of money or valuable assets of the state. There was significant concern and discussion regarding shifting from administrative rulemaking that is binding, and carries the effect as a rule of law and undergoes a more vigorous and definitive public process to policymaking that is not binding, does not carry the effect as a rule of law, and follows a less vigorous public process. Prior committee discussion was recounted regarding the need to be more agile and flexible, and this matter is better addressed in policy than administrative rules that are cumbersome to update and maintain, not required by statute, and widely recognized as ready to be reformed. It was explained that the policy process ensures open, publicly noticed meetings to provide the public opportunity to comment, as is currently done by many departments with less public process than the Board of Regents. The proposed policies are informed and aligned with the relevant administrative rules, collective bargaining agreements, and policies to create the proposed framework. The repeal proposal for Chapter 3 has gone through the full public hearing process and no objections were lodged.

There was a concurrence to vote on Items V.A.2, V.A.3, and V.A.4, and vote on Item V.A.5 separately. Vice Chair Moore moved to approve Items V.A.2, V.A.3, and V.A.4, seconded by Regent Iha, and the motion carried unanimously. It was commented that the discussion was appreciated. Vice Chair Moore then moved to approve Item V.A.5, seconded by Regent Wilson, the motion passed, except for Regent Acoba and Regent Iha, each voting no.

6. Appointment of Permitted Interaction Group for Independent Audit Committee

Vice Chair Moore explained the proposal reflects best practice for the audit committee to meet independently with internal and external auditors, as aligned with the federal Sarbanes-Oxley Act. There is a provision in the Sunshine Law that permits such interaction without public notice, upon specific assignment and reporting requirements. Regent Iha moved to approve as proposed, seconded by Regent McEnerney. It was commented that it is a critical safety factor and very important audit step for the committee to meet privately and separately with the auditors without management to enable open and frank discussion about problems encountered when conducting an

audit. Having no further discussion, a vote was taken, and the motion unanimously passed.

7. Approval of Establishment of the Hawai'i Community Reinvestment Corporation Distinguished Endowed Professorship in Affordable Housing in the Department of Urban and Regional Planning and the University of Hawai'i Economic Research Organization, College of Social

Interim UH Mānoa Vice Chancellor for Academic Affairs Michael Bruno explained the proposal supported by a gift commitment \$789,474 corpus with activities underway to continue fundraising with a minimum goal of \$1 million. The establishment threshold of \$500,000 for an endowed professorship has been met, and the annual proceeds from the corpus will supplement research, support, and travel, that will aid in recruitment. Concerns were raised as to the status, amount, and liquidity of the funds, recruitment efforts and assurance of funding availability for recruitment, and the high UH Foundation (UHF) administrative fee. It was explained how the base funding is available and more fundraising is planned to increase the balance. UHF service and prospect cultivation was credited to enabling the securing of the required funding and current efforts to increase fundraising. Suggestions raised included broadening the title of the endowment to encompass future needs, and consideration of leveraging endowment fund to cover student needs, including affordable housing. A request was made to have administration report back on fundraising progress and when an appointment may be made. Upon motion by Vice Chair Moore, seconded by Regent Higa, the motion carried unanimously.

8. Approval of Resolution honoring Doris Ching, Interim Chancellor, University of Hawai'i, West – O'ahu

At the request of Chair Sullivan, Board Secretary Quinn read into the record the resolution honoring Doris Ching, Interim Chancellor, University of Hawai'i West – Oahu. Chair Sullivan and Vice Chair Kudo presented lei and a framed resolution. Interim Chancellor Ching expressed her appreciation and gratitude for the opportunity to serve and the board's generous and heartfelt gesture. Upon motion by Regent Tagorda, seconded by Regent Higa, the board unanimously adopted the resolution.

9. Approval of Resolution Reaffirming UH commitments to undocumented and all students

Regent Tagorda gave some background and presented the resolution and moved to adopt the resolution, seconded by Regent Higa, who indicated his support and the importance to students. A vote was called and the resolution was unanimously adopted.

A recess was called at 11:22 a.m. The meeting reconvened at 11:30 a.m. Due to time constraints and under no objection, Item VI.B.4 was heard out of order.

B. For Information

4. Update on Cancer Center of Hawai'i Business plan

Dr. Randy Holcombe, Director of the Cancer Center of Hawai'i, provided a slide presentation update on the Cancer Center Business Plan with a comparison of the current business plan to the different plans over time; a recap of the different circumstances, projections, and outcomes shortfalls; a discussion of the long term program, financial, and expenditure reduction progress, and mitigation plans. He described the current environmental factors facilitating success to meet the September deadline for National Cancer Institute (NCI) designation renewal, including improved human resource management, collaborative faculty engagement, and improved recruitment plans, shared research cores and services, and community engagement. He noted that some similar and good elements from prior plans were retained, and others less advantageous were not retained, and the current plan has the collaborative consensus among center faculty on how to move forward. It was noted that for over two years all plans called for increased state support for cancer center operations, and none of those plans had been implemented. His goal was to provide a rational financial plan and that he can achieve a zero deficit sustainability plan by Fiscal Year 2020.

Regents expressed appreciation for the presentation on the current plan, and turnaround in management and faculty collaboration. Comments and concerns raised included need for continued and increasing legislative funding, a space study and plans for the annex build out, recruitment plans and necessity of using reserves for initial recruitments, fallback position if funding assumptions or NCI designation are not obtained, revenue generating plans, incorporating rising costs and expenses, and addressing legislative reluctance to support.

Lengthy discussed ensued regarding his plan to first demonstrate a financially sound operation that is sustainable in the long term, and cost neutral with industry and state support in the next two years in order to proceed with other initiatives, such as the build out of the annex. He explained that time is needed to continue to improve management of operations, sharing core services and laboratories, recruitment, and human resources, increasing philanthropy efforts, and focusing on achieving NCI designation that is a critical to the operations to access grants, funds, and faculty. During this time, space planning for the annex remains conservative, cognizant of existing restrictive bond requirements, and varied approaches for the long term such as collaborative ventures with hospitals, clinical or dry lab space, or biotech commercial use may be ready to consider in year 2021. Initial recruitment funded by reserves is necessary for core support of the NCI application and to address turnover. It was clarified that the current plan underway is the business plan that was approved in November 2016, and publicly posted assumptions have been confirmed, and he has gained control over significant components to close the current \$5 million deficit. Assumptions include no plan to increase state funding for five years, 1% reduction in taxes based on peer comparison and trends and addressed through decreasing expenditures e.g., reducing administrative personnel through attrition, and better recruiting with extramural funds and Research Training & Revolving Fund (RTRF) offsets which is a 3-to-1 return to the community and state economy. It was confirmed that the structure of the program requires state support, and that all state NCI institutions receive some form of state support. The vision is to have clinical trials available to the community statewide, beginning with the neighbor islands of Hawai'i and Maui, which is a complex and

comprehensive operation to establish the infrastructure among hospitals, centers, and physicians for service and space, and to ensure compliance with required health and safety protocols. The board requested consideration and follow up with administration on the options to address bond issue restrictions. It was noted that the board and the Governor did support the \$5 million state funding request and expressed appreciation for Dr. Holcombe's service and progress in such a short time.

Chair Sullivan called for a recess to break for lunch and a motion for an executive session to follow, and expected to reconvene by 1:30 p.m.

VI. EXECUTIVE SESSION

Upon motion by Regent Wilson, seconded by Regent Moore, the board unanimously approved convening in executive session, pursuant to HRS §92-5(a)(2) and (7) to discuss personnel and private donation matters. The board convened in executive session at 12:41 p.m. Following a motion to come out of executive session by Regent Higaki, seconded by Regent Tagorda, executive session was adjourned by unanimous vote at 1:08 p.m.

The meeting reconvened at 1:10 p.m. Chair Sullivan stated that the board went into executive session to discuss personnel and private donation matters as indicated on the agenda.

V. ITEMS FOR DISCUSSION & APPROVAL (cont)

B. For Information/Discussion (con't)

1. Board Education: State Ethics Code and Best Practices by Daniel Gluck, Executive Director, State Ethics Commission

Dan Gluck, Executive Director for State Ethics Commission, provided a brief overview on the state ethics requirements of the board regarding financial and gift disclosures, the review process and the current number of filings the commission reviews annually. He explained the services that the ethics office provides, including education and guidance, and access to an attorney on duty to field inquiries, and the scope of compliance and penalties the office enforces. Comments and concerns discussed regarded clarity on distinguishing state invitations and events from private entity events and gifts that trigger disclosure, special circumstances regarding UH sporting events and other entertainment events, ease of public to file complaints, and ethics commission willingness to reassess the broadening of the recent financial disclosure law that effectively eliminates a significant demographic of the business community and impacts quality and willingness of some candidates to serve.

2. Report on Status of UH Metrics for AY2015-2016

VP Dickson provided a slide presentation on the status of the UH Metrics for academic year 2015 – 2016, reporting that the university as a whole is doing well in most areas, with more work need in enrollment to degree metrics for Native Hawaiians.

She explained that graduation data is tracked by campus and cohort based, and shows that 4 year degrees and community transfers are doing well but not all students are transferring to a UH institution; and more work is needed regarding 6 year degree outcomes. Research and innovation initiatives are doing well in most metrics, with more work needed regarding startup companies and extramural funding. Deferred maintenance continues to increase, although utilities costs are on target. A dashboard for strategic direction measures was shared and illustrated how the campuses fared in meeting Hawai'i Graduation Initiative metrics that were tied to performance based allocation of the \$6.3 million funding using a weighted scoring method. A sample of the campus completion scorecard for performance was explained and updated to include Native Hawaiian scorecards.

3. Update on Sustainability at the University System

VP Gouveia introduced the team leading the sustainability initiatives systemwide that was established in 2015, and received some state funding last year. Matt Lynch, University of Hawai'i System Sustainability Coordinator, provided a slide presentation on the comprehensive strategies, initiatives, and outcomes to date, with assistance from Miles Topping, Director of Energy Management, who presented on the energy initiatives, and Dr. Christina Hiser, Interim Systemwide Sustainability Curriculum Coordinator, who presented on the efforts to integrate sustainability into the curriculum and student survey results supporting degrees in sustainability and related programs.

The board expressed appreciation for a great launch in the short time since the policy was adopted two years ago with the current board chair as co-chair of the task group. Chair Sullivan recounted that co-chair former Regent Matayoshi had commented that the leading the task group was the most positive work during her tenure, and commended VP Gouveia's leadership despite the lack of availability of resources.

5. UH Legislative and Budget Proposals for 2017 Legislative Session

VP Young provided a slide presentation on the university legislative budget proposal new approach focusing on strategic directions, which is very different from other agencies and departments. He provided a comparison chart showing the difference between the university proposal and outcome in the Governor's submittal, that has since changed and been revised to reduce the executive proposed budget by \$600 million, and expected to impact funding due to lower forecasts by the Council on Revenues. He explained the Capital Improvement Projects (CIP) proposal covers four different areas of major projects; renew, improve and modernize (RIM) projects; minor projects; and planning projects; and progression with the funds across the campuses. In result, all funding occurs in year 1 only, not specific across categories, far short of the university request, and with an additional \$150 million lump sum. Additional requests for the supplemental year are expected, but the CIP proposal is not impacted by revisions or reduction as in the operating budget. It was noted that the prioritization of the lump sum is still under review.

VP Young provided explanations of the legislative deadlines and a summary of the university bill proposals relating to smoking prohibitions on all campuses that is consistent with statute applicable to the Department of Education, Hawai'i Health Systems Corporation properties, and state parks; last dollar scholarships for qualified UH community college students; reinstating the university president as chief procurement officer for the university; supporting technology innovation; clarifying technology transfer activities with State Ethics Code; rule making or policy development process improvements; establishing a protection advisory committee; establishing physician workforce assessment fee; legislative report repeals; authorizing the university's separate accounting and financial management system; and establishing a university micro-grid.

VI. ANNOUNCEMENTS

Chair Sullivan announced that the next board meeting is February 23, 2017 at Honolulu Community College

VII. ADJOURNMENT

There being no further business, Regent Higa moved to adjourn, seconded by Regent Yuen, and with unanimous approval, the meeting was adjourned at 2:45 p.m.

Respectfully Submitted,

/S/

Cynthia Quinn
Executive Administrator and
Secretary of the Board of Regents

Ethics: Best Practices

Board of Regents
January 26, 2017

Hawaii State Ethics
Commission

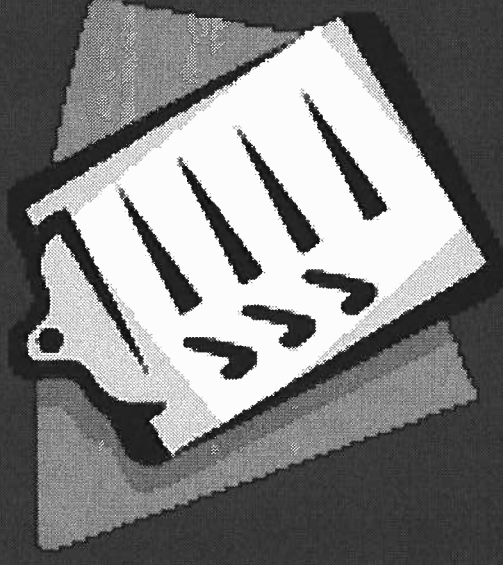


State Ethics Code

HRS chapter 84

- State Employees
- State Legislators
- Members of State Boards and Commissions

Ethics Code: Subject Areas

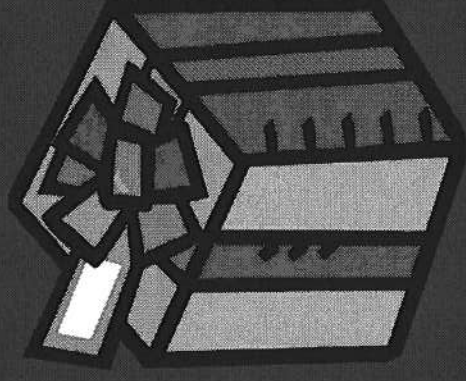


- Confidential Information
- Gifts/Gifts Disclosure
- Fair Treatment
- Financial Disclosure Statements
- Conflicts of Interests
- State Contracts
- Post-Employment Restrictions

GIFTS

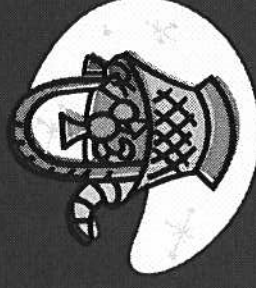
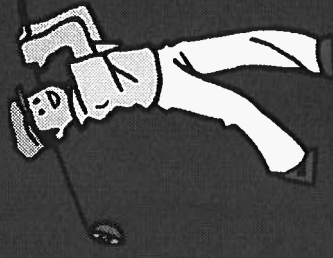
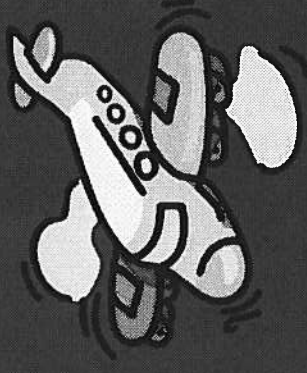
HRS § 84-11

No employee shall accept or solicit any gift if it is reasonable to infer that the gift is intended to influence or reward official action.



GIFTS

- Food
- Entertainment
- Travel
- Gift certificates
- Discount cards or passes
- Loans
- Money
- Services
- Anything of value



GIFTS

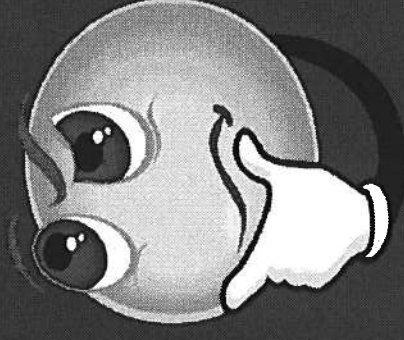
Factors to consider:

- VALUE: How much is the gift worth?
- RELATIONSHIP: What is the donor's relationship to the recipient? Does the recipient take official action affecting the donor?
- STATE PURPOSE: Does the gift benefit the State?

Gifts

1. Can you accept gift?

(HRS § 84-11)



2. If you can accept gift, must you report it?

(HRS § 84-11.5)

GIFTS DISCLOSURE

HRS § 84-11.5

Requires a gifts disclosure statement to be filed if certain conditions are met:

1. An employee (or spouse or dependent child) receives any gift(s) whose value, singly or combined, is more than \$200; and
2. The source of the gift has interests that may be affected by official action by the employee; and
3. The gift is not exempted from the reporting requirements.

**Political campaign contributions that comply with state law do not need to be reported as “gifts.”*

Fair Treatment

HRS § 84-13

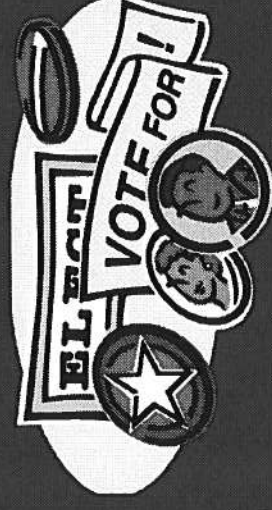
No unwarranted privileges,
exemptions, advantages, contracts,
or treatment.

Fair Treatment

- Additional (“Double”) Compensation
- Using state position to seek private work or contracts
- Using state resources for private business purposes
- Financial transactions with subordinates

PRIVATE BUSINESS ACTIVITIES

- Sales
- Fundraising
- Campaign Activities
- Outside Employment



Disclosures

- Financial
- Gifts
- Contracts
- Candidates
- Lobbying

Conflicts of Interests

1. Disqualify yourself when there is a conflict
2. Don't create new conflicts
3. Don't represent anyone in a matter before your agency

Financial Interest

- Ownership interest in a business
- Employment or prospective employment
- Director or officer
- Ownership of real or personal property
- Loan or other debtor interest
- Creditor in an insolvent business

Financial Interests Include Interests of:

- Spouse
- Dependent Children
- Civil Union Partner

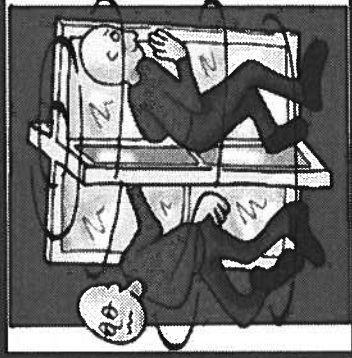
Official Action

- Decision
- Recommendation
- Approval or Disapproval
- Action involving discretionary authority

Post Employment

HRS § 84-18

- 12 month “cooling off period”
- Cannot be paid to represent another person or business on matters participated in
- Cannot be paid to represent another person or business before former state agency
- Exception: State may contract with a former employee



State Ethics Commission

- Education
- Guidance
- Enforcement
- Disclosure

Penalties

- Fines up to \$500 per violation
- Disciplinary action
- Recovery of gifts or profits
- Contracts or action voidable

HAWAII STATE ETHICS COMMISSION

Phone: (808) 587-0460

Email: ethics@hawaiiethics.org
dgluck@hawaiiethics.org

Website: <http://ethics.hawaii.gov>