

MINUTES

BOARD OF REGENTS' MEETING

SEPTEMBER 17, 2015

I. CALL TO ORDER

Chair Randy Moore called the meeting to order at 9:31 a.m. on Thursday, September 17, 2015, at Leeward Community College, Campus Center Student Lounge, 96-045 Ala Ike Street, Pearl City, Hawai'i 96782.

Quorum (12): Chair Randy Moore; Vice Chair Eugene Bal; Regent Simeon Acoba; Regent Wayne Higaki; Regent David Iha; Regent Ben Kudo; Regent Coralie Matayoshi; Regent Michael McEnerney; Regent Barry Mizuno; Regent Michelle Tagorda; Regent Ernie Wilson; and Regent Stanford Yuen.

Excused (3): Vice Chair Jan Sullivan; Regent Jeffrey Portnoy; Regent Lee Putnam.

Others in Attendance: President David Lassner; Vice President for Academic Affairs, Risa Dickson; Vice President for Community Colleges, John Morton; Vice President for Legal Affairs and University General Counsel, Carrie Okinaga; Vice President for Research, Vassilis Syrmos; Vice President for Information Technology and Chief Information Officer, Garrett Yoshimi; Vice President for Budget and Finance/Chief Financial Officer, Kalbert Young; Interim UH Mānoa (UHM) Chancellor, Robert Bley-Vroman; UH Hilo (UHH) Chancellor, Don Straney; Leeward Community College (LeeCC) Chancellor, Manuel Cabral; Honolulu Community College (HonCC) Chancellor, Erika Lacro; Executive Administrator and Secretary of the Board of Regents, Cynthia Quinn; and others as noted.

II. APPROVAL OF MINUTES OF AUGUST 20, 2015 MEETING

Regent Mizuno moved to approve the minutes of the August 20, 2015 meeting. Regent Wilson seconded the motion, and the minutes were unanimously approved.

III. PUBLIC COMMENT PERIOD

Executive Administrator and Secretary to the Board of Regents, Cynthia Quinn announced that written testimony and late written testimony had been received, distributed to the board, and posted on the board's public website from five individuals in support of the Vice Chancellor for Research appointment; from four individuals opposed to the Vice Chancellor for Research appointment; from one individual who offered comments on how to best support the research enterprise at UHM in lieu of hiring a Vice Chancellor for Research; and support for the Integrated Academic & Facilities Plan.

The following individuals provided oral testimony:

1. Dr. Bob Cooney, Professor at Department of Public Health Sciences, read comments from his written testimony that was submitted earlier.
2. Dr. Marguerite Butler, Associate Professor of Biology at UHM, supported the strategic thinking of the System-Level Integrated Academic & Facilities plan resolution but expressed concern over the lack of consultation with faculty regarding Snyder Hall and the unmet needs of the biology department.
3. Michael Goodie, a Leeward Community College student, offered a new water filtration and sewer system plan for the facilities being built on campuses and in support of sustainability for the island, which he handed out.

IV. REPORT OF THE PRESIDENT

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

- Title IX status. The new system Office of Institutional Equity has been established with Jen Rose as the Director, which will be the lead office for compliance with Title IX and the Violence Against Women Act (VAWA) as well as coordinating activities, and providing economies of scale across the ten campuses. An interim policy was promulgated to advance compliance while the required consultation process with the collective bargaining organizations is completed. The policy establishes systemwide standards and procedures so that all 10 campuses can adopt a consistent response; clarifies the types of conduct prohibited; identifies how students, faculty and staff can seek confidential support or report incidences; and includes a flow chart to map processes and identify leads and primary contacts for each campus.
- The 2015 Men's March Against Violence on O'ahu will be held in October with Jerris Hedges, Dean of the John A. Burns School of Medicine and Interim Director of the Cancer Center, as the Honorary Chair and Kapi'olani Community College (KapCC) as one of the hosting organizations. Several individuals from the university including Athletics Director David Matlin and Board Chair Moore participated on the organizing committee.
- The external consultants for the University of Hawai'i Cancer Center business plan visited two weeks ago. They had reviewed existing reports and found valuable and helpful information. The individuals who were interviewed by the consultants were impressed with how knowledgeable and experienced they are. The first draft of the initial plan is expected in the beginning of October, and administration will work with the consultant to keep them on track. The plan is to have an objective, externally vetted business plan in time for the next legislative session.
- Maunakea update. Yesterday the University of Hawai'i formally began its first formal decommission of UHH's Hoku Kea telescope. The process outlined in the Office of the Maunakea Management's 2009 Comprehensive Management Plan was adopted by the Board of Regents and the Board of Land & Natural

Resources. The Hoku Kea telescope is first, to be followed by the Caltech Submillimeter Observatory telescope, and then the third telescope will be named by the end of the year following discussions with the astronomy community. This is the first most visible sign of UH's commitment to begin the decommissioning process for three telescopes at the summit by the time the Thirty Meter Telescope is operational.

- Enterprise Risk Management (ERM) update. The board and the Committee on Independent Audit have emphasized the importance of embracing an ERM approach to how the university does business. Leadership is collaboratively planning, the organization chart places ERM under the VP for Administration, but VP Okinaga and VP Young have been actively involved and VP Yoshimi will become more involved as they start looking into cyber risks. The Advisory Task Group (ATG) did substantial work on ERM and administration will be complying with the comprehensive statute adopted in 2013 that informs the plan. This program will help the university better manage the institution. They are also looking closely at the guidance offered by the Association of Governing (AGB) on the role of the board in overseeing ERM. A meeting is scheduled with the internal auditor to ensure appropriate involvement, including looking at using a survey to identify risks across the enterprise. There is also an executive policy on risk management that administration is monitoring, which will be updated to adopt a modern approach to ERM and reflect current best practices. Administration will continue working with the Committee on Internal Audit, which has primary responsibility under statute.
- Update on the issuance of Revenue Bonds. Meetings were held in San Francisco with the three rating agencies and the State Budget & Finance Director to show the importance of the university and commitment of the state. Standard & Poors reaffirmed the current A+ rating with stable outlook, Moody's reaffirmed a AA2, a slightly higher rating but a negative outlook; Fitch reaffirmed a AA with stable outlook, which is the best rating right now. There is some variability among the three agencies. All agencies acknowledged the substantial improvements since the last rating, but a one year turnaround without audited financials was not enough for them to upgrade either outlook or rating but the university could have been downgraded if the agencies did not see improvements. Hopefully the university will be in a better position next year if it wants to float any bonds. The agencies noted the board's reserve policy and the compliance work, along with stable enrollment, strong research performance and market position, unlike other universities. The bonds were sold in New York last week, but the market conditions were not optimal, \$166.2 million of bonds were sold, of which \$157.7 million were refunding, which enabled the university to get better rates and save money. The transaction is expected to close on September 25, and details will be provided to the Committee on Budget & Finance.
- Introduced the UH nominees for the annual Governor's Awards for Distinguished Service, including:
 - UH Nominee for Employee of the Year, Jill Laughlin, Educational Specialist at UHM's Lyon Arboretum, who oversees the educational and volunteer

programs that strengthen the arboretum's presence and outreach in the community. Lyon Arboretum hosts approximately 50,000 visitors each year who participate in classes, research projects, and volunteer and community activities, wrote the grant to fund construction of the Children's Garden, and oversaw the design and construction of the Arboretum's first ADA compliant facility. The Arboretum hosts 7,000 K-12 students per year and Ms. Laughlin aligns the curriculum activities to the Department of Education's content and performance standards (Hawai'i Common Core). She has increased the instructional program for university students, including collaborations with Hawai'i inuiākea and the community colleges, in partnership with the Garden Club and Honolulu Museum of Art. She also brought the Arboretum into the digital age and coordinated special projects such as social media development, use of QR codes and audio guide by cell phone, website renovation and the Arboretum's mobile app. Ms. Laughlin was unable to attend and Arboretum Director Carl Evensen accepted the award on her behalf.

- o UH Nominee for Team of the Year is the UH Community Colleges (UHCC) Systemwide Marketing Team comprised of Susan Lee, UHCC Director of Marketing; Bonnie Beatson, Marketing & Communications Director (Windward CC); Nicole Beattie, Marketing & Communications Director (UH Maui College); Kathleen Cabral, Marketing & Communications Director (LeeCC); Gary Ellwood, Enrollment & Marketing Specialist (Kaua'i CC); Billie Takaki Lueder, Executive Assistance to Chancellor and Marketing Director (HonCC); Thatcher Moats, External Affairs/Relations Coordinator (Hawai'i CC); Louise Yamamoto, Community Relations Director (Kapi'olani CC); Paul Sakamoto, UHCC Web Developer; and Stephanie Kim, UH Director of Government Relations. The team promoted the 50th Anniversary of the Community Colleges last year and educated the state on the importance, diversity and impact of the community colleges. The team also won the prestigious Gold Paragon Award for Government & Community Relations by the National Council for Marketing and Public Relations, which received 1,700 nominations worldwide. This team exemplified the spirit of collaboration and working together as a system with representatives from the campuses, the community college system, and the overall UH system and shared resources, budgets, and talents in order to achieve a common goal and great success both locally and nationally.

Report of Host Campus

Chancellor Cabral welcomed everyone to LeeCC and gave a presentation that provided a snapshot of the campus in terms of the five UHCC strategic plan directions.

There continues to be improvement in increasing the number of successful graduates and transfers. The college evolved from a liberal arts college focusing on transfer students in 1968 to providing a variety of diverse Career & Technical Education (CTE) programs. This year LeeCC was voted #1 in CTE programs by *Honolulu Star*

Advertiser readers in this year's People's Choice Awards. In their flexible non-credit programs, LeeCC is developing a store front location that will provide employment advising and job skills development, part of which will be offices for the Local Workforce Investment Boards' workforce investment boards' One-Stop personnel, thus creating a strong synergy between the public workforce system and LeeCC. Next month, LeeCC will be launching Career Coach, an unique online service that helps connect students to career paths, one of the most valuable aspects being the linking of degree pathways to local job information (e.g., in demand jobs, average salaries).

LeeCC is undergoing the largest number of simultaneous renovation projects in the history of LeeCC campus. Projects include two Title III projects totaling \$12 million to renovate 6 science labs on LeeCC campus, build a science lab for the Waianae Coast satellite campus at the Tycom building in Maili, the construction of a 300 seat amphitheatre, and much needed improvements at the Shade House which supports the Native Hawaiian Gardens on campus.

LeeCC took a major leadership role in researching and creating ways to reduce costs for textbooks averaging \$700 per year per student through Open Educational Resources opportunities. This year 53 courses are being offered with no cost for textbooks, making LeeCC the campus offering the highest number of courses with this option, saving students approximately \$150,000 to date.

The Early College program continues to grow with a 120% increase in participants from area high schools (164 to 260 in Fall 2015). The 86.2% average success rate is well above that of the normal student population. Waipahu High School is one of the outstanding partners, due to support from Principal Keith Hayashi. Reverse transfer continues to be an excellent example of the community colleges working as a system with UHM, 73 students were eligible in Spring 2014 and 95 in Spring 2015.

LeeCC is the only campus in UH System now providing a pathway to CTE teaching licensure in the DOE for candidates with degree or industry experience entering with career and technical content knowledge, but lacking teaching credentials. In the Alternative Certification for CTE Licensure program, the number of enrolled candidates increased from 2 in 2012 to 27 in 2014. As of Spring 2015, there are 8 of 11 who completed the program were hired by the DOE as licensed CTE teachers.

LeeCC also made a concerted to grow their Science, Technology, Engineering & Math (STEM) majors, a 311% increase in ASNS majors from 99 in 2012 to 407 in Fall 2015. Topping their CTE list is the Health Information Technology program, which boasts a 67% increase over two years with 195 declared majors as of Fall 2015.

LeeCC is taking this academic year to review and update their own strategic plan using a series of focused conversations to engage faculty, staff and students in developing their unique projects to compliment those of the community college strategic plan. The rail is having an impact on the community and LeeCC campus with a rail maintenance facility being constructed next door. A new park and lot is being built on

the Makai side of campus where the UHWO portables are, with funding from the Honolulu Authority for Rapid Transit, and brand new portables will replace the portables being displaced by the rail needs on the Ewa side of campus. Eventually LeeCC will have their own rail site located directly on campus, which will provide tremendous opportunities to LeeCC students and other students in the UH System. LeeCC is also focusing on providing opportunities for campus leadership development as part of succession planning, as senior faculty, staff and administrators are beginning to retire and a new generation must be nurtured to lead and guide the college on its next and best successes.

V. COMMITTEE REPORTS

Chair Moore noted that summaries of the committee meetings were included in the materials.

A. Report from the Committee on Budget & Finance

E. Report from the Committee on Planning & Facilities

Planning & Facilities Committee Chair Kudo summarized the committee report attached to these minutes (Attachment 1).

In connection with the Committee on Planning & Facilities' consideration of a more holistic systemwide approach to facilities and academic planning, administration assisted the committee with drafting a resolution that is up for approval later on today's agenda. No additional comments or questions from the board were raised.

B. Report from the Committee on Intercollegiate Athletics

Committee Vice Chair Acoba summarized the committee report attached to these minutes (Attachment 2). No additional comments or questions from the board were raised.

D. Report from the Committee on Personnel Affairs

Committee Chair Matayoshi reported that she was not given an opportunity to review the written report (Attachment 3) before it was distributed to the board. Since she was not able to attend the prior committee meeting, this past meeting was one at which goal setting was done. One goal involved the policy on executive & managerial (E/M) salaries and unfortunately she disagreed with the characterization of the discussion. They know Administration is very anxious to eliminate the committee's oversight on E/M salaries and the committee is trying to find a way to improve a compensation structure that 70% of those surveyed by an independent consultant felt was not effective in meeting university policy and campus goals. The report says the committee noted positive results in the past year, but it is because of the committee's oversight. The board needs to feel comfortable that the policy revisions will ensure that proper oversight will continue before it will give up review of the E/M salaries over \$150,000.

Regarding faculty workload and teaching equivalencies, the concern is over cost of education and making sure they do everything in their power to allow students to graduate on time. Although the committee received a report on the current process, it was almost completely inadequate and she was not sure if subsequent improvements were underway. There are two other items not mentioned in the report that the committee plans to undertake this year, one is performance-based E/M salary increases that are tied to specific metrics like HGI and 21st Century Facilities, and the other involves whether there should be a policy to require research faculty to bring in a certain percentage of their salaries through extramural grants.

Another regent concurred that getting information and committee report summaries in advance was important and there needed to be a process change so agenda items are signed off by the committee chair. Not providing this information in advance is a disservice to the committee chairs.

F. Report from the Committee on Research & Innovation

Committee Chair Bal summarized the committee report attached to these minutes (Attachment 4).

Regent Iha clarified that for the UARC there were initially three years of non-classified research, and the way the report was written said they did classified research during the first three years. President Lassner reiterated that to date there has been no classified research, but the restriction has expired.

VI. ITEMS FOR DISCUSSION & APPROVAL

A. Future Deep Dive Topics:

Chair Moore noted that at the November Board retreat last year a number of topics were identified that the regents agreed would be appropriate to take more time to get background to help regents in their decisionmaking. The board has done some deep dives, and Intercollegiate Athletics Deep Dive is scheduled for November. Administration has proposed an Enrollment Management Deep Dive for October. Board leadership thought this was an appropriate time to identify other topics for the year. Some of the remaining topics from last year included:

- Shared governance, a concept unique to higher education word and topic most individuals outside of higher education are not exposed to otherwise.
- International programs.
- Research & Innovation, which is one of the strategic initiatives.
- Reserves.
- UHM Organization.
- Ethics.

Other topics suggested

- Look at the University of Hawai'i Cancer Center in detail given the near term milestones that are going to occur and prior to making decisions about that Organized Research Unit.
- Update on looking at metrics to measure performance, and a periodic report on where the board stands with the 11 or 12 metrics the board adopted in January (may not be a deep dive).
- A periodic report on the system vs. campus structure and functions given the recent reaffirmation of the separation of the UHM Chancellor and system.
- Enterprise Risk Management recommendations to provide information needed to be able to understand (what is it and how is it addressed)
- Partnerships with the military (e.g., UARC), especially forming strategic relationships with the Department of Defense and the Combatant Command (COCOM) within the State of Hawai'i. UH embarked on this issue last year, but it should probably be refreshed.
- Systemwide Utilization of Facilities. The Committee on Planning & Facilities has asked Administration to include in their action memorandums submitted the threshold question of whether additional space is necessary. Administration needs to ensure better utilization of space so the university is not continually adding to physical plant inventory and growing the deficit of repairs and maintenance. The resolution mentioned earlier empowers Administration to take on the task at the 30,000 foot level of coordinating physical plant facilities needs with program needs to better utilize and make more efficient use of facilities.
- Consolidation or Centralization of Administrative Functions both inside a campus and inside the system to avoid duplication (e.g., Financial Aid).
- University engagement with the community.

President Lassner commented the list was a mix of projects, priorities and deep dive topics. Deep dives were originally thought of as a way to address a complex topic and gain a common level of understanding, not necessarily executing a specific plan. He wanted to work with Administration and Board leadership to review and parse the list into a mix of project activities and deep dives. Chair Moore concurred with President Lassner's recommendation and requested that the prioritization of the most interesting and pressing deep dive topics be brought back next month. Regents requested the list be provided in advance of the meeting so the regents can adequately prepare for the meeting.

Regent Matayoshi requested that the deep dive topics be more substantive than informational, with context for the board to delve into the problems and solutions publicly. The deep dive topics need to provide background and address the problems. Chair Moore concurred with Administration presenting the challenges and issues from various perspectives, so there is a common understanding moving forward.

B. Resolution Regarding an Integrated Academic and Facilities Plan for the University of Hawai'i System:

Regent Kudo thanked administration for their assistance in drafting the proposed resolution that was included in the materials. The resolution resulted from the work on the UHWO master plan over the past few years, which revealed a need for a holistic overview of the campuses regarding the various directions they were headed from both programmatic and physical plant standpoints to determine need. The board understands there are core courses and curriculums that need to be emulated in geographically disbursed campuses, but the university needs to better utilize facilities and fiscal and human resources to support programs. The resolution being considered addresses this issue given the decrease in legislative funding for higher education and the challenge of getting funding from other sources.

The resolution asks administration to develop a higher level, systemwide academic and facilities master plan that creates a strategic vision to align and leverage each campus's unique mission and resources while reducing the unnecessary duplication and increasing collaboration and sharing to make a more effective and efficient use of fiscal, human, and physical plant resources and land assets while advancing the university's higher education goals. The board recognizes that each campus has its individual personality, but with limited resources there are limitations regarding independence of campuses to pursue areas they feel are important for their community or constituency. Better utilization of facilities, including modes of communication (e.g., distance learning capabilities) is necessary to provide an overview and direction for campuses today and for the future, in order to plan for the academic, human, and physical plant needs at each campus.

Regent Kudo moved for approval of the resolution supporting a systemwide strategic academic and facilities plan, Regent Wilson seconded the motion.

Regent Matayoshi agreed this was long overdue and requested that distance learning be included in the resolution. Regent Wilson concurred and requested Administration consider a policy that encourages consolidation if the cost and number of students in any program that is duplicated is below a certain number unless there are compelling reasons to have the program on separate campuses. President Lassner indicated there was a draft policy on small programs that addresses this issue, not duplication specifically, but the policy must undergo faculty consultation.

Chair Moore noted there was a motion to adopt that was seconded, and request for language on distance learning to be incorporated. As a point of order, he asked if the board agreed with adopting the resolution as moved and seconded, and bringing the additional language back to the board for comment next month. The regents agreed, and the resolution passed by unanimous vote.

VII. EXECUTIVE SESSION

Upon motion by Regent Matayoshi, seconded by Regent Mizuno, the Board unanimously approved convening in executive session, pursuant to HRS §92-5(a)(2), to discuss fundraising, personnel, and legal matters as indicated on the agenda. The Board convened in executive session at 11:06 a.m. Following a motion to come out of executive session by Regent Mizuno, seconded by Regent Matayoshi, which was unanimously approved, executive session was adjourned at 3:16 p.m.

The meeting reconvened at 3:18 p.m. Chair Moore stated that the board went into executive session to discuss confidential matters regarding fundraising, personnel and legal matters as indicated on the agenda.

VIII. PERSONNEL ACTIONS

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

Chair Moore asked for a motion to approve the remaining personnel actions on Attachments A-1. Regent Acoba so moved. Regent Higaki seconded the motion. The motion carried upon unanimous vote.

Chair Moore noted that at President Lassner's request, he waived any consideration of a salary increase. The board appreciates both President Lassner's performance and indicated his time served as president would have provided an increase, and appreciated both his work and willingness to forego a salary increase.

Regent Yuen commented that it was very commendable of President Lassner to forego his salary increase, and asked other E/M employees to take that into consideration should there be any future salary raises.

IX. ANNOUNCEMENTS

Chair Moore announced the next board meeting was October 15 at UH Maui College.

X. ADJOURNMENT

There being no further business, Regent Matayoshi moved and Regent Mizuno seconded, and with unanimous approval, the meeting was adjourned at 3:19 p.m.

Respectfully Submitted,

/S/

Cynthia Quinn
Executive Administrator and
Secretary of the Board of Regents

University of Hawai'i Board of Regents'

R E S O L U T I O N

Supporting a Systemwide Strategic Academic and Facilities Plan

WHEREAS, there is a recognition that funding for public higher education in general, and the University of Hawai'i in particular, is an increasing challenge in the face of society's needs for a more educated citizenry;

WHEREAS, there is a recognition that, as an integrated statewide system, the University of Hawai'i has the opportunity to adopt statewide and systemwide approaches to assure more effective and efficient use of all available facilities and resources to maximally serve the people of Hawai'i;

WHEREAS, the University of Hawai'i system is presently comprised of ten campuses each with unique missions and goals;

WHEREAS, it is deemed a necessary goal to optimally utilize the university's land, human, and fiscal assets, including through the development of capital improvements and facilities, in order to provide the best possible service to our current and future students;

WHEREAS, in order to achieve this goal, academic programs and plans should drive land uses and physical plant development, which comprise university's Long Range Development Plans ("LRDP") and capital improvement programs;

WHEREAS, modern distance learning and online technologies provide opportunities for greater sharing of programs among campuses and islands; and

WHEREAS, the Board has expressed its desire for a more centralized and holistic approach to academic planning encompassing all campuses and serving all locations;

WHEREAS, the LRDP updates for each campus will be consistent with the aforesaid systemwide centralized plan, embracing its goals, objectives and priorities;

NOW, THEREFORE, BE IT RESOLVED that the University of Hawaii Board of Regents requests the Administration to develop an integrated high-level systemwide academic and facilities master plan that creates a strategic vision to align and leverage each campus' unique mission and resources while reducing unnecessary duplication and increasing collaboration and sharing of academic offerings to make more effective and efficient use of fiscal, human and physical plant resources, modern distance learning technologies, and land assets while advancing the higher education goals of the State.

Adopted by the Board of Regents
University of Hawai'i
September 17, 2015