

MINUTES

BOARD OF REGENTS' MEETING

JULY 16, 2015

I. CALL TO ORDER

Chair Randy Moore called the meeting to order at 10:04 a.m. on Thursday, July 16, 2015, at University of Hawai'i at Mānoa, Information Technology Building, 1st Floor Conference Room 105A/B, 2520 Correa Road, Honolulu, HI 96822.

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

Others in Attendance: President David Lassner; Vice President for Academic Affairs, Risa Dickson; Vice President for Administration, Jan Gouveia; Vice President for Legal Affairs and University General Counsel, Carrie Okinaga; Vice President for Research & Innovation, Vassilis Syrmos; Vice President for Information Technology and Chief Information Officer, Garrett Yoshimi; UH Hilo (UHH) Chancellor, Don Straney; University of Hawai'i-West O'ahu (UHWO) Chancellor, Rockne Freitas; Honolulu Community College Chancellor, Erika Lacro; Kapi'olani Community College (KapCC) Chancellor Leon Richards; Hawai'i Community College (HawCC) Chancellor Noreen Yamane; Executive Administrator and Secretary of the Board of Regents, Cynthia Quinn; and others as noted.

II. ELECTION OF BOARD OFFICERS

Regent Mizuno reported that current state law requires that leadership (chair and two vice chairs) for the Board of Regents be elected after the July 1 term begins, thereby allowing all newly confirmed regents an opportunity to vote. He noted that at Chair Moore's request, he and Regent Gee polled each member regarding their interest in serving in one of the three leadership positions for the academic year 2015-2016. Chair Moore, Vice Chair Sullivan, and Vice Chair Bal were willing to continue in their present leadership positions, and there was a consensus that all would like to support the continuance of current board leadership. Regent Yuen nominated Regent Moore to serve as chair, and Regent Sullivan and Regent Bal to serve as vice chairs of the Board of Regents for Fiscal Year 2015 - 2016. There being no other nominations, Regent Kudo made a motion to close the nominations, Regent Portnoy seconded the motion and the nominations for board leadership were unanimously approved.

Chair Moore thanked the regents for their vote of confidence in continuing current board leadership, introduced two new regents Ernest Wilson (Maui County) and Michael

McEnerney (Honolulu County), introduced and welcomed Carrie Okinaga, the new VP for Legal Affairs & University General Counsel, and recognized and thanked Darolyn Lendio, the outgoing VP for Legal Affairs & University General Counsel for her years of service.

III. APPROVAL OF MINUTES OF MAY 21, 2015 MEETING; and JUNE 2, 2015 SPECIAL MEETING

Regent Matayoshi moved to approve the minutes of May 21, 2015 meeting, and June 2, 2015 special meeting. Regent Kudo seconded the motion, and the minutes were unanimously approved.

IV. PUBLIC COMMENT PERIOD

Chair Moore indicated that public comment would be taken on agenda items. The appropriate venue for comments on matters not on the agenda would be to submit a letter to the Board office, which would be distributed to regents and taken under consideration for a future agenda item. He noted there was a three minute buzzer for testimony and going forward there will also be a bell at 2 minutes, which signifies the testifier should finish their testimony within the next 60 seconds.

Executive Administrator and Secretary to the Board of Regents, Cynthia Quinn announced that written testimony had been received and distributed to the board regarding the University of Hawai'i Cancer Center Faculty Senate resolutions and President Lassner's evaluation, and five individuals had signed up to testify.

1. Lilikalā K. Kame'eleihiwa, Professor at the Kamakakūokalani Center for Hawaiian Studies, testified as both a Hawaiian and an academic regarding the evaluation of President Lassner and expressed concerns about President Lassner's performance, the process and lack of faculty and student input on the evaluation of the president, requested a month delay, and opposed any salary increase.
2. Shannon Wood testified in support of the Intercollegiate Athletics Committee, establishing a relationship with the Aloha Stadium Authority, and offered external consultation by a family member regent at University of Washington.
3. Marguerite Butler, Associate Professor of Biology at UH Mānoa, read aloud her written testimony on behalf of I Mua Mānoa expressing concern about the process and lack of faculty and student input on the evaluation of President Lassner.
4. Joy Bounds of Representative Isaac Choy's office waived testifying.
5. Unhee Lim, Associate Professor at the UH Cancer Center, testified in opposition to approval of President Lassner's evaluation, citing lack of support of former Chancellor Tom Apple in removing former Center Director Michele Carbone, not engaging faculty regarding decision made about the Center or leadership regarding management of the Center, and commitment from consortium hospitals. She referred to the Center's Faculty Senate resolutions that were submitted requesting a new interim director be put in place instead of Dean Jerris

Hedges of the John A. Burns School of Medicine (JABSOM) citing a conflict of interest.

V. REPORT OF THE PRESIDENT

President Lassner shared the following news and activities of the month:

1. State Department of Budget & Finance Restriction. The department has notified all state agencies that they will be subject to a 10% restriction on discretionary general fund appropriations, which amounts to approximately \$12.5 million for the current fiscal year across the University of Hawai'i (UH) system. 50% may be released in six months. The executive branch has the authority to restrict funds based on the financial condition of the state. This is similar to last year, although the state is in better financial condition.
2. Upcoming Bond Transaction. Administration is reviewing a transaction to refund current outstanding bonds to lower debt service levels, establish new bond ratios, and adjust and increase credit ranking. This will come before the Committee on Budget & Finance next month.
3. HGEA Negotiations Update. Last week the university participated in an arbitration with the state and the Hawai'i Government Employees Association (HGEA) Unit 08 for Administrative, Professional and Technical (APT) employees. Normally arbitrators take 45 to 60 days to reach a decision, discussions have been ongoing since then, and mutual agreement could be reached sooner.
4. Vetoed Bills affecting UH:
 - House Bill No. 540, H.D. 1, S.D. 2, C.D. 1, originally extended the authority of UH to maintain its own accounting system, but in conference the legislators added language that would have removed all unexpended funds from the UH budget in the following year. Administration will work with the Legislature during the interim to craft language that is less onerous and appreciative of the university's constitutional flexibility.
 - The UH graduate student unionization bill was opposed by the State Department of Budget & Finance and the Department of Human Resources Development. The Governor recommended UH administration work with the Graduate Student Organization (GSO) to address concerns in board or executive policy. A meeting has been scheduled for next week.
5. Cancer Center of Hawai'i (CCH) update. Interim Director Hedges is focusing on achieving administrative cost savings by consolidating duplicate functions of the two separate structures at Kaka'ako (the CCH and JABSOM), and establishing the CCH as an organized research unit within JABSOM, which is not an uncommon structure for cancer centers, so they can maintain a degree of independence as well within the larger unit. The CCH has also established a faculty senate. The board-requested business plan is underway, and Chancellor Bley-Vroman is working to select an external consultant this week to bring an external, objective perspective, including outreach to faculty, administrators, the community, the consortium and others to understand what needs to be done to maintain National Cancer Institute (NCI) designation. They

will also be looking at an objective external consult for an economic impact study. Lastly, the external advisory committee was reconstituted with faculty input, and is reviewing the preliminary report received last month. The committee confirmed importance of NCI designation and focused on what needs to be done for renewal, and made recommendations regarding CCH leadership and recruitment of a cancer researcher as a permanent director.

6. Maunakea Management. Much of the news has been covered in the media on a daily basis. The Board of Land & Natural Resources (BLNR) adopted emergency rules to promote health and safety on the mountain last Friday and the Governor signed them this week. The road reopened this week for four wheel drive vehicles, but arrangements were made during the closure to provide access for cultural practitioners. The Visitor Information Center remains closed and there is no timetable set for construction to resume. UH is working with the state, observatories, and the community on implementing steps in the Governor's plan, including improved stewardship; decommissioning; a commitment that no new sites be developed; the lease to return lands not used for astronomy to the state; moving forward on the rulemaking process to manage access that the State Auditor had noted were still outstanding in a 2014 report; restarting work on the Environmental Impact Statement (EIS) process for a new master lease starting after 2033; enhancing training on cultural aspects of the mountain with the Kahu Ku Mauna Council, which provides support to the Office of Mauna Kea Management and the UHH chancellor; ensuring full use is made of observing time; increasing contributions of observatories towards stewardship; and increasing the pipeline and scholarships for Native Hawaiian and Hawai'i Island students to participate in career opportunities related to astronomy on the island.
7. Solar Impulse Plane. UH is housing the plane in a HonCC hangar at Barber's Point while it undergoes repair, which provides additional opportunity for engagement with students and faculty.
8. iCan Graduation. He invited all regents to attend the August 13 graduation at KapCC. This C3T program is a free, fast track career and workforce certification program to help habitually unemployed or underemployed individuals improve skills in reading, math, writing, use of computers and other basic work related skills as preparation to enter certification and associate degree programs at community colleges to lead them to a new career. The YWCA called this program the best education program for economically disadvantaged women that they serve. Despite the federal funds expiring this year, other sources of funds have been identified to move the program forward under the Hawai'i Community Schools for Adults program.
9. Vietnam Executive MBA program Graduation. He recently attended the Vietnam EMBA program graduation and noted this program has been ongoing for 15 years, the only Association to Advance Collegiate Schools of Business (AACSB) accredited MBA program in Vietnam, and is widely acknowledged as the best MBA program in Vietnam, which has one of the fastest growing economies in southeast Asia. This is a two year program, with a new cohort starting every year due to demand, and the most recent cohort had 50 students graduating. There are mostly local Vietnamese students, with some

international and Hawai'i students interested in doing entrepreneurial business in Vietnam. UH researchers and students can attend study tours, and UH MBA and MBA/JD students can take summer classes there. There is an incredible network of influential alumni who are significant business and government leaders, who often recruit graduates.

10. Quarterly Reports on Research & Innovation. The board had agreed to move from monthly reports on research to more strategic quarterly reports, however, he wanted to report that the final number for extramural rewards last year was \$425 million, a 9% increase despite decreasing federal dollars.

V. ITEMS FOR DISCUSSION & APPROVAL

A. Board of Regents:

1. Approval of Amendments to Bylaws of the Board of Regents to Combine Committees on Academic Affairs, Community Colleges, and Student Affairs to create a new Committee on Academic and Student Affairs; to reclassify the Committee on Intercollegiate Athletics to become a Task Group; to reclassify the Research & Innovation Task Group to become a new Committee on Research & Innovation; and to incorporate housekeeping corrections.

Vice Chair Sullivan made a motion to approve the amendments to the Bylaws of the Board of Regents combining the Committees on Academic Affairs, Community Colleges, and Student Affairs to create a new Committee on Academic and Student Affairs; reclassifying the Research & Innovation Task Group as a new Committee on Research & Innovation; and incorporating housekeeping corrections, delete reclassifying the Committee on Intercollegiate Athletics as a Task Group; and use and incorporate the edited language "(3) Review and make recommendations on proposals to establish or to terminate Organized Research Units (ORU) and research centers" in the bylaws for the Committee on Research & Innovation that was previously distributed. Chair Moore related that the Chair of the Committee on Intercollegiate Athletics noted that the important unresolved issues in athletics remain and deserve board time and attention. Work with the new Athletics Director on the athletics deep dive is ongoing and would help the board to be better able to evaluate and understand the issues they should be focusing on and the board's role in those issues. Given those reasons, Vice Chair Sullivan felt it was premature to convert the Committee on Intercollegiate Athletics to a task group.

Given the diverse subject matters, the board agreed to take up each amendment separately, hold discussion and then vote. Vice Chair Sullivan moved for approval of combining approval of the amendments to the Bylaws of the Board of Regents combining the Committees on Academic Affairs, Community Colleges, and Student Affairs to create a new Committee on Academic & Student Affairs, Regent Matayoshi seconded the motion.

Regents expressed concerns and comments that putting community colleges into the same committee as academic affairs might reduce the opportunity for community colleges to have a direct input, whether the move would negatively impact accreditation, and if VP Morton supported this proposal; and whether combining at the end of the year would be better timing.

President Lassner responded that a separate committee for community colleges is not required under accreditation so long as the new committee carries out the same charge. VP Morton was comfortable with the proposed combination as long as the committee understands and accepts all obligations associated with oversight of the community colleges. Vice Chair Bal did not feel the combination would be detrimental to the community colleges based on his two years of experience as a committee member and chair.

Regarding combining student affairs and academic affairs, the board noted the good work of the Committee on Student Affairs chaired by the student regent that focuses on non-academic student issues (e.g., quality of life); stressed the importance of preserving the independent, separate voice of students, and concern the student voice might be lost if combined with other subject matters; both academic and student affairs have difficult issues that warrant due attention in separate committees; the need to maintain continuity of oversight and shifting focus to be more strategic might not serve all functional purposes of the university; the need for the committee to be more strategic and timely through having everything related to student success combined into one committee; noted the national trend towards having one committee that deals with concerns of faculty, students and administration; and the need to be more strategic and timely, and avoid piecemeal review, utilizing subcommittees if necessary for additional focus.

Chair Moore explained that the committees had been organized in a traditional, functional way and not aligned with the university's four strategic directions that includes: the Hawai'i Graduation Initiative (HGI); Hawai'i Innovation Initiative (HI2); 21st Century Facilities (21CF); and High Performance Mission-Driven System (HPMS). The proposal is a hybrid structure. The HGI strategic direction deals with student success, which includes both the academic and student life. There is a committee that deals with facilities. Creating the Committee on Research & Innovation is aligned with HI2. The Committees on Personnel Affairs, Budget & Finance and Intercollegiate Athletics remain, until there is a way to align with the HPMS strategic direction.

Regent Acoba moved to amend the motion to exclude Student Affairs from being combined into a committee with Academic Affairs and Community Colleges, keeping it as a separate committee, Regent Yuen seconded the motion.

Discussions ensued regarding a name change aligned with student success; and the importance of the student voice being recognized by having an independent, separate committee; accreditation impact, if any, without a separate Student Affairs Committee.

As there was already on the floor a motion that was seconded, Associate VPLA Lendio indicated that pursuant to Robert's Rules of Order, the vote on the motion to amend must be taken first. The motion to amend the motion to exclude Student Affairs was put to a vote and failed to pass with only five votes in favor (Regents Acoba, McEnerney, Iha, Yuen and Portnoy), and one excused (Regent Tagorda).

The original motion to approve combining the Committees on Academic Affairs, Community Colleges, and Student Affairs to create a new Committee on Academic & Student Affairs was put to a vote and carried with 11 votes in favor, three opposed (Regents Acoba, McEnerney, Yuen), and one excused (Regent Tagorda).

Vice Chair Sullivan made a motion to approve reclassifying the Research & Innovation Task Group as a new Committee on Research & Innovation and incorporation of the edited language that was previously distributed. Regent Wilson seconded the motion, and the motion was unanimously approved.

Vice Chair Sullivan made a motion to approve incorporating housekeeping corrections to the bylaws, Regent Matayoshi seconded the motion, and the motion was unanimously approved.

Chair Moore indicated if there was no motion, the Committee on Intercollegiate Athletics would remain, with a deep dive on athletics to be held in the fall. No motion was made.

2. Appointment of Task Groups.

Chair Moore explained that the bylaws provide that the board must approve the creation of task groups, their charter, and their membership. Two task groups are being proposed: (1) Legislative Task Group whose purpose is to advise administration on legislative items of importance to the regents, which is a continuation of an existing task group, with Regent Kudo as Chair, along with Regents Bal, Higaki, Iha, Mizuno and Yuen. (2) Real Property Monetization Task Group under the Committee on Planning & Facilities, whose purpose is to advise administration on how to turn real property into an income stream, with Regent Kudo as Chair, along with Regents Sullivan, Matayoshi, Mizuno, and Moore. He reminded everyone that Task Groups do not take action or make recommendations, as they are counsel to administration and any action comes from administration.

Regent Matayoshi moved for approval of the appointment of the Legislative and Real Property Monetization Task Groups, Regent Kudo seconded the motion, and the motion was unanimously approved.

3. Discussion of scope of deep dive topics regarding system-wide academic planning, athletics, and future topics.

Chair Moore explained that the discussion of the scope of deep dive topics was to provide clarity for administration on what the regents want to receive, beginning with

systemwide academic planning and intercollegiate athletics, and additional topics to cover this academic year.

VP Dickson explained that the Systemwide Academic Planning Deep Dive included a general discussion of mission differentiation within the system, and the different roles between campuses and system; an overview of the current program process; some recommendations and next steps for turning UH into a high performance system that focuses on student success, such as the development of a system level strategic academic plan, a system level understanding of student success and how to facilitate and coordinate that among the campuses; and/or a master plan that includes academic planning, facilities planning, and budget planning for the system in terms of academic programs and student success. As a part of the planning, system will engage with the campuses on reviewing campus missions, especially those in transition (e.g., UHWO and Palamanui).

Regarding student success, regents were interested in knowing from a systemwide basis how UH delivers services to students that acknowledges younger students learn differently (e.g., online programs, etc.). VP Dickson agreed that learning styles are different with younger students and with the continuing and returning students, the strategic use of learning modalities based on target populations and needs would be an appropriate topic to include in the deep dive.

Regarding progress towards strategic versus piecemeal focus, VP Dickson explained that the academic strategic plan would lay out what programs are offered on what campuses, what programs are being duplicated and the reasons why, and how programs fit together. Included in the plan would be a template that links how new programs and continuing programs relate to each other, actual costs, facility usage, and how programs are properly located. As some of the program approvals are required by board policy, a long term project of reviewing board and executive policies is also appropriate.

Regents reiterated their concerns about piecemeal approval of program proposals and lacking clarity on how the programs fit into the larger picture, the associated costs, and duplications, and a needs assessment. The board is frustrated by dealing in a level of granularity that is not functional and would like to move in a more strategic direction related to knowledge creation, innovation, and workforce and economic development.

Some regents asked for clarification on outcome expectations for deep dives. Chair Moore responded that deep dives are not for decision making and intended to provide a deeper understanding and context for matters that would follow. Problem areas would be identified and the regents provided the opportunity to discuss issues of concern. There was general consensus that certain issues should be done at the committee level and others at the board level, with a process of developing recommendations, similar to how the budget deep dive was handled.

Athletics Director Matlin reported the Athletics Deep Dive would include eight categories in the presentation: current financial situation results; benchmarking with

peers; unique costs to Hawai'i; statewide impact; current initiatives; revenues & expenses; NCAA landscape; and funding alternatives. He noted that Aloha Stadium would fall within those categories.

Regents requested that uniform contracts for athletic director and coaches be addressed, with a clearer process that avoids renegotiation and results in good binding and legal contracts that are clear. They also requested that there be some thought and discussion on how to measure success in college athletics.

Other suggestions for deep dive topics included: the international aspect of UH's mission in terms of international students and international presence; ethics; and shared governance to address the perceived lack of understanding of the concerns of various constituencies, with those constituencies being invited to share their views on the topic.

Chair Moore said they will revisit deep dive topics from the November retreat, which Secretary Quinn sent to all regents, and discuss the list at the next board meeting.

Regent Tagorda joined the meeting at 11:54 a.m.

B. University of Hawai'i System:

- 1. Approval to contract and service order \$600,000 to SV Labs, LLC, through the Research Corporation of the University of Hawai'i (RCUH), for the management of the University of Hawai'i's first proof of concept center, XLR8H.**

VP Syrmos indicated this was a transactional item requiring board approval under Regents Policy 12.207 because the contract exceeds \$500,000. This \$600,000 contract will fund the management of UH's first accelerator proof of concept. They paid \$490,000 the first year, with 13 companies formed, \$225,000 in initial funding deployed, and approximately \$300,000 in follow-up funding. They are entering the second year of a three year project, and will be evaluating whether or not to continue the project.

Regent Mizuno moved for approval of the \$600,000 contract and service order to SV Labs, LLC, through RCUH for the management of UH's first proof of concept center, XLR8H, Vice Chair Bal seconded the motion.

Regents raised questions and concerns regarding the contractor selection process; additional renewals without further RFPs; the structure of cohort teams; return on investment by the university such as licensing fees to help support the programs; significance of a three year term for the program; who owns SV Labs; and how the university measures the educational benefit of programs.

VP Syrmos responded that SV Labs was selected through a request for proposal process, and the contract could be renewed for up to three years; they are currently in year two. The accelerator program has two phases, if teams do extremely well in phase

one and the university continues to invest in them for phase two, and put them into the accelerator. Some of the cohort teams are still in the accelerator program, but all thirteen cohort teams are independent companies. The university gets equity for the money it invests in these teams, so if the teams do extremely well, the university does too. In addition, most of the intellectual property (IP) generated is held with the Office of Technology Transfer & Economic Development, and as companies do better the university collects royalties from licensing that IP. In addition to the money, the most important benefit to the university is the high educational benefit to the whole innovation ecosystem provided to UH faculty, students, and post-doctoral students. The three year term was selected because it provides sufficient time to assess long-term viability of the program. He noted that SV Labs, LLC is owned by Sultan Ventures, which was disclosed as part of the contract process. Regarding measuring the educational benefit of programs, the answers will vary depending on the area, but for innovation they want students to experience lifelong learning in an innovation ecosystem and go on to do great things. President Lassner noted that having a new committee focused on research and innovation and shifting away from transactional items utilizes the board's time towards a more strategic approach to thinking about research and innovation.

A motion having been moved and seconded, it was put to a vote and the motion passed unanimously.

2. Update on Roles and Function of University of Hawai'i System and UH Mānoa Administrative Offices.

President Lassner provided a report on the assessment and implementation of the recommendations in the Western Interstate Commission for Higher Education (WICHE) presentation by WICHE President David Longanecker. He noted that WICHE met with system, faculty and student representatives, administrators, and regents for input on whether the president and UHM chancellor positions should be recombined. The decision to separate the two positions was made in 2000 at the request of UHM faculty who wanted to have a separate advocate. This WICHE assessment was an opportunity to revisit the question, understand what is/is not working well, and how to move forward. WICHE provided input based on the interviews and their review of the national framework. President Lassner provided a summary of the findings and progress:

1. The roles and objectives of president and chancellor are separate and different. There was a lot of input on how to make the distinctions between the two positions more of a reality (e.g., complaints about decision made on UHM campus), and the WICHE report recommended a disciplined approach to understanding the processes and referrals to avoid end runs, while at the same time being respectful. He has met with the UHM Faculty Senate Executive Committee regarding the timing of a search and a process for appropriation inclusion of stakeholders in a shared governance environment, and will consult with students and deans to get their perspectives.
2. Operational efficiencies, processes and clarifications through improved delegations and better accountability in both non-academic and academic processes are needed, in the areas regarding the role of the president and

chancellor, the functional area of vice presidents and vice chancellors, where they overlap, and, if there is value, in processes that require multiple approvals. Assessment is underway across functions to understand how to create efficient and effective high performance sets of activities. Any significant restructuring requires extensive union consultation and a proposal would have to be developed.

3. A research compliance task force had already been created consisting of UHM faculty and system representatives. As extramural dollars come from all 10 campuses, the task force recommended migrating research compliance functions back to the VP for Research where it had originated to serve the entire system and to improve the support services. Recommendation was also made to establish a standing oversight committee with stakeholders and to improve the integration with other related functions, most of which are at the system level (e.g., IT, Office of Research Services, RCUH, etc.), and to create a more seamless research support capacity to serve all campuses.
4. Facilities, Planning & Construction. UH is lacking a high performance capacity in the area of construction, from planning, procurement, contract oversight and closeout. The goal is to create one strong unit within the Office of Capital Improvement (OCI), which is currently being restructured. The campuses have full management and control of ongoing facilities management and academic prioritization and the set of relationships that directly connect their respective facilities.
5. Relations/Communications. There are duplicate organizations at UHM and the system in the areas of communications, including government relations, media relations, and public relations. This area has been highly decentralized within the UHM colleges due to ineffective central services, and came under scrutiny by the legislature as to size and cost. A deep dive on current changes was provided earlier by UH spokesperson Dan Meisenzahl, and the general feedback was positive regarding improvements in responsiveness and transparency. Work continues to create a coherent and cohesive public relations and marketing program for consistent messaging systemwide to help the community and legislature understand the great work being done by faculty in educating students and engaging in scholarship that advances our community. Likewise, government relations has unusual separations in that they are doing state legislative relations, while the federal relations are in the Office of the Vice President for Research and focused only on the research agenda. Many of the activities go beyond research, and involve public policy matters (e.g., ensuring availability of federal funds for Pell grants and support for Native Hawaiian serving institutions). UH needs a strong systemwide presence, and both the state and federal legislative bodies have expressed that they would appreciate the university speaking with one voice.
6. Human resources. Improvement is needed at the system level to ensure a system voice when interacting with the bargaining units or union, which requires consistent practices, while recognizing the distinctions of individual campuses or academic units. There will need to be a wholesale review of roles and responsibilities to determine delegation authority and holding individual administrators at the chancellor level more accountable. The board, Legislature

and public are most interested in Executive and Managerial (E/M) employees, who are the highest paid employees. Even though E/M employees represent only 2% of employees, they are the most visible. The university needs to focus more on professional development and developing leadership within current employees to be more efficient and effective.

7. Leadership development. The WICHE report also mentioned leadership development for the board and administration, having a clear understanding of shared governance, direct engagement between leadership and board by having VPs and chancellors front and center at board meetings.

Extensive discussion ensued regarding the appropriate leadership and organizational structures of the system and UH Mānoa campus. Comments and concerns raised by the regents included whether merging the two structures would realize cost savings given the financial times and legislature interest on the financial management of the university, avoid duplication, and improve a perceived lack of coordination between the President and the UH Chancellor, and whether, if combined, would optimize benefits of being part of the largest, oldest flagship campus. Other comments included the need to better understand how the system and UHM are organized, cost figures and analysis on UHM administration, and if there were additional costs when the president and chancellor positions were separated. There was further discussion on whether the board should be receiving one recommendation or multiple perspectives, such as when the President's proposal differed from the UH Mānoa Chancellor's tuition increase request, and the impact of changing decisions after campus implementation. Options discussed included forming a task group with administrative support for certain matters that the board will want to own rather than rely upon Administration. There was further discussion on the need to look at whether the current organizational structure meets the university's strategic focus going forward in the future, and is the university currently served by the current organization. It was noted that the issue would be put on the agenda for a future board meeting for discussion and decision on whether to keep or change the current structure, including the VP and VC positions. It is expected that administration will provide the board with a recommendation and rationale regarding the organizational structures.

President Lassner clarified regarding the tuition reductions that all ten campuses including UH Mānoa had implemented the original 7% increases because it was the approved board tuition schedule, and all campuses went to the adjusted rates. He added that regarding restructuring, the matter would come to the board only after internal consultations that involve collective bargaining and the appropriate shared governance organizations, the affected administrative units, and will likely not be a unanimous recommendation. WICHE did not do any cost analysis but it could be provided. However, the analysis would be impacted by the fact that UH of today is not the UH of 2000 when the decision to split was made, such as there are almost 2,000 students in community colleges; UHWO has emerged as a four year campus with the fastest growth rate; and UHM research has doubled. He explained that the positions could be separated with high performance support organizations that support the entire system. The original purpose was to create a strong advocate at the campus level, with weaker roles for the president and system. Most of the costs are not as a result of

creating two positions, as the initial positions were carved out from the system, but because there was tremendous growth at UHM in the administrative structure, lack of clarity of roles, and less than effective system functions.

C. University of Hawai'i at Mānoa:

1. Progress Report on Faculty Workload and Teaching Equivalencies.

VC for Academic Affairs Reed Dasenbrock explained how faculty workload is set at UHM, and how periodic review after tenure is conducted. He pointed out that UHM is ranked in the top 200 research universities worldwide, so they are doing well in international stature, which fundamentally affects workload because faculty does both instructional and research work. He noted that Chancellor Bley-Vroman provided the board with a summary of faculty workload and performance assessment, which gives a high level perspective on why UHM faculty workload is so complicated, and also a table capturing typical workloads and teaching equivalencies in each department. Every department has a policy created by faculty, approved by majority vote of faculty, and approved by the dean, the Office of the VCAA, and sent to the union. Some colleges are not organized departmentally (e.g., College of Social Work, School of Architecture) so there is a single document, and in other instances there is a college-wide document with departmental variances on it.

Regent Policy 9.214 refers to equivalencies, which track the non instructional work of faculty, and development of appropriate equivalencies involve consultation of appropriate faculty, department chairpersons and academic deans. The result is that the default workload is set at the department level and often set by the number of courses, with variation within the default workload for faculty with additional responsibilities (e.g., graduate program chair) who qualify for a workload reduction.

Every workload policy contains a variety of down escalators (ways to reduce formal teaching load) and up escalators (ways to increase formal teaching load). In general, UHM faculty teaches less than other faculty at other campuses because they are expected to do more research. The department chair is responsible to assign workload in agreement with faculty, and if there is disagreement, the chair is the final decisionmaker. The chair is responsible for delivering a certain number of courses and reporting on that curriculum to the dean. If faculty is not doing the expected level of research, there can be a renegotiation of the teaching load in which the faculty teaches more in recognition of their lower level of research productivity.

The Office of the VCAA focuses on student success, the rate students are getting through programs, and whether there are any backlogs. The office does not centrally analyze the teaching load of every faculty, but works carefully with deans to make sure department chairs are meeting responsibilities of delivering the curriculum that the faculty approved. He added that all the summaries of the typical workload and teaching equivalency documents have been approved or revised within the past three to six years.

Regents commented that they have occasionally heard that workload is not fairly distributed, faculty with tenure have more ability to minimize their workload, and faculty at similar levels are treated differently at various departments, and asked VCAA Dasenbrock his opinion as to its validity, and whether there is any compliance audits. VCAA Dasenbrock responded that there are remarkable variances in teaching load and departments with lower teaching loads often have good justification. Generally, untenured faculty teaches less because departments often try to give assistant professors reductions in order to get research underway. Senior faculty tend to have more administrative responsibilities (e.g., graduate program chair) and there is no workload reduction from that, only a reduction in the formal teaching assignment. Policies are in place so if faculty feels the policies are not being implemented fairly there is a vehicle for complaining about it. While deans do test for compliance, there was no individual auditing done.

Regent Matayoshi noted that the intent for this agenda item was to be more transparent, and to recognize that in board policy teaching remains the most important and highest priority of faculty, especially when trying to keep tuition down and ensure students graduate on time. The Committee on Personnel Affairs had discussed using bio bibs as a way to show faculty productivity and asked about its status. VCAA Dasenbrock answered that Associate Vice Chancellor for Academic Affairs & Personnel Bev McCreary had met with Dr. J.N. Musto of UHPA to share ideas on what it would look like and the next steps. They are working on it, but there was not an absolute timetable for moving forward.

Vice Chair Sullivan provided historical context on the discussion that a year ago the board embarked on working with administration on relevant metrics at a policy level, with faculty workload being one metric that raised some interest because UHM had a below average faculty workload. There was some disagreement on the metric and how it was calculated. A review of the voluminous documentation on how each department established their own instructional teaching equivalencies showed that it was very decentralized. The question still remains and this discussion was helpful to understand matters.

2. Progress Report on Post-Tenure Review.

VCAA Dasenbrock explained that Regent Policy 9.213 requires every non-tenured faculty member to be reviewed every other year, and every tenured faculty to be reviewed at least once every five years. Formally, the Office of the VCAA tracks this annually by giving a report to the deans on which faculty is up for review and gathering information on whether reviews were done. RP 9.213 has a number of exceptions (e.g., exempting faculty who underwent review for reappointment, tenure or promotion, received a merit salary increase, or intend to retire). Like workload, this has devolved to the department level, but periodic review is much more a faculty driven process. This policy was negotiated with UHPA, with a slight revision last year but nothing fundamentally changed as to substance.

The process calls for faculty members to submit a self evaluation to the department

chair, who reviews it for deficiencies, and if there are no deficiencies the process stops. If the chair identifies deficiencies and the faculty member disagrees, then it goes to the dean for adjudication. As negotiated, periodic review is completely inside the realm of faculty, and the department level. When deficiencies are identified, the chair and faculty write up a professional development plan. In the past, there have been cases of faculty staying on the plan for extended periods of time, but this practice has stopped. In the past couple of years, certain plans have been declared failures, precipitating retirements, while some have contested the decisions. He indicated that there is a complex process for faculty improvement that has worked, and most faculty take the process seriously and do improve performance. A summary was provided to the board showing approximately 150 faculty being reviewed annually, and the relatively small number of faculty needing to go on a professional development plan.

The board was skeptical as to the finding that there were no deficiencies in the 117 faculty reviews done in 2012 to 2013; raised concern about need for tighter control of deferments; more frequent evaluations regardless of whether someone is going to retire; and what changes could be implemented outside of the union contract.

VCAA Dasenbrock responded that the number of deficiencies increased once the workload policies were completed. Policy revisions included creating a structure for non departmentalized units, strengthening the professional development plan, and clarified a number of processes. The revised policy requires faculty who were deferred and do not retire have to be reviewed the next year. However, the faculty has the right to change their retirement decision three times. To revise this policy requires union renegotiation. He assured regents that periodic reviews are not the totality of evaluation of faculty performance. Performance of faculty in the classroom is monitored in a variety of ways, and if there were complaints the department chair would hear about them. The department chairs, deans, the VCs for Student Affairs and Academic Affairs are very cognizant when there are issues surrounding teaching, which may happen well in between the five year periodic reviews.

VCAA Dasenbrock noted that there is limited ability to make changes in a negotiated environment with unionized faculty. President Lassner added that if regents wanted to engage more directly in negotiations, administration could provide a copy of the contract and gather input on suggested revisions. The most recent negotiations involved four individuals (himself and VP Morton on behalf of Administration, the Executive Director and President of UHPA), and each took the agreement back to their respective organizations. The formal agreement is made by the university, and the Governor is a party as well since the state funds much of the contract.

Regent Matayoshi noted that the board policy provides the ability to have an evaluation more frequently than every five years as the board policy states that all faculty shall be evaluated at least every five years. The Committee on Personnel Affairs had also discussed computerizing the process so that there is a record, and ample due notice of an upcoming evaluation.

VI. EXECUTIVE SESSION

Upon motion by Regent Yuen, seconded by Regent Kudo, the board unanimously approved convening in executive session, pursuant to HRS §92-5(a)(2), to discuss personnel matters. The board convened in executive session at 1:16 p.m.

Following a motion to come out of executive session by Regent Kudo, seconded by Regent Yuen, which was unanimously approved, executive session was adjourned at 4:12 p.m.

VII. ITEMS FOR APPROVAL

A. Attachments B-1(For approval), B-2 (For information only)

The public meeting reconvened at 4:15 p.m. Chair Moore explained that the board went into executive session to discuss confidential matters regarding personnel matters as indicated on the agenda. Upon motion by Regent Putnam, and seconded by Regent Acoba, the personnel matters on attachment B-1 were unanimously approved.

The board referred the annual evaluation of the Internal Auditor to the Committee on Independent Audit to handle at the next committee meeting, as those committee members are most familiar with his work. The annual evaluation of the Secretary of the Board of the Regents was completed.

Chair Moore further reported that regarding the annual evaluation of the President of the University of Hawai'i System, the board today evaluated President Lassner's performance for the year 2014-2015 and is pleased with his performance.

The President was evaluated on six criteria, plus a seventh "overall rating." The six criteria are aligned with the goals set by the board and president at the beginning of the 2014-2015 year, and are:

1. Improve the State's Educational Capital
2. Economic Change and Diversification
3. Hawai'i in the Asia Pacific
4. Strategic Initiative #3: 21st Century Facilities
5. Leadership
6. Management

The regents also reviewed the president's self-assessment that set forth progress in the current year. Matters of note include:

1. His recruitment of five new vice presidents in the senior leadership team in the UH System and an Interim Chancellor for the Mānoa campus,
2. Continued improved results from the Hawai'i Graduation Initiative,
3. Movement in the Hawai'i Innovation Initiative from startup to ongoing operations for the XLR8H program, and an increase in external funding of UH's research,
4. Progress in establishing an organization and practices that will accelerate the

- design, construction, repair and maintenance of facilities,
5. Improved capital budgeting procedures and improved financial reporting,
 6. Promulgation, followed by organizational work, of an executive policy to implement the board's policy on sustainability that was adopted earlier this calendar year, and
 7. Improved relations with most internal and external constituencies.

The board and president have agreed on key priorities for him for the upcoming year 2015-2016 to advance the university's four strategic initiatives:

1. The Hawai'i Graduation Initiative, to increase the graduation rate of students enrolled at all ten campuses,
2. The Hawai'i Innovation Initiative, to increase the external dollars coming to Hawai'i for research and to take the results of UH-performed research to commercial applications that expand employment opportunities for Hawai'i's people and diversify the base of Hawai'i's economy,
3. The 21st Century Facilities Initiative, to bring the university's physical facilities to state-of-the-art, to attract and retain students, instructional faculty, and researchers, and
4. To have a high-performance mission-driven UH system.

Regarding the president's salary, the board deferred a salary adjustment pending board approval of an overall salary adjustment for university executive and managerial employees, whose salaries were reduced and/or frozen for up to seven years. This matter will be taken up by recommendation of the administration, most likely in August.

VIII. ANNOUNCEMENTS

Chair Moore announced that the next board meeting will be held on August 20, 2015 at the John A. Burns School of Medicine.

IX. ADJOURNMENT

There being no further business, Regent Mizuno moved to adjourn, Vice Chair Sullivan seconded the motion, and with unanimous approval, the meeting was adjourned at 4:20 p.m.

Respectfully Submitted,

/S/

Cynthia Quinn
Executive Administrator and
Secretary of the Board of Regents