

GOV. MSG. NO. 308

EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

January 29, 2009

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fifth State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

Dear Sirs and Mesdames:

In accordance with the provisions of Article V, Section 6, of the Hawai'i State Constitution, I have the honor to submit herewith for your consideration and confirmation, the following nomination to the **Board of Regents of the University of Hawaii:**

Mark H. Fukunaga

Term to Expire: 6/30/2011

Sincerely,

LINDA LINGLE

Submission of Mark Fukunaga

(RE: GM 308 Consideration and Confirmation to the Board of Regents
of the University of Hawaii for a term to expire June 30, 2011)

Questions for Board of Regents:

- 1. What motivated you to apply to be a member of the Board of Regents and what skill sets and experiences do you bring to the table that will help move the University forward?**

My reason for applying to be a Regent is simply that I think I can help.

For the past 14 years, I have been the CEO of Servco Pacific Inc., which has about \$650 million in revenues and about 1,100 employees in Hawaii and Australia. Servco has major operations in automotive distribution and dealerships, insurance services and home products distribution, as well as an investment portfolio. My main responsibilities there are to guide strategy, allocate resources, help maintain a healthy corporate culture, and pick top talent for key positions. In addition, I have sat as a board member of other businesses and non-profit organizations.

Aside from my business career, I have a particular interest in education. I have been involved with a number of schools in a variety of capacities over the last 10 years. I currently sit on the Boards of Trustees of three other educational institutions: Pomona College (since 2000), Punahou School (since 1996), and KCAA Preschools of Hawaii (since 2002). Pomona is among the most selective liberal arts colleges in the nation. It has about 1,300 students and is part of the Claremont Colleges consortium. I sit on the academic affairs committee, which primarily deals with tenure decisions, and the investment committee, which oversees a (now) \$1.3 billion endowment. Punahou is one of the leading independent schools in Hawaii, and has about 3,700 students in grades K through 12. I chair the finance committee and have chaired committees on technology and compensation. KCAA is one of the oldest eleemosynary institutions in Hawaii and has been a leader in early education since its founding in 1896. It has seven schools and over 600 students. I am co-chairing a current \$5 million capital campaign.

Since 1950, Servco and the Fukunaga family have supported the Fukunaga Scholarship Foundation, during which time it has awarded hundreds of four-year college scholarships. Currently, this Foundation has 60 awardees, each receiving a college scholarship in the amount of \$16,000 over four years. Servco Foundation also awards college scholarships to dependents of Servco employees. I am also on the board of the Crown Prince Akihito Scholarship Foundation, which awards post-graduate fellowships

for study in Japan, and on the Distribution Committee of the McNerny Foundation, which funds a large number of scholarships at local schools (including the University).

Lastly, I have been teaching a high school class at Punahou for the past four years, along with three others. The course is titled, "Business, Organizations and Society", and focuses on what makes organizations effective, both in the for-profit and non-profit context. I have also lectured on business at the University of Hawaii, Hawaii Pacific University and Chaminade University.

In terms of my relevant skills, I think I bring several. First, I have worked a lot on organizational strategy at Servco and other organizations. Strategy is always about choice, and should clarify what the organization is, and is not, going to do. Good strategy focuses the organization on areas that are both within its fundamental strengths and needed by its constituents, which in each case should be confirmed by good measures and information.

Second, once strategy is determined, the challenge is with execution. That, in turn, depends upon good systems and a healthy organizational culture. Both of these require a good amount of work to build and maintain, and as a CEO, I have learned what makes for effective systems and culture, and conversely, why things go wrong. While I think the primarily responsibility for execution is the University's administration, I believe I could be helpful to them in their execution of projects.

I should note that educational institutions, in particular, have a great respect for process. Those who are used to getting results, regardless of the process used, will have difficulty working in an educational environment. Successful execution may require more "groundwork" than in the business context, as it requires solicitation of input from the University's various constituencies. Short-cutting that process will often result in unsustainable actions.

Third, the Board of Regents will inevitably have to make tough decisions. It should also support the UH president when he/she must take proper, but unpopular, action. I am comfortable with that responsibility, and am cognizant of the challenges and occasional controversy that the Board may face. The University needs Regents who are willing to take public criticism in doing the right thing, and I am willing to fulfill that role.

Finally, I should address a possible concern, which is whether I will have sufficient time to devote to the University and properly discharge my responsibilities as a Regent. As stated above, I am doing this because I want to help, and have put my duties as a Regent as a top personal priority. Accordingly, to clear my schedule, I have recently resigned from three non-profit boards, and am ready to do more of the same if

necessary. While Servco is faced with challenges, as with all businesses today, it has many capable people, which allows me the time to devote to this important position.

2. What specific short and long term goals do you have for improving the University?

While I need to learn more about the University, my initial thought is that any successful university must start with providing a good undergraduate education. The University has improved its “going”, retention and graduation rates, but more needs to be done. Again, while I need to learn more, I think we should aim for a freshman retention rate of 90% and a graduation rate of 70% at the Manoa campus, which are now 79% and 54%, respectively. The recent student satisfaction surveys provide a good guide to where we can improve. As a general matter, the University should devote its limited resources to where it can deliver the most impact. To me, that suggests that a strong undergraduate program, which can transform high school students from all parts of the State (including economically challenged areas) into a community of engaged, productive, intellectually-curious adults, achieves the “biggest bang” for our dollar.

In addition to the four-year institutions, the community colleges play a key role in providing an alternative path to an undergraduate degree, as well as offering development opportunities for those who want or need a change of career. While I want to learn more, I do think that there are two key goals for the community colleges: (i) to attract those who would not ordinarily attend the University’s four-year institutions and put them on a track where most will attain an AA or BA degree, and (ii) to retrain those who are changing careers and place them in jobs. To do both of these jobs well requires that the community colleges are well “in tune” with community needs, and tailor programs appropriately.

In terms of graduate departments and research, I think the University needs to be selective. With these difficult economic conditions, the University cannot support all things equally if it wants to achieve greatness and avoid mediocrity. From my lay perspective, that would suggest devoting resources to those areas where Hawaii and the University enjoy some natural advantages. Those would include marine sciences, tropical agriculture, tourism, Hawaiian and Pacific Islands studies, and astronomy. They may also include health sciences and services (addressed to Asian communities) and areas of study that revolve around the idea of a successful multicultural society. The University has made impressive progress in its research programs (as measured by research grants secured and by the recent growth of those grants), and we need to invest further in this area.

The last goal is not one that I would have listed two years ago. I think the University's sports teams mean a lot to the Hawaii community. While some may be dismissive of sports as "only a game", I have come to realize that sports can be an important driver of a community's morale, and an upbeat attitude has an impact on everything from at-risk youth to economic development to general civic engagement. In 2007, the Warriors football team created an enormous amount of goodwill and energy in this State. I cannot think of any other activity that has the universal appeal of a successful University sports team. Other cities have professional sports teams or other symbols of common ground that define, unify and enrich the community. For Hawaii, I think that could, and should, be the University's sports program.

3. As a Regent, what will be your top three priorities for the University?

The immediate top priority is a successful Presidential search. If the Regents do this well, their job becomes far easier and more productive. If we screw it up, it will be a difficult and frustrating term. See my further discussion below under #4.

My second priority is to face the budget challenge. That is a continuing issue, but it is particularly acute today. Like many organizations, the University has many stakeholders and a great deal of opportunity, but limited resources. The University has achieved greatness in some areas, and the objective is to maintain and grow that recognized expertise in a sustainable way. That will require focus, which in turn means deciding which opportunities should be pursued, and equally important, which should not.

Third, the issue of deferred maintenance must be addressed. Facilities that are in good repair are essential not only for the safety and well-being of the students, faculty and staff, but are also important for their sense of pride and ownership. And, of course, deferred maintenance always ends up being more costly in the long-run. The University does have a plan in place to address this issue, but I worry about the prospects of a tight budget that must meet multiple additional commitments.

4. In the coming months, the Board of Regents will be called upon to select a new President. What will be qualifications that you consider most important? What do you feel are the most important duties of the President, and what kind of relationship should exist between the Board and the President?

The new President needs to be able to listen to, and engage, the many constituencies of the University, but have the judgment and urgency to reach prudent and sustainable decisions in a timely way. A big part of his/her job will be to establish basic trust with each constituency, which will require personal integrity and intellectual competence. In addition, he/she must possess situational leadership abilities to adapt his/her communication style to the relevant constituency of the University and understand their viewpoint. Needless to say, he/she cannot be afraid of tough decisions, but must have the above-mentioned political skills to secure understanding, if not always acceptance, of those decisions.

The most important duties of the President will be to: (a) set the strategic direction of the University (with the counsel of the Board of Regents), (b) reinforce the good underlying values of the University community and help build a healthy organizational culture, (c) align the work of the University with that direction and with those values and culture, and (d) gain the support of key constituencies for that strategy and work. That strategic direction, if it is done well, should decide where resources are allocated and how success is measured. And, to do his/her work effectively, it is critical that the President pick a strong team of direct reports.

The Board of Regents should help the President determine the strategic direction of the University, support the President in the implementation of that strategy, provide a "sounding board" for his/her ideas, and regularly assess the performance of the President. The degree of delegation from the Board to the President is always an art—capable leaders deserve more authority and discretion, less capable ones require more oversight. In no instance, however, is micro-management acceptable.

5. We are currently faced with an unprecedented budget crisis. What ideas do you have for generating revenue for the University and how we approach any cuts that have to be made within the budget?

On the revenue side, the preliminary possibilities are raising tuition and fees (e.g., lab fees, activity fees, etc.), more research grants, and continued focus on fundraising.

A number of independent sources have named the University as one of the best bargains in higher education. I realize that the University has adopted a six-year plan, starting in 2006, to raise tuitions to its peer average. That was the right decision, and I think we need to continue reviewing whether we may need further increases in light of the budget challenges. Certainly, in the area of student fees, we can and should do more. While it is a difficult economy, we must maintain the University's standards of

excellence. Frankly, to sacrifice quality for the sake of access is short-sighted and ultimately self-defeating. To maintain our commitment to access, we would, of course, also have to raise the level of financial aid. In my experience with other schools, increases in tuition levels were somewhat offset by increases in financial aid, but net additional revenues were still secured.

Research grants are a key opportunity. The University is one of 13 land-, sea- and space-grant institutions, and has had considerable success in winning research awards by national standards. It has recognized and unique strengths in astronomy, marine science, alternative energy and tropical agriculture, and its geographic location gives it importance from the security standpoint. To take one example of what the University may be able to achieve, the University of Chicago has been able to avoid some of the severe budget difficulties that its peers (Harvard, Yale et al) have encountered with their drops in endowment value. While Harvard and Yale are dependent on spending from their endowments for 35-40% of their annual budgets and are looking at looming annual deficits in the hundreds of millions, the University of Chicago is only 8% dependent on endowment spending because of its strong research program.

Finally, we should continue to focus and devote resources to fundraising by the University of Hawaii Foundation. While the declines in the stock market and alternative investments have hurt foundations, companies and individuals, people still have reasons, legal and otherwise, to continue giving. Large gifts, especially planned gifts, require continuous cultivation. As with any appeal, those that are more tailored to specific charitable interests will realize more success. I also think that the University can do better with its alumni and parents, and may need to do more to engage those groups through events and online activities. Currently, for example, the University's alumni giving rate was about 9% in 2007, while the University of Washington, which I would consider a peer institution, had a rate of about 17%.

In terms of expense cuts, a good strategy should provide a guide as to where those should take place. Whether the University's current strategy provides that direction is unclear. The test of a valid strategy is whether it makes real choices—specifically, what an institution will not do. Often, a “strategy” does not make clear choices and resembles a wishlist. So, the first place to look is the University's strategic plan, and we should determine if it provides real guidance in terms what is important and what is not. If that strategic plan does not provide sufficient direction, my suggested priorities have been discussed above.

The other critical need in times of budget cutbacks is good data and measurements. Ideally, we should have good cost accounting data of how much the University spends

on a per student basis by various categories. Those expenditures would then be weighed against the respective measures of success (again, which should be tied to the relative importance of that result as determined by a good strategy), and one could then assess the efficiency of various parts of the University in terms of cost versus results. Presumably, those programs that are less successful in delivering results should be the first candidates for cutbacks.

6. How do you view the role of the system as it relates to the 10 campuses? Do you feel that the relationship as it exists now should be changed? How will you ensure equity of resources across all campuses?

From my initial understanding, the current division of responsibilities between the University system and the 10 campuses appears to make sense. The University system centralizes various support functions, which should allow it to realize economies of scale, administer policies in a consistent way and build up institutional know-how, while the administrators at the various campuses can effectively deal with issues at their local level. There will typically be disagreements about budget outcomes, and inevitable questions about allocated funds and costs. To me, though, those questions are best handled with good data, which should, among other things, be fairly transparent about who is allocated what, and why. The Board of Regents should ensure that the data (especially the cost accounting of various functions) and budgeting process are sound, and that the overall allocations make sense, but I think in most cases, the details of the budget allocations are best left to the University's administrators.

What we must avoid with separate sets of administration (one at the system level and another at the campus level) is duplication and a waste of resources. At its worst, bureaucratic infighting can happen. Much depends, therefore, on the President's leadership to ensure that the University's strategy is clear, that spending priorities follow that strategy, and that basic fairness (both procedurally and substantively) is ensured. Those will be never-ending issues, and require constant monitoring and maintenance.

7. What kind of relationship do you feel should exist between the University and the Legislature? More specifically, how would you view the relationship between the Board of Regents and the Legislature?

Ideally, there needs to be some basic level of trust between the University and the Legislature. To state the obvious, trust exists when there is regular communication, when parties follow through on commitments, and where parties have confidence in the competency and judgment of the other. With trust, parties operate in an efficient manner (without overly restrictive rules and/or second-guessing), and each is allowed discretion in how to accomplish things in which it is expert. Each party would recognize the other's expertise, and defer and support appropriately.

By that standard, the relationship is better than it has been, but could be improved. My perception is that the University worries about micro-management by the Legislature, and the Legislature is concerned that the University is not adequately responsive to community needs. Accordingly, the University only approaches the Legislature when it has to, and the Legislature perceives this to be evidence of an unresponsive, and hidden, agenda. While it would be naïve to think that this is a simple fix, I do believe that the relationship can be improved with more regular communication between the Regents and University administrators, and Legislators having a particular interest in higher education. The University needs to provide more background and "color" on its challenges and planned responses, and the Legislature needs to resist imposing its own solutions and give the University some leeway to proceed on its own (while, of course, still remaining accountable).

8. Do you have any real or perceived conflicts of interest to disclose?

In terms of my personal activities, I am currently on the board of trustees of Pomona College. While there are undoubtedly instances where Pomona and the University appeal to the same student applicants and charitable sources, I do not think the two institutions directly compete. Pomona is a relatively small institution, and is considerably distant from the University. I believe that I can serve both institutions well without compromising either.

I am also CEO of Servco Pacific, and Servco has had various dealings with the University over the years. As with a number of local automotive dealers, the automotive operations of Servco have supported the University's athletic department by providing largely complimentary vehicles to members of that department, in return for which they have received set packages of athletic tickets (which are offered to all auto dealers who participate in this program). Currently, five vehicles are provided by Servco. In addition, Servco's President and Chief Operating Officer, Eric Fukunaga, is a member of Koa Anuenue and receives preferred seating for various athletic events. Servco also is in

the third year of a multi-year contract as a sign sponsor at the Stan Sheriff Arena. Servco has participated in a variety of promotions with the University's sports programs over the years, which include things like the "Ride with Price" logo license plates. Servco also paid the University's Academy of Creative Media to fund student-produced television commercials for its Scion brand of vehicles (for which the Academy's students received full attribution).

Apart from our automotive operations, Servco Insurance Services ("SIS") has placed marine and auto policies for the Research Corporation of the University of Hawaii. The annual marine premium is about \$352,000, and the annual auto premium is about \$13,000. Of those amounts, Servco receives commission income from the respective carriers, which typically is about 10-12% of the premium amount depending on the type of coverage. The employee benefits practice of SIS has submitted a proposal for the student medical insurance plan for the University, which is now being evaluated. The University is set to make a final selection on April 9th. I should mention that neither of these transactions is unusual. SIS is the dominant marine broker in the State (we have something like 90% of the marine market, excluding large ships), and our employee benefits consulting practice is anchored by two principals who were formerly with Aon for many years and are widely considered to be among the best, if not the best, in that area.

Finally, Servco Pacific and Servco Foundation (our private charitable foundation) have supported various fundraising dinners of the University over the years, and various Servco employees and directors have attended and enjoyed those events.

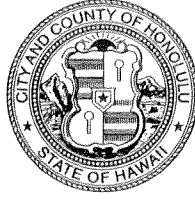
Testimony GM 308

Fukunaga, Mark

OFFICE OF THE MAYOR
CITY AND COUNTY OF HONOLULU

530 SOUTH KING STREET, ROOM 300 • HONOLULU, HAWAII 96813
TELEPHONE: (808) 523-4141 • FAX: (808) 527-5552 • INTERNET: www.honolulu.gov

MUFI HANNEMANN
MAYOR



March 12, 2009

The Honorable Jill N. Tokuda, Chair
and Members
Senate Committee on Higher Education
State Capitol
Honolulu, Hawaii 96813

Dear Senator Tokuda and Members:

I am pleased to support the nomination of Mark H. Fukunaga for the Board of Regents of the University of Hawaii.

As the head of one of our most prominent local companies, Mr. Fukunaga brings to university governance a wealth of experience and insight, an incomparable record of business success, and an unwavering commitment to our community. His service with the University of Hawaii Foundation and other charitable organizations only complements his many accomplishments. A leader with Mark's education, business acumen, and exceptional leadership abilities can only benefit the University of Hawaii and its many constituencies, and I am pleased that he is willing and able to accept the enormous responsibility of guiding the institution through what will be a most challenging period.

Mark H. Fukunaga would make an excellent addition to the Board of Regents and I urge you to give his nomination your favorable consideration.

With warm regards and aloha,

Yours truly,

A handwritten signature in black ink, appearing to read "Mufi Hannemann".

Mufi Hannemann
Mayor

The logo for First Hawaiian Bank, featuring the text "First Hawaiian Bank" in a white serif font on a black rectangular background.

First Hawaiian Bank
P.O. Box 3200
Honolulu, Hawaii 96847

Walter A. Dods, Jr.
Chairman of the Board

February 26, 2009

The Honorable Jill Tokuda, Chair,
and Committee Members
Committee on Higher Education
State Senate - State of Hawaii
415 S. Beretania St., #218
Honolulu, Hawaii 96813

Dear Senator Tokuda and Committee Members:

RE: GM 308 - Consideration and Confirmation to the Board of Regents
to the University of Hawaii, gubernatorial nominee, Mark H. Fukunaga,
for a term to expire June 30, 2011

I am pleased to write in strong support of the nomination of
Mark Fukunaga to the Board of Regents of the University of Hawaii.

I have known Mark for nearly three decades. The Fukunaga family has
long been committed to community service, and Mark continues in that family
tradition.

As Chairman and CEO of Servco Pacific Inc., Mark is well aware of the
importance of our public system of higher education in producing talented, well
educated young people that local companies want to hire. Over the years, he and
Servco have provided employment for dozens of graduates of the community
colleges and four-year colleges that make up the UH system.

He has also long been a supporter of the system's students. Among the
many beneficiaries of the generosity of Mark and his family are the young people
who receive educational aid each year from the Fukunaga Scholarship Foundation,
which supports 60 college students with four-year scholarships worth \$16,000
each.

The Honorable Jill Tokuda, Chair,
and Committee Members
February 26, 2009
Page 2

Mark is a capable, community-minded leader who believes in giving back to his home state. He serves on many nonprofit boards of directors and I know he will be an active, committed participant in the vital work of the UH Board of Regents.

I hope you will see fit to confirm his selection and allow him to put his many talents to work to the benefit of the University of Hawaii system. Thank you for considering my comments.

Aloha,



WALTER A. DODS, JR.



CENTRAL PACIFIC BANK

P.O. Box 3590
Honolulu, HI 96811-3590
Telephone (808) 544-0500

February 19, 2009

The Honorable Jill Tokuda, Chair, and Committee Members
Committee on Higher Education
State Senate – State of Hawaii
415 S. Beretania Street, #218
Honolulu, HI 96813

Re: GM 308 Confirmation of Mark Fukunaga to the University of Hawaii Board of Regents (In Strong Support).

Dear Senator Tokuda and Committee Members:

On behalf of Central Pacific Bank, I am writing to urge your support for the confirmation of Mark Fukunaga to the University of Hawaii Board of Regents.

Mr. Fukunaga is the Chairman and CEO at Servco Pacific Inc., Hawaii's automotive industry market leader with over \$600 million in annual sales. His implementation of the "Team Servco" values program is an innovative success story in integrating strong values into the corporate culture.

As a community leader, he sits on a number of boards -- both profit and non-profit. These include Outrigger Enterprises, Hawaiian Telecom (advisory), Nippon Golden Network, The Children's Discovery Center, Pomona College, and the Japanese American Museum (Los Angeles).

Mr. Fukunaga's vast business experience and love of community makes him an ideal candidate for a position on the Board of Regents.

We thank you for the opportunity to support Mr. Eric Martinson and request favorable action on his nomination.

Warm Regards,

A handwritten signature in black ink, appearing to read 'Glenn K. Fujimoto'.

Glenn K. Fujimoto
Vice Chairman



PUNAHOU SCHOOL

1601 Punahou Street, Honolulu, HI 96822-3336
Tel: 808.944.5700 Fax: 808.944.5762 jscott@punahou.edu

James K. Scott
President

February 20, 2009

The Honorable Jill Tokuda, Chair
and Committee members on Higher Education
State Senate, State of Hawaii
415 S. Beretania St. # 218
Honolulu, Hawaii 96813

RE: GM 308 – Consideration and Confirmation to the Board of Regents to the University of Hawaii of Gubernatorial Nominee, MARK H. FUKUNAGA, for a term to expire June 30, 2011.

Dear Senator Tokuda and members of the Committee on Higher Education:

I am writing in enthusiastic support for the confirmation of Mark H. Fukunaga to the University of Hawaii Board of Regents for a term that will expire on June 30, 2011. I know Mr. Fukunaga as a Punahou parent, as a 1974 Punahou graduate, and as a member of the Punahou School Board of Trustees since October of 1996. I have served as President of Punahou School since 1994.

Mark currently serves as Vice President for Finance of the Punahou School Board of Trustees, chairing the Finance Committee. He has also served as Chairman of a special committee on Faculty Compensation & Benefits, and as Chair of a special committee on Educational Technology. He also serves on the Punahou School Board of Trustees Executive, Audit, and Investment Committees.

Even in his busy and demanding role as Chairman and Chief Executive of Servco Pacific, Inc., Mark Fukunaga has been an extremely valuable and engaged Trustee at Punahou. He brings his enlightened business experience and financial acumen to our academic institution. But he is also curious, and he is eager to understand how schools operate. Mark was singlehandedly responsible for helping me to lead a comprehensive and successful study of faculty compensation, professional development, and professional well-being. As we eventually charted a strategic direction for the future, he was a sensitive, articulate, collaborative, insightful, and credible force with both the faculty and the trustees. The Faculty Compensation project was time-consuming and sometimes emotionally draining. Mark's drive, commitment, and excellent work produced a direction that has reaped huge dividends for the school and its human resources. He is a resourceful and effective steward who will be an incredible asset for the University.

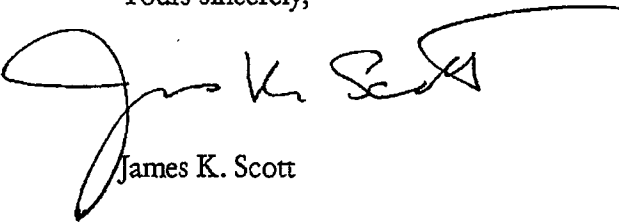
Mark H. Fukunaga
Letter of Support
Page 2 of 2

Like every other school, this year Punahou School had to pass a lean budget, with constraints on revenue sources and tight controls on expenses. As Chair of the Finance Committee, Mark was a valuable partner and collaborator in helping us to frame decisions around philosophy and principles. His reasoned and thoughtful approach helped us to move through the tough conversations and to resolve challenging issues.

Mark Fukunaga is a thinker, a questioner, and an eager learner. At Board meetings and Committee meetings, he is able to pose tough and challenging questions in a way that is also respectful, thoughtful, and eloquent. He takes his stewardship role as a Trustee seriously, and he always finds the appropriate balance between setting policy, and then supporting the school's leadership in managing the school. Mark understands and models good school governance. I can honestly say that he is one of the most respected and trusted voices within the Punahou school community.

Mark will be an outstanding contributor to the Board of Regents for the University of Hawaii. With his years of experience and insight as a Trustee at Pomona College and at Punahou School, he will bring a valuable dimension to the leadership of the University. Frankly, I cannot think of a more qualified Hawai'i resident to serve on the Board of Regents. I urge his confirmation.

Yours sincerely,

A handwritten signature in black ink, appearing to read "James K. Scott". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

James K. Scott

JKS:sys

W. David P. Carey III
President &
Chief Executive Officer



February 25, 2009

VIA FAX & U.S. MAIL: (808) 587-7220

The Honorable Jill Tokuda, Chair
and Committee Members
Committee on Higher Education
State Senate - State of Hawaii
415 S. Beretania Street, Suite 218
Honolulu, Hawaii 96813

Re: GM 308

Consideration and Confirmation of Mark H. Fukunaga to the University
of Hawaii Board of Regents

Dear Senator Tukuda and Committee Members:

I would like to add my personal endorsement in support of Mark Fukunaga's nomination and confirmation to the University of Hawaii Board of Regents.

I have worked with Mark in a variety of community and business projects over the years, and found him to be an intelligent, knowledgeable and caring individual. He is a strong leader in our community and serves on many board and committees, including Outrigger. He is a person of the highest ethics and integrity and will be an asset to the Board of Regents.

I strongly encourage you to support his nomination.

Please feel free to contact me with any questions regarding my recommendation.

Sincerely,


WDPC/cc



Donald G. Horner
Chairman & CEO

February 20, 2009

The Honorable Jill Tokuda
Chairwoman
COMMITTEE ON HIGHER EDUCATION
State Senate – State of Hawaii
415 South Beretania Street, #218
Honolulu, HI 96813

SUBJECT: GM 308 – Consideration and Confirmation to the Board of Regents to the University of Hawaii, Gubernatorial Nominee, MARK H. FUKUNAGA, for a term to expire June 30, 2011

Dear Chairwoman Tokuda:

I am writing in support of the subject's confirmation as a Board of Regent to the University of Hawaii. I have known Mr. Fukunaga professionally and personally for many years. I had the occasion to work closely with Mr. Fukunaga on a number of boards and associations. I found him to be knowledgeable, constructive, and hardworking. He is a man of high integrity.

As you are well aware, the role of a University Regent is multi-faceted and demanding. Mr. Fukunaga is not afraid to take on a difficult task. I believe him to be open to listen to all concerned parties and highly capable to exercise good judgment to do what is in the best interest of the University, the students, and our state.

I respectfully recommend Mark Fukunaga for confirmation to the Board of Regents to the University of Hawaii.

Sincerely,

A handwritten signature in black ink, appearing to read "Don Horner", written over a horizontal line.

Donald G. Horner



February 14, 2009

The Honorable Jill Tokuda, Chair
and Committee Members
Committee on Higher Education
State Senate – State of Hawaii
415 S. Beretania St., #218
Honolulu, Hawaii 96813

Dear Senator Tokuda and Committee Members,

I am writing on behalf of Mark Fukunaga in support of his nomination to the Board of Regents of the University of Hawaii. Mark has been a member of the Board of Directors of the Hawaii Children's Discovery Center for more than a decade. He is an avid supporter of education and a valuable member of the Center's founding board.

Mark and his family have supported the Center from its earliest days as the Hawaii Children's Museum through to the present time as the Children's Discovery Center. In spite of his very busy work and travel schedule, he unselfishly contributes his time, expertise and financial resources to our organization. The children and families of Hawaii continue to benefit from his input and expertise in his capacity as a member of our board.

I fully endorse his candidacy and hope that the Senate Committee on Higher Education will vote in favor of his appointment. Through his service on the Children's Discovery Center board, Mark has fervently supported early childhood education and I am confident that he will serve the University of Hawaii well as a Regent.

If you have any questions, please do not hesitate to call on me.

Sincerely,

Loretta Yajima
President & CEO

Richard W. Gushman, II

Honorable Jill Tokuda, Chair & Committee

Committee on Higher Education
State Senate-State of Hawaii

RE: GM 308 confirmation of Mark Fukunaga, University of Hawaii Regent

Dear Chairman Tokuda,

I am writing in support of Mark Fukunaga, chief executive officer of Servco Inc., for consideration as a Regent University of Hawaii. I have known Mr. Fukunaga in a variety of capacities over the last 20 years, including business relationships, serving as a member of the Board of Directors of Servco Inc., and in a variety of community nonprofit situations.

I can say without reservation that Mark would be a wonderful addition to the University of Hawaii system. He would bring great intelligence, tremendous integrity and a constructive energy that would be a great plus for the Board of Regents.

Thank you for your favorable consideration.

Richard W. Gushman, II

President, Dgm Group



HAWAII NATIONAL BANK

WARREN K.K. LUKE
Chairman and CEO

February 9, 2009

The Honorable Jill Tokuda, Chair,
and Committee Members
Committee on Higher Education
State Senate - State of Hawaii
415 S. Beretania St., #218
Honolulu, Hawaii 96813

RE: GM 308 Consideration and Confirmation to the Board of Regents to the University of Hawaii, Gubernatorial Nominee, Mark H. Fukunaga, for a term to expire June 30, 2011

Dear Senator Tokuda and Committee Members:

I am writing to ask you and your committee to support and confirm the appointment of Mark Fukunaga to the Board of Regents of the University of Hawaii. I have known and worked with Mark for a number of years and have found him to be a solid straight thinking individual who is able to draw on his many experiences in making and implementing his decisions.

As Chairman and CEO of Servco Pacific, Inc. Mark is very aware of the economic and business climate in Hawaii. He has also had to face the tough decisions that many of Hawaii's business leaders face in bringing fiscal responsibility to our organizations. As Treasurer of the Board of Trustees of Punahou School, Mark has been able to utilize his business experiences and integrate them into the educational setting, and has been very effective in his explanations to and integration with the teachers and staff. Marks service on the Board of Trustees of Pomona College allows him to bring to the Board of Regents an exposure to a top rated mainland college adding to his Punahou experience from one of our States top High Schools.

I believe you will find Mark well qualified for the position of Regent and urge you to confirm his appointment.

Sincerely,

Warren K.K. Luke
Chairman and CEO
Hawaii National Bank
Chairman of the Board of Trustees Punahou School

February 11, 2009

The Honorable Jill Tokuda, Chair, and Committee Members
Committee on Higher Education
State Senate – State of Hawaii
415 S. Beretania Street, #218
Honolulu, HI 96813

Re: GM 308 Consideration and Confirmation to the Board of Regents to the University of Hawaii, Gubernatorial Nominee, Mark H. Fukunaga, for a term to expire June 30, 2011.

Dear Senator Tokuda and Committee Members:

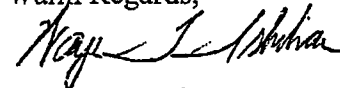
On behalf of the Honolulu Japanese Chamber of Commerce, I am writing in support for the consideration and confirmation to the Board of Regents to the University of Hawaii, Gubernatorial Nominee, Mark H. Fukunaga, for a term to expire June 30, 2011.

Mr. Fukunaga has been a member in good standing of the Honolulu Japanese Chamber of Commerce (HJCC) since 1993. The HJCC, founded in 1900, has over 600 members whose mission is to promote Hawaii's business and economic development. We strongly support the confirmation of Mr. Fukunaga to the Board of Regents to the University of Hawaii.

As an experienced business leader of the State's largest automotive company, Mr. Fukunaga has not only exhibited the ability to oversee a large concern, but his involvement with many non-profit associations demonstrates his commitment to Hawaii's general community. We feel that he would make an outstanding regent.

Thank you for the opportunity to support an esteemed member of the Honolulu Japanese Chamber of Commerce, Mr. Mark H. Fukunaga.

Warm Regards,



Wayne T. Ishihara
President

2454 South Beretania Street, Suite 201
Honolulu, Hawaii 96825

Tel: [808] 949-5531
Fax: [808] 949-3020
Web: www.honolulu-japanese-chamber.org



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WAI-KAHALA - KAHALA



February 11, 2009

The Honorable Jill Tokuda, Chair
and Committee Members
Committee on Higher Education
State Senate-State of Hawaii
415 S. Beretania St., #218
Honolulu, Hawaii 96813

Dear Senator Tokuda and Committee Members:

RE: GM 308 Consideration and Confirmation to the Board of Regents to the University of Hawaii, Gubernatorial Nominee, Mark H. Fukunaga, for a term to expire June 30, 2011

Mark Fukunaga has served on the Board of Trustees of KCAA Preschools of Hawaii since 2002. Mr. Fukunaga's passion for education along with a commitment to providing a quality program that remains affordable and accessible to students of all income levels has been evident since his early days with KCAA. Our non-profit organization, established in 1895 as Kindergarten and Children's Aid Association, today operates 7 nationally accredited preschools on Oahu. We serve 1,000 children per year, ages 18 months- 5 years.

Mark was key in guiding the Board to conduct the strategic planning retreat that led to KCAA's current Excellence in Education Campaign. As Co-Chair of the Campaign Committee, he has led the Committee in raising \$2.5 million to date to support both facilities improvements and to establish a professional development center to enable both KCAA staff and community-based early educators to improve their levels of formal education.

Mr. Fukunaga's collaborative leadership style has encouraged and enabled trustees to participate in efforts to make our shared vision a reality. He is a thoughtful listener who provides input at key points in challenging discussions, which enable the decision-making process to move forward.

It is my pleasure to support the nomination of Mark H. Fukunaga to the Board of Regents of the University of Hawaii.

Sincerely,

Christina Cox
President

ANDREW V. BEAMAN
ANDREW R. BUNN
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SENIOR COUNSEL:
EDWARD Y. C. CHUN
WILLIAM H. DODD

GEORGE L. T. KERR
1933-1998
GREGORY P. CONLAN
1945-1991

March 17, 2009

**THE SENATE
THE TWENTY-FIFTH LEGISLATURE
REGULAR SESSION 2009**

COMMITTEE ON HIGHER EDUCATION

Chair Tokuda, Vice-Chair Sakamoto, members of the Committee:

RE: GM 308 Consideration and Confirmation to the Board of Regents to the University of Hawaii, Gubernatorial Nominee, Mark H. Fukunaga, for a term to expire June 30, 2001.

I strongly support the confirmation of Mark Fukunaga to the Board of Regents.

I have worked with Mark on different matters over the past years, and have been impressed with his quick study, leadership ability, knowledge of sound business practices, and reputation in the business community. Mark maintains the highest of ethical principles in his business dealings. On a personal note, Mark has grown the Fukunaga Scholarship program started by his father, of which I was a recipient, which helped to pay for my University of Hawaii education at a time when I was in need due to the untimely death of my father. The scholarship program has benefitted numerous students on all islands in their college education needs.

The University would be blessed to have someone of Mark's reputation and experience on its Board of Regents.

Very truly yours,

CHUN, KERR, DODD, BEAMAN & WONG,
a Limited Liability Law Partnership



Ray Kamikawa

February 20, 2009

The Honorable Jill Tokuda, Chair,
and Committee Members
Committee on Higher Education
State Senate - State of Hawaii
415 S. Beretania St., #218
Honolulu, Hawaii 96813

Dear Senator Tokuda and Committee Members:

RE: GM 308 Nomination of Mark H. Fukunaga to the Board of Regents
for a term to expire June 30, 2011

I am pleased to support the Governor's nomination of Mark Fukunaga to the Board of Regents of the University of Hawaii. I will not recite his many contributions to the business, culture, and education community of our state, since you are undoubtedly aware of his many accomplishments.

Mark and I served together on the board of the Pacific International Center for High Technology Research (PICHTR) when the Center was faced with severe financial problems. PICHTR is a private non-profit organization that depends totally on external grants and contracts. Mark served as chair of the Finance Committee and challenged the management to address fundamental issues of mission and goals of the organization in coping with short and long term program and funding issues. His business experience and acumen provided invaluable guidance to our fiscal and professional staff. PICHTR was able to survive the difficult years, and today is a viable and valuable organization active in providing management services related to technology development and transfer, especially in energy and sustainable systems.

His appointment to the Board of Regents comes at an especially opportune time, considering the unprecedented economic and fiscal climate faced by the State and the University. Some very important choices will have to be made by the BOR, and Mark will make invaluable contributions to the thinking and decisions that the University will have to make in the next several years. These years will determine the future direction and quality of the UH System for decades to come.

As a former president of the University I am pleased that a person of his caliber is willing to take on this tremendous public responsibility. I recommend his appointment without reservations.



Fujio Matsuda
Emeritus President, University of Hawaii

January 30, 2009

Senator Jill Tokuda, Chair,
Senate Higher Education Committee
Hawai'i State Capitol
415 South Beretania Street, Room 218
Honolulu, HI 96813

Dear Senator Tokuda:

I am writing to support the appointment of Mr. Mark Fukunaga, Chairman and CEO of Servco Pacific, Inc., to the Board of Regents of the University of Hawai'i.

I have served as a member of the Servco Board of Directors since 1986. Mark left his successful law career in New York to join Servco in 1988 and has worked at various positions within the company. Then, when his father, Mr. George Fukunaga unexpectedly passed away in 1994, Mark stepped into the top position that he currently holds. Given his relative youth and background in law rather than business, there may have been some who wondered if Mark could lead the business which had then extended beyond Hawai'i to parts of the Pacific region. But much to the pleasure and wonderment of many inside and outside of the company, Mark turned out to be the CEO that this Hawai'i-based business needed for the 21st century.

Mark's business acumen equals his legal talents. He is an engaged, analytical and decisive executive. He is willing to listen to view points of others but always asks the "hard" questions. He is able to rapidly sort out fact from fiction and makes well-reasoned decisions which he forthrightly communicates to his constituencies. He is articulate, and his skills in communication come from his extensive knowledge and understanding of issues and facts, and not just from verbal dexterity. These are the key skills needed by a Regent who has to deal with a myriad of conflicting issues and demands from within the university as well as from the outside community.

But even more important is Mark's sense of commitment to the "family," which includes his personal family, the Servco family and the broader community family. He has sensitively continued to honor the core values of the founders of the family business, yet he is not "stuck to the past." He has ably led the Servco family to work together to identify the core functions of the business relevant for today. He has initiated a systematic employee team-building based on core values, and has rolled up his sleeves to lead by example. This is yet another example of a characteristic desired within UH leadership.

Mark is very committed to giving back to the local community. As busy as he is, he finds time to share his time and talents as he serves as a volunteer member of community and non-profit organizations in Hawai'i, such as the KCCA (Kindergarten and Child Care Association), which has benefited greatly from his leadership and

involvement. I need to add here that Mark seems to actually enjoy these voluntary community services. I know that Mark will bring this strong sense of commitment and responsibility to help guide the University of Hawai'i, a Family of Ten Campuses.

I think that Mark would be embarrassed if I went on any further. But, as someone who has observed and worked with the UH Board of Regents for well over three decades, I am convinced that in these very trying and challenging times, Hawai'i and the University of Hawai'i System need Mark Fukunaga as a Regent. The combination of his business and legal experiences as well as his deep commitment to bettering our community will help ensure that our State meets its key goal of providing quality education for our people.

Please do not hesitate to contact me should there be any questions. I spend most of my time in Japan, and both my Hawai'i and Japan addresses are given below. But I can most readily be reached via my e-mail at jtsunoda@hawaii.edu

Thank you very much for this opportunity to give my input.

Aloha from Japan,



Joyce S. Tsunoda
Chancellor Emeritus
University of Hawai'i Community Colleges

Addresses:

1814 Hoolehua Street
Pearl City, HI 96782

Saitama-shi, Nishi-ku, Hoorai 1567
Royal Chateau Kaneko 101
Saitama, Japan 331-0074

Karen Piltz
55 S. Judd Street, #903
Honolulu, HI 96813

March 17, 2009

The Honorable Jill Tokuda, Chair
and Committee Members
Committee on Higher Education
Hawaii State Senate
415 S. Beretania Street, #225
Honolulu, HI 96813

Dear Chair Tokuda and Committee Members:

RE: GM 308 Consideration and Confirmation to the Board of Regents of the University of Hawaii, Mark H. Fukunaga, for a term to expire 6-30-2011

My name is Karen Piltz and I am testifying in support of Mark H. Fukunaga for consideration and confirmation to the Board of Regents of the University of Hawaii, for a term to expire on June 30, 2011.

Policies and issues placed before the Board of Regents are often multifaceted and complicated. Mark Fukunaga's straight forwardness, caring demeanor, and sound ethical business practices coupled with his ability to grasp complex issues quickly and thoroughly, are attributes that are needed when serving as a member of Board of Regents. In addition, Mark's collaborative leadership style and background have provided other community organizations and his own company with solid vision, preparedness and growth.

I believe that Mark H. Fukunaga is highly qualified to be a member of the Board of Regents of the University of Hawaii and ask for your support of his nomination. Thank you for this opportunity to testify.