December 23, 2005

MEMORANDUM

TO: The Honorable James R. Aiona, Jr.
Lt. Governor, State of Hawai‘i

FROM: Kerwin Iwamoto
Human Resources

SUBJECT: Notification of Change in Organization - Establishment the College of Pharmacy in Academic Affairs, University of Hawai‘i at Hilo (UHH)

Enclosed for your information and files are copies of the organizational charts for the above-mentioned reorganization that was approved by the University of Hawai‘i Board of Regents on October 22, 2004. The proposed reorganization establishes the College of Pharmacy at the University of Hawai‘i at Hilo.

Please replace and add the respective organization charts on file with the new material. If you have any questions concerning this matter, please call me at (808) 974-7449.

Enclosures

C: UH Budget Office w/o encls.
    UH System Office of Human Resources w/o encls.
MINUTES OF REGULAR MEETING OF THE
UNIVERSITY OF HAWAI‘I BOARD OF REGENTS

October 22, 2004

I. CALL TO ORDER

The monthly meeting of the Board of Regents was called to order by Chairperson Patricia Y. Lee on Friday, October 22, 2004 at 9:22 a.m., in the cafeteria of Hawai‘i Community College.

Attendance

Present were Regents Andres Albano, Jr., Byron W. Bender, Ramón S. de la Peña, James J. C. Haynes II, John K. Kai, Trent K. Kakuda, Kitty Lagareta, Alvin A. Tanaka, and Myron A. Yamasato; Interim President David McClain; Executive Administrator and Secretary of the Board David Iha; and Executive Assistant Carl H. Makino. Regent Jane B. Tatibouet was excused.

Also present were Mr. Walter Kirimitsu, University General Counsel; Mr. Sam Callejo, Chief of Staff; Dr. James Gaines, Interim Vice President for Research; Dr. Linda Johnsrud, Interim Associate Vice President for Planning and Policy and Acting Chancellor, University of Hawai‘i at West O‘ahu; Ms. Carolyn Tanaka, Associate Vice President for External Affairs and University Relations; Ms. Peggy Cha, Chancellor, Kaua‘i Community College; Dr. Peter Englert, Chancellor, University of Hawai‘i at Mānoa; Mr. Rockne Freitas, Chancellor, Hawai‘i Community College; Dr. Angela Melxell, Chancellor, Windward Community College; Dr. John Morton, Chancellor, Kapalolani Community College; Mr. Ramsey Pedersen, Honolulu Community College; Dr. Clyde Sakamoto, Chancellor, Maui Community College; Dr. Mark Silliman, Chancellor, Leeward Community College; Dr. Rose Tseng, Chancellor, University of Hawai‘i at Hilo; Mr. J. N. Musto, Executive Director, University of Hawai‘i Professional Assembly; Mr. Walter Niemczura, APT Representative, Hawai‘i Government Employees Association; and others.

II. APPROVAL OF MINUTES

Upon motion by Regent Lagareta and second by Regent Kakuda, the Board approved the minutes of the September 10, 2004 monthly meeting and the October 1, 2004 and September 2, 2004 special meetings, as circulated.

Emeritus Regent Ted Hong was presented a plaque and Regents’ medal in recognition and appreciation of his service to the University of Hawai‘i.
III. RECOMMENDATION FOR ACTION AND GENERAL INFORMATION

Agreement Between the University of Hawai‘i at Mānoa and Blackwell’s North America, Inc. dba Blackwell’s Book Services

Regent Haynes moved to approve the recommended agreement by and between the University of Hawai‘i at Mānoa (UH-Mānoa) and Blackwell’s Book Services for services as described herein and as presented in Agenda Item A-1 of the Board of Regents’ agenda dated October 22, 2004. Regent de la Peña seconded the motion which was unanimously carried.

Courtside Seating for Men’s Basketball Games

Regent Haynes moved to approve the recommended rates of $2,000 - $8,000 for courtside seating at the Stan Sheriff Arena for UH-Mānoa men’s basketball games as presented in Agenda Item A-2 of the Board of Regents’ agenda dated October 22, 2004. Regent de la Peña seconded the motion which was unanimously carried.

Proposed Revision to the Lease Agreement with Kenneth A. Bansemer and Patricia A. Bansemer in Kealakekua in Support of the University of Hawai‘i Center, West Hawai‘i

Regent Haynes moved to authorize the administration to enter into the proposed revision to the Bansemer lease agreement for space in Kealakekua in support of the University of Hawai‘i Center, West Hawai‘i as presented in Agenda Item A-3 of the Board of Regents’ agenda dated October 22, 2004. Regent Kai seconded the motion which was unanimously carried.

Creation of a College of Pharmacy at the University of Hawai‘i at Hilo

Regent Bender moved to approve, as an exception to its policy on graduate programs, the establishment of a College of Pharmacy at the University of Hawai‘i at Hilo, in concept, and authorize the recruitment of a Dean for the College with the understanding that when a candidate for the deanship is brought to the Board for approval, the President will also provide an update on the financial feasibility of this program. In addition, the organization of the proposed College, position approvals, academic program, and implementation details shall require Board approval in accordance with policy. Regent Haynes seconded the motion which was unanimously carried.

Establishment of a Doctorate in Hawaiian and Indigenous Language and Culture Revitalization; the Certificate in Indigenous Language and Culture Revitalization; and the Master of Arts in Indigenous Language and Culture Education

Regent Bender moved to approve the Ph.D. in Hawaiian and Indigenous Language and Culture Revitalization and feeder programs at the University of Hawai‘i at Hilo in concept. The Board’s approval of the program is to be contingent upon the development by the Hilo and Mānoa administration of a system that ensures cooperation of the program between UH-Hilo and appropriate academic units at UH-Mānoa; that there be review of the proposal by the Graduate Division and Graduate Council of UH-Mānoa which shall continue to have systemwide responsibility for the evaluation of doctoral programs; and that the President will notify the Board when
Creation of a College of Pharmacy at the University of Hawai‘i at Hilo

It is requested that the Board approve the creation of a College of Pharmacy at the University of Hawai‘i at Hilo. It is further requested that the Board approve the recruitment of a Dean for the College to immediately begin development activities in support of the College.

There is a serious nationwide shortage of pharmacists and this shortage is present in Hawai‘i as well. Hawai‘i is one of only six states without a school or college of pharmacy, and the pharmacist shortage has made it extremely difficult for Hawai‘i students to gain admission to state pharmacy colleges on the mainland. Those who can manage the costs are thus forced to attend expensive private colleges for their training. Many Hawai‘i residents are unable to attend a pharmacy school on the mainland for financial or family reasons.

With the new requirement that the entry level degree nationwide for pharmacy licensure is the Pharmaceutical Doctorate, and with the standard of licensure for pharmacists requiring the Doctor of Pharmacy degree, it is important to the quality of health care in Hawai‘i that local pharmacists have access to this level of education. The proposed College of Pharmacy is intended to address this need.

BOR Policy 5-7a(1) (a) states: “The University of Hawai‘i at Mānoa will remain the only public research University campus in the State. It will continue as the only University of Hawai‘i campus that offers the doctoral degree, degrees in law and medicine, and a comprehensive array of master’s degrees and undergraduate curricula.” Although Pharmacy D is a professional degree that requires a two-year pre-pharmacy course work plus a four-year pharmacy training, it can be considered a doctoral degree. Therefore, an exception is required in order for Hilo to offer this doctoral degree.

The objective of the proposed College of Pharmacy is to provide a high quality Doctor of Pharmacy program that will help address significant health care needs in Hawai‘i. The proposed College of Pharmacy will be focused state-wide, and on the needs of the U.S.-Affiliated Pacific Jurisdictions. Pharmacists are needed throughout the region to meet the growing challenges of health care to a population that is growing older and requiring more medications. The College will seek to meet the unique needs for pharmacy education of the various regions and their students. The rural nature of much of Hawai‘i and the Pacific presents special challenges to professional pharmacy education. The most serious pharmacist shortages are in the rural areas, and the practice of pharmacy is significantly different in rural communities compared to urban practice. The location of the College of Pharmacy in Hilo, rather than Honolulu, will maximize the likelihood that its graduates will be prepared for and willing to practice in rural settings.

The University of Hawai‘i at Hilo Strategic Plan includes goals and objectives to offer selected graduate and professional programs that “...help meet the needs of the island and state for professional and pre-professional studies.” The Pharmaceutical Doctorate is specifically identified as a strategic initiative that will address this goal.

The most obvious benefit of a College of Pharmacy in Hawai‘i will be the positive impact on the quality of health care in the State. The shortage of pharmacists, as well as nurses and other health care providers, has a negative impact on the quality of medical care available to local residents. For example, there is increasing nationwide concern about the rising number of medication errors and the resulting
illness, injuries and deaths. As the expert in drugs and their effects and interactions, the pharmacist is a crucial element in the solution to such problems. With the national standard of pharmacist training now the Doctor of Pharmacy, it is essential to the quality of Hawai‘i’s health care that local pharmacists have access to education at this level.

There are also workforce and economic benefits of having a College of Pharmacy at the University of Hawai‘i at Hilo. There is considerable interest in pharmacy education among local residents. However, the lack of educational opportunities has led to unmet career goals while there is a growing shortage of pharmacists, especially in rural areas. There are jobs available and local people who aspire to the professional education necessary to perform them. Yet employers are forced to recruit from the mainland to fill the positions.

The presence of a new professional school will enhance the University’s ability to contribute to the needs of the State. For example, an independent Pharmacoeconomic/Public Policy Center is a common feature of colleges of pharmacy throughout the mainland. The State Legislature, Executive Branch and other public/private interests have an unmet need for a local independent think tank to evaluate all manners of legislative proposals, drug benefit designs, natural product development and public spending programs related to pharmaceuticals.

Numerous government reports have documented a present and long-term projected need for licensed pharmacists throughout the country. The most recent estimates of projected pharmacist shortages concluded that 157,000 pharmacy positions will be unfilled nationwide by 2020. With the support of a grant from the Health Resources and Services Administration Bureau of Health Professions, University of Hawai‘i at Hilo conducted an assessment of the need for pharmacy education in Hawai‘i and the U.S.-Affiliated Pacific Jurisdictions. The results of the needs assessment indicate that there is a current demand for licensed pharmacists in Hawai‘i, with many of the larger employers advertising continuously on the mainland in search of personnel. As indicated earlier, there is a strong interest among Hawai‘i residents to pursue careers in pharmacy. However, the lack of an educational program in Hawai‘i has forced those with sufficient financial resources to compete for increasingly difficult to obtain openings in mainland programs. This lack of opportunity also removes professional pharmacy training as a possibility for those unable to relocate for family or financial reasons.

In addition to the current demand for pharmacists, there are factors that suggest that the need will increase through the foreseeable future. Drug usage has been increasing at an accelerating rate, with the largest increases among those in the older population. As the baby boomers begin to retire, the number of people in the age group that has the highest usage of drug therapy will increase dramatically. It is now common for an individual to be taking 7 or 8 drugs at the same time, and it is not uncommon for people to take two or even three times that number. There are also increasing numbers of new drugs on the market, which increases the variety of drugs and drug interactions that must be managed. The pharmacist is the central health care provider in drug management, and this is increasingly true with the shift to a more clinical role for pharmacists throughout the profession and with the new requirement that the entry level degree nationwide for pharmacy licensure is the Pharmaceutical Doctorate.

The demographics of the pharmacy profession also suggest an increasing need for pharmacists. A large percentage of the pharmacy workforce is nearing retirement,
which will add significantly to the shortage. There is also a trend for increasing numbers of women to enter the pharmacy workforce, and the data show that female pharmacists generally desire a more balanced lifestyle and work fewer hours than men, thus adding to the shortage.

The Accreditation Council for Pharmacy Education (ACPE) is the federally recognized accrediting body for professional pharmacy programs. After July 2000, the ACPE only accredits programs of study that lead to the Doctor of Pharmacy (Pharm. D.) degree. The Pharm. D. is a doctoral degree requiring four years of professional education after at least two years of defined pre-professional courses. The pre-professional courses are typically taken as part of a student's undergraduate degree. All of the necessary pre-pharmacy courses are currently offered at UH-Hilo; and the pre-professional curriculum may also be completed (all, or in part) at any regionally accredited college or university.

The four-year professional curriculum will include two years of primarily didactic and laboratory-based instruction in Hilo. The third year will consist of approximately 50% didactic instruction and 50% clinical experiences. For this year, students will be placed in half-time clinical rotations at various locations on all of the major islands in Hawai‘i, and in selected locations in the Pacific Jurisdictions. The didactic instruction will be presented using distance learning technology to all of the field sites. The final year of the program will consist entirely of clinical rotations. Some of these rotations will be completed with medical students from the John A. Burns School of Medicine (JABSOM) at the University of Hawai‘i at Mānoa. The JABSOM administration has indicated its support of the development of the proposed College of Pharmacy and is enthusiastic about the prospect of joint clinical experiences for medical and pharmacy students.

The proposed curriculum is intended to be illustrative of what the eventual curriculum will look like. It is necessary to have a curricular model in order to plan such things as class size, staffing needs and building requirements. It is acknowledged that the founding Dean and faculty will create the specific elements of the final curriculum and will submit them to the appropriate university review process.

Only six states, including Hawai‘i, do not have an in-state pharmacy school or college, and there are no programs to train licensed pharmacists in any of the Pacific Jurisdictions countries or territories. One of the primary reasons to provide pharmacy education within a state is to offer the citizens the opportunity to secure a career in pharmacy without the cost and burden of leaving the state. At the present time, there are 129 Hawai‘i residents attending pharmacy colleges on the mainland, and many more who desire such training but cannot afford the costs of relocation from Hawai‘i. Nationally, the trend over the last five years has been a significant increase in both the number of applicants per school and the number of students enrolled. With applicant-to-acceptance ratios as high as 12:1, it is becoming increasingly difficult for out-of-state students to gain acceptance to mainland programs.

The first two years will entail planning and start-up activities, with successive classes of students enrolling beginning in year three. The planning phase will consist of all of the activities necessary to the creation of a new college at the University of Hawai‘i at Hilo, including program approval, fiscal, staffing, building and curricular issues. Concurrently with the planning for the College of Pharmacy, efforts will be undertaken to publicize the pre-pharmacy curriculum, strengthen the
undergraduate science curriculum at the University of Hawai'i at Hilo in anticipation of increasing enrollment in basic science courses, and offering a Pharmacy Technician training program. The latter program will be offered in Hawai'i and to the Pacific Basin Jurisdictions via distance learning and is presently being developed in cooperation with the University of Hawai'i Community Colleges.

Because the College of Pharmacy is likely to impact selected undergraduate courses in basic sciences, resources will be allocated to address these impacts. The major effect of an increase in undergraduate students enrolling in pre-pharmacy courses will be on the Biology and Chemistry departments. In addition to the faculty needed for the professional pharmacy curriculum, a position in each of these two departments will be added to meet the additional demand for Biology and Chemistry courses. Funds have been allocated from the current year's planning grant to upgrade the equipment in the chemistry laboratories, and the pharmacy building plan includes a biomedical sciences laboratory which can be used for undergraduate instruction.

Accreditation Standards mandate that appropriate space for the College of Pharmacy be available. This will require the construction of a new building. An architect is currently working on developing cost estimates and initial schematic design and conceptual drawings of a building based on the space plan. This information will be used to attempt to secure funding from federal and private sources for the building construction. The campus long-range development plan identifies a site for a new instructional building upon which the pharmacy building would be constructed.

The annual operating budget for the College at full enrollment will be approximately $6.1 million. With tuition providing an income of approximately $4.4 million, the balance of $1.7 million in operating funds will be requested from the State. There are presently no state funds budgeted for this program. Federal funding in the amount of $700,000 has been awarded for the current year, and the same amount is included in the federal budget for next year. At least this level of funding is expected for the next few years. The federal funds are expected to cover all costs of the first year of planning period, excluding construction. The second planning year would be the first year state funds would be needed. This is the second year of the next biennium budget cycle. Year two of the planning period will add a position for a Dean of the College. Year three will include positions for a total of five administrative and six professional staff. A total of 38 faculty will be required for the college. Twenty-five of these will be clinical faculty located throughout the islands. Senator Daniel Inouye has indicated his strong support for the creation of the College of Pharmacy at UH-Hilo. He has earmarked $700,000 for the current year and next year to support program development. At least this level of funding is expected to continue for the next few years. Assuming the federal funds continue at the present level, the projected operating budget would exceed the federal funding by $950,000 in the 2006-2007 academic year. The net operating costs in state funds for program operation could be reduced by assuming a different tuition rate for resident students, non-resident students, or both. The attempt in the present model was to keep resident tuition at a relatively low level to encourage access to pharmacy careers for local residents.

The College of Pharmacy would enroll 66 students per year, with 75% of the students from Hawai'i and 25% non-residents. This mix is expected to meet the local demand for pharmacists and allow the College to still have a student body of varied backgrounds. Tuition is proposed to be $11,000 annually for residents and
$22,000 annually for non-residents. The differential tuition will allow the non-residents to help subsidize the costs of the College for residents. As indicated earlier, there is such a high demand for pharmacy education that there should be no difficulty finding qualified students. The working timeline for the creation of a College of Pharmacy at UH-Hilo is to admit the first class in the Fall of 2007, with the first graduation in Spring of 2011. Thus, the need for pharmacists must be projected to that date and beyond. The American Association of Colleges of Pharmacy has estimated an unmet need for pharmacists nationwide of 157,000 by 2020 if the need is not addressed by the creation of more pharmacy education programs. This would lead to a major healthcare crisis. A 1998 report by the State Department of Labor projected an annual need for 28 pharmacists in Hawai‘i. Our need assessment in 2002 indicated that the number of unfilled positions had increased to approximately 40. In addition, letters from virtually all of the state’s hospitals, community health centers, major long-term care facilities and chain drug stores identify a severe shortage, both immediate and projected for the long term. Both HMSA and Kaiser Permanente have also submitted letters documenting the need.

The University of Hawai‘i at Hilo Faculty Congress endorsed the establishment of the College of Pharmacy at its February 2004 meeting.

**Recommendation:** That the Board approve, as an exception to its policy on graduate programs, the establishment of a College of Pharmacy at the University of Hawai‘i at Hilo and authorize the recruitment of a Dean for the College as reflected in the attached organizational chart with the understanding that the recruitment of a Dean, the organization of the proposed College, position approvals, academic program, and implementation details shall require Board approval in accordance with policy.
OFFICE OF THE CHANCELLOR

ACADEMIC AFFAIRS
VICE CHANCELLOR

CHART 8A

FRESHMAN YEAR
PROGRAM

CHART 8B

HAWAII SMALL BUSINESS
DEVELOPMENT CENTER

CHART 8C

STATE OF HAWAI'I
UNIVERSITY OF HAWAI'I
UNIVERSITY OF HAWAI'I AT Hilo
ACADEMIC AFFAIRS
POSITION ORGANIZATION CHART

APPROVED BY THE UNIVERSITY BOARD OF REGENTS
OCT 22 2004

Date
| STATE OF HAWAII |
| UNIVERSITY OF HAWAII |
| UNIVERSITY OF HAWAII AT HILO |
| ACADEMIC AFFAIRS |
| COLLEGE OF PHARMACY |
| POSITION ORGANIZATION CHART |

| ACADEMIC AFFAIRS |
| VICE CHANCELLOR, #89319 |

| COLLEGE OF PHARMACY |
| DEAN |

APPROVED BY THE UNIVERSITY BOARD OF REGENTS
OCT 22 2004

Date
MEMORANDUM

TO:        Patricia Y. Lee
            Chairperson, Board of Regents

FROM:      David McClain
            Acting President

SUBJECT:   Request to Approve the Creation of a College of Pharmacy at the University of Hawai‘i at Hilo

August 16, 2004

I am forwarding Chancellor Tseng’s memo of August 6 on the above subject, along with the companion March 25 information memo in which she initiated this request.

The request to the Board has two parts:

- The creation of a College of Pharmacy at UH Hilo.
- The approval of the recruitment of a Dean for the College to immediately begin development activities in support of the College.

Chancellor Tseng’s communications indicate the requirement for a building for the College of Pharmacy, notes that “funding for the building to house the College of Pharmacy will be sought from Federal, state and or private sources. While a number of potential donors have been identified, UH Hilo cannot effectively seek funds for a program which has not been approved by the BOR.”

I agree with her assessment, and therefore recommend that the BOR approve the College of Pharmacy in concept.

I remain concerned, however, about the overall financial picture for the University of Hawai‘i and our campuses. Until the biennium budget process is concluded, we can’t be sure what our level of state support will be for 2005-2007. Similarly, until our tuition proposal is tabled, reviewed by the community and the BOR, we can’t be sure what revenues we will have from that source. In this context, we need to require — at least for now — that the College of Pharmacy, a new initiative, be as self-sustaining as possible.
Chairperson Patricia Lee
August 18, 2004
Page 2

The business plan for the College of Pharmacy notes a Federal earmark of $700,000 in the current year and next year to support program development. It states "at least this level of funding is expected to continue for the next few years." Given the tuition schedules proposed and enrollments expected, the College will require between $1 and $2 million in state support from year 3 (enrollment year 1) onward. Prior to year three, nearly $2 million in support funds will be required; these support funds include funds for a dean.

The Federal funds that the business plan says are "in the hand" can be used to support a portion of these initial first and second year expenses. And should this source of funding continue, we'd have more than sufficient funds to start up the College.

With both capital and operating financing still uncertain, how should the BOR proceed?

I would recommend giving approval to launch a search for the Dean of the College of Pharmacy, but would ask the board to state now that the position in question will be for an initial term of three years maximum, renewable after that based on both performance and the availability of funds.

Further, before formally recommending approval of a candidate for the Dean's position to the BOR, I will give the Board an update on the financial situation of this project, as regards Federal and state funds, as well as any private support Chancellor Tseng has herself been able to raise in the absence of a Dean.

Attachment
MEMORANDUM

TO: Patricia Lee
   Chairperson, Board of Regents

VIA: David McClain
    Acting President, University of Hawai‘i

VIA: Sam Callejo
    Chief of Staff, Office of the President

FROM: Rose Tsong
    Chancellor, University of Hawai‘i at Hilo

SUBJECT: Request to Approve the Creation of a College of Pharmacy at the University of Hawai‘i at Hilo

SPECIFIC ACTION REQUESTED:

It is requested that the Board approve the creation of a College of Pharmacy at the University of Hawai‘i at Hilo. It is further requested that the Board approve the recruitment of a Dean for the College to immediately begin development activities in support of the College.

RECOMMENDED EFFECTIVE DATE:

Upon Board Approval.

PURPOSE:

This action memo is prepared in response to questions asked at the April 15, 2004, meeting of the Board of Regents. For specific information about the proposed College of Pharmacy please see the previous action memo. In addition to this memo, Dean Nelson has responded independently to the questions asked of him by the Administration.
DEMAND FOR PHARMACISTS

There are presently 1,556 pharmacists licensed in Hawai‘i, with 909 of those in active practice.

The working timeline for the creation of a College of Pharmacy at UHH is to admit the first class in the Fall of 2007, with the first graduation in Spring of 2011. Thus the need for pharmacists must be projected to that date and beyond. The American Association of Colleges of Pharmacy has estimated an unmet need for pharmacists nationwide of 157,000 by 2020 if the need is not addressed by the creation of more pharmacy education programs. This would lead to a major healthcare crisis. A 1998 report by the State Department of Labor projected an annual need for 28 pharmacists in Hawai‘i. Our need assessment in 2002 indicated that the number of unfilled positions had increased to approximately 40. In addition, letters from virtually all of the state’s hospitals, community health centers, major long term care facilities and chain drug stores identify a severe shortage, both immediate and projected for the long term. Both HMSA and Kaiser Permanente have also submitted letters documenting the need.

The number of advertised positions for pharmacists does not adequately reflect the need. Because of the shortage, Hawai‘i has been underserved for many years compared to the standard level of pharmaceutical care on the mainland. The following factors support the conclusion that the pharmacist shortage is likely to be a long-term one.

1. Pharmacists are increasingly taking the role of providing patient care. Because of its complexity this role requires a higher level of training, the Pharmaceutical Doctorate.
2. The number of new drugs available is increasing rapidly.
3. The rate of drug usage is increasing dramatically.
4. The complexity of drug interactions is increasing, requiring a high level of expertise to safely manage drug therapy.
5. The population is aging, and this will be accentuated by the baby boomer generation. Since older people use more medications, the demand for effective drug therapy management will increase.
6. Pharmacists in the baby boomer generation will begin to retire at the time the need for their services shows a dramatic increase.
7. Increasing numbers of women are entering the pharmacy workforce. Data show that because they tend to want a more balanced lifestyle, women work shorter hours thus adding to the effects of the shortage.
PHARMACY COLLEGE BUILDING

Funding for the building to house the College of Pharmacy will be sought from Federal, state and/or private sources. While a number of potential donors have been identified, UHH cannot effectively seek funds for a program which has not been approved by the BOR. Federal funds have been used to create conceptual drawings and cost estimates for a building, however further fundraising cannot proceed without an approved program.

BUSINESS PLAN

The model proposed for the college would enroll 66 students per year, with 75% of the students being residents of the state. The proposed tuition is $11,000 per year (80% of the IABSON tuition) for residents and $22,000 per year for non-residents with a 4% increase per year. We have indications from the legislature that there will be an initiative to close the loophole that allows nonresident students to declare residency after one year, thus the full $22,000 tuition is assumed for all four years. At full enrollment (2011) the College would have an annual operating budget of $6.4 million and tuition income of $4.4 million (taking into consideration the 4% increase per year). Thus the balance of $2.0 million would be needed in general funds. The estimated annual net operating cost per student for this professional doctorate ($7,575) is similar to that for undergraduates at UHH (approximately $7,498). It is a very cost effective program.

Senator Daniel Inouye has indicated his strong support for the creation of the College of Pharmacy at UHH. He has earmarked $700,000 for the current year and next year to support program development. At least this level of funding is expected to continue for the next few years. Assuming the federal funds continue at the present level, the projected operating budget would exceed the federal funding by $950,000 in the 2006-2007 academic year. The net operating costs in state funds for program operation could be reduced by assuming a different tuition rate for resident students, non-resident students, or both. The attempt in the present model was to keep resident tuition at a relatively low level to encourage access to pharmacy careers for local residents.

ALTERNATIVES

There are two alternatives to the creation of a UHH College of Pharmacy that can be examined to address the pharmacist shortage: the WICHE Program and subsidizing the costs of sending students to mainland colleges.
Of the 113 Hawai‘i residents presently in pharmacy colleges on the mainland, 15 are attending under the WICHE Program. Under this program the state pays the difference between resident and non-resident tuition for Hawai‘i residents to attend state colleges of pharmacy on the mainland. For private colleges, the students pay full tuition and the WICHE Program “buys” seats to provide access for Hawai‘i residents. Because of the high demand for pharmacy college openings, it is increasingly difficult for Hawai‘i residents to gain admittance to mainland state schools. They are thus forced to attend expensive private colleges. This trend is reflected in attendance patterns for the last few years. There has been a reduction in the number of Hawai‘i students attending mainland pharmacy colleges while the shortage of pharmacists in Hawai‘i has increased. The problem of Hawai‘i students remaining on the mainland after graduation has also contributed to the shortage of pharmacists here. In fact, the rate of return to the home state for WICHE students is lower in Hawai‘i than any other state in the western region. It does not appear that the WICHE Program is the solution to the pharmacist shortage in Hawai‘i.

It has also been suggested that it would be more economical for the state to subsidize tuition for Hawai‘i students to attend mainland pharmacy colleges than to create a College here. Assuming a conservative estimate of $25,000 per year tuition for four years at mainland colleges, it would cost $100,000 in tuition for each student. Thus the $2.0 million in state funds needed to operate a College of Pharmacy at UHH would pay for 80 students to attend mainland colleges per year. However it would provide only 20 pharmacists per year for the local workforce needs. This is approximately less than half of the current shortage, and the shortage is expected to grow. The proposed UHH College of Pharmacy would produce 66 graduates per year for the same level of funding. Thus, subsidizing mainland tuition does not appear to be a cost effective means of addressing the shortage of pharmacists in Hawai‘i.

**ACTION RECOMMENDED**

It is requested that the Board approve the creation of a College of Pharmacy at the University of Hawai‘i at Hilo. It is further requested that the Board approve the recruitment of a Dean for the College to immediately begin development activities in support of the College.

c David Iha, Executive Administrator and Secretary of the Board of Regents

Attachment: Organizational Plan
ORGANIZATIONAL PLAN

COLLEGE OF PHARMACY

UNIVERSITY OF HAWAIʻI AT HILO
EXECUTIVE SUMMARY

The College of Pharmacy will be a functional division of the University of Hawai‘i at Hilo. The College will include an Office of the Dean, one Associate Dean, two academic departments, administrative services and distance learning/technology support. The Doctor of Pharmacy (Pharm.D.) degree is a four year professional doctorate begun after a minimum of two years of specified pre-pharmacy course work. The first two years of instruction in the Pharm.D. will be completed at UH Hilo, while the final two years will be completed at various clinical sites throughout the Islands.

The Department of Pharmaceutical and Biological Sciences will provide the basic science instruction during the first two years of the program. The Department will consist of a chair, 8 faculty, one secretary and one clerk typist. The Pharmacy Practice Department will consist of a chair, 26 faculty, one secretary and two clerk typists. The faculty will be located throughout the four main islands. There will be 8 faculty in Hilo, 14 faculty and one clerk typist on Oahu, and two faculty each on Maui and Kauai.

The College will be developed over a six-year timeline, with the first class entering in 2007 and the first class graduating in 2011. At full enrollment the operating budget in 2011 will be $6.4 million. Tuition income will provide $4.4 million, leaving a balance of $2 million to be covered by state funds. The operating budget in subsequent years will be reduced by $300,000 due to the absence of start up costs. The first two years will consist of start up activities such as hiring a dean, faculty and staff; formally developing the curriculum, arranging for clinical sites and construction of a building for the College. The last four years will consist of the phase-in of each of the four years of the academic program.
University of Hawai‘i at Hilo
Establishment of the College of Pharmacy

This proposal is to establish a college of Pharmacy at the University of Hawai‘i at Hilo. The mission of the College is to offer a curriculum leading to the Doctor of Pharmacy (Pharm.D.) degree which will qualify its graduates to become pharmacists licensed to practice in Hawai‘i.

a. Present Organization. UHH does not presently have a College of Pharmacy in its organizational structure.

b. Proposed Organization. As described in the attached Proposed Organization Chart, the College will be located in the academic unit of UHH, under the direction of the Vice Chancellor of Academic Affairs.

c. Background and Reasons for the Proposed Reorganization

There is a serious nationwide shortage of pharmacists and this shortage exists in Hawai‘i as well. Because of this shortage Hawai‘i has been chronically underserved by the pharmacy profession compared to the mainland, especially in the rural areas of the state. Numerous studies indicate that the shortage is a long-term problem, with a projected need for 157,000 pharmacists by 2020. There is no pharmacy degree program preparing pharmacists for licensure in the University system to address this growing problem in the health care area. Hawai‘i students are thus forced to compete for spaces in increasingly difficult to obtain openings in state colleges on the mainland, or to pay very high tuition to attend private colleges. While more than 100 Hawai‘i residents attend pharmacy colleges on the mainland each year, the shortage persists because most do not return to the state to practice after training on the mainland. With the new standard of licensure for pharmacists requiring the Doctor of Pharmacy degree, it is important to the quality of health care in Hawai‘i that local pharmacists have access to this level of education. The proposed College of Pharmacy is intended to address this need.

As the proposed college is a new academic unit, there will be no reassignment of positions within UHH. The fifty six permanent positions in the College include two administrators (dean and associate dean), two department chairs who will be appointed from instructional faculty, 34 faculty (2 faculty position will be located in the College of Arts & Sciences, Biology and Chemistry Departments), 10 secretary/clerk positions and 8 support services and distance learning/technology personnel. It is common practice for professional colleges of pharmacy throughout the country to have their own support services staff (similar to JABSOM). Funding for the positions will be requested from the legislature. The college will be organized into two academic departments with attending support services, and could provide the education program to 264 students working toward the Doctor of Pharmacy degree.

The College will require a new building for its programs. Funding for the building will be obtained from federal and private sources. Total operating costs
for the College will be approximately $6.4 million at full enrollment in the final start-up year (2011), with tuition income at the proposed level providing $4.4 million of this amount. The operating budget in subsequent years will be reduced by $300,000 due to the absence of start-up costs. Funding for operating costs not covered by tuition will be requested of the State Legislature. Attachment 1 summarizes the proposed operating budget in detail.

d. Other Alternatives Considered.

While the state could consider paying the expenses of Hawai‘i residents to attend mainland pharmacy programs, such a strategy would cost considerably more than the proposed College. It would also not address the problem of students failing to return to Hawai‘i to practice. Without the creation of a College of Pharmacy in Hawai‘i it can be expected that the health care system will increasingly suffer from a lack of licensed pharmacists.
STATE OF HAWAI'I
UNIVERSITY OF HAWAI'I
UNIVERSITY OF HAWAI'I AT HIKO
ACADEMIC AFFAIRS
COLLEGE OF PHARMACY
POSITION ORGANIZATION CHART
CHART 11U

ACADEMIC AFFAIRS
VICE CHANCELLOR, #65310

COLLEGE OF PHARMACY
DEAN

SECRETARY

ASSOCIATE DEAN

SECRETARY

DISTANCE LEARNING/ TECHNOLOGY
IT SPECIALIST
4 SPECIALIST

SUPPORT SERVICES
ADMINISTRATIVE OFFICER CLERK
STUDENT AFFAIRS OFFICER CLERK
DEVELOPMENT OFFICER CLERK

PHARMACEUTICAL & BIOLOGICAL SCIENCES
CHAIR (APPOINTED FROM INSTRUCTIONAL FACULTY) SECRETARY CLERK TYPIST 8 FACULTY

PHARMACY PRACTICE
CHAIR (APPOINTED FROM INSTRUCTIONAL FACULTY) SECRETARY CLERK TYPIST
CLERK TYPIST 28 FACULTY

* Footnote: Positions are proposed and position numbers are to be determined.

POSITIONS
GENERAL FUND - 64,000
COLLEGE OF PHARMACY

Provides for the academic curriculum leading to the Doctor of Pharmacy degree.

OFFICE OF THE DEAN

Responsible for the overall activities, curriculum and personnel of the College of Pharmacy.

- Responsible for faculty, administrative and staff personnel actions, faculty recruitment and affiliate faculty appointments.
- Maintains liaison with College Senate and Senate Executive Committee, other Deans, Directors, Vice chancellors and the Chancellor.
- Responsible for overall curriculum development and long-range planning.

DEPARTMENTS
(Pharmaceutical & Biological Sciences and Pharmacy Practice)

Develop curricular programs, in accordance with accreditation guidelines, that leads to the Doctor of Pharmacy degree.

- Coordinate curricular offerings between departments through appropriate consultation.
- Coordinate on-campus courses with distance learning based courses and pharmacy practice courses throughout the state.
- Review and process personnel transactions, administer student help and the operating and equipment budgets.
## APPENDIX G: Projected 6-Year Budget (Based On FY05 Facilities Development Year)

### START-UP BUDGET

<table>
<thead>
<tr>
<th>Category</th>
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<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
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### FACILITY & SUPPORT BUDGET

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### TOTAL OPERATING BUDGET

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<th>Year 3</th>
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<th>Year 4</th>
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### TOTAL FUNDED BUDGET

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Those who can manage the costs are thus forced to attend expensive private colleges for their training. Many Hawaiʻi residents are unable to attend a pharmacy school on the mainland for financial or family reasons.

With the new requirement that the entry level degree nationwide for pharmacy licensure is the Pharmaceutical Doctorate, and with the standard of licensure for pharmacists requiring the Doctor of Pharmacy degree, it is important to the quality of health care in Hawaiʻi that local pharmacists have access to this level of education. The proposed College of Pharmacy is intended to address this need.

BACKGROUND INFORMATION:

BOR policy 5-7a(1) (a) states: “The University of Hawaiʻi at Manoa will remain the only public research University campus in the State. It will continue as the only University of Hawaiʻi campus that offers the doctoral degree, degrees in law and medicine, and a comprehensive array of master’s degrees and undergraduate curricula.”

Although Pharmacy D is a professional degree that requires a two-year pre-pharmacy course work plus a four-year pharmacy training, it can be considered a doctoral degree. Therefore, exception is requested to the BOR Policy 5-7a(1) (a) which stipulates that the University of Hawaiʻi at Manoa is the only University of Hawaiʻi campus that offers the doctoral degree.

1. PROGRAM OBJECTIVE

The objective of the proposed College of Pharmacy is to provide a high quality Doctor of Pharmacy program that will help address significant health care needs in Hawaiʻi.

The mission of the proposed College of Pharmacy will be focused state-wide, and on the needs of the U.S.-Affiliated Pacific Jurisdictions. Pharmacists are needed throughout the region to meet the growing challenges of health care to a population that is growing older and requiring more medications. The College will seek to meet the unique needs for pharmacy education of the various regions and their students. The rural nature of much of Hawaiʻi and the Pacific presents special challenges to professional pharmacy education. The most serious pharmacist shortages are in the rural areas, and the practice of pharmacy is significantly different in rural communities compared to urban practice. The location of the College of Pharmacy in Hilo, rather than Honolulu, will maximize
the likelihood that its graduates will be prepared for and willing to practice in rural settings.

2. APPROPRIATENESS OF OBJECTIVE

The University of Hawai‘i at Hilo Strategic Plan includes goals and objectives to offer selected graduate and professional programs that “...help meet the needs of the island and state for professional and pre-professional studies.” The Pharmaceutical Doctorate is specifically identified as a strategic initiative that will address this goal.

The most obvious benefit of a College of Pharmacy in Hawai‘i will be the positive impact on the quality of health care in the State. The shortage of pharmacists, as well as nurses and other health care providers, has a negative impact on the quality of medical care available to local residents. For example, there is increasing nationwide concern about the rising number of medication errors and the resulting illness, injuries and deaths. As the expert in drugs and their effects and interactions, the pharmacist is a crucial element in the solution to such problems. With the national standard of pharmacist training now the Doctor of Pharmacy, it is essential to the quality of Hawai‘i’s health care that local pharmacists have access to education at this level.

There are also workforce and economic benefits of having a College of Pharmacy at the University of Hawai‘i at Hilo. There is considerable interest in pharmacy education among local residents. However, the lack of educational opportunities has led to unmet career goals while there is a growing shortage of pharmacists, especially in rural areas. There are jobs available and local people who aspire to the professional education necessary to perform them. Yet employers are forced to recruit from the mainland to fill the positions.

The presence of a new professional school will enhance the University’s ability to contribute to the needs of the State. For example an independent Pharmacoeconomic/Public Policy Center is a common feature of colleges of pharmacy throughout the mainland. The State Legislature, Executive Branch and other public/private interests have an unmet need for a local independent think tank to evaluate all manner of legislative proposals, drug benefit designs, natural product development and public spending programs related to pharmaceuticals.
Numerous government reports have documented a present and long-term projected need for licensed pharmacists throughout the country. The most recent estimates of projected pharmacist shortages concluded that 157,000 pharmacy positions will be unfilled nationwide by 2020 (Attachment 1). With the support of a grant from the Health Resources and Services Administration Bureau of Health Professions University of Hawaiʻi at Hilo conducted an assessment of the need for pharmacy education in Hawaiʻi and the U.S.-Affiliated Pacific Jurisdictions. The results of the needs assessment indicate that there is a current demand for licensed pharmacists in Hawaiʻi, with many of the larger employers advertising continuously on the mainland in search of personnel. As indicated earlier, there is a strong interest among Hawaiʻi residents to pursue careers in pharmacy. However the lack of an educational program in Hawaiʻi has forced those with sufficient financial resources to compete for increasingly difficult to obtain openings in mainland programs. This lack of opportunity also removes professional pharmacy training as a possibility for those unable to relocate for family or financial reasons.

In addition to the current demand for pharmacists, there are factors that suggest that the need will increase through the foreseeable future. Drug usage has been increasing at an accelerating rate, with the largest increases among those in the older population. As the baby boomers begin to retire the number of people in the age group that has the highest usage of drug therapy will increase dramatically. It is now common for an individual to be taking 7 or 8 drugs at the same time, and it is not uncommon for people to take two or even three times that number. There are also increasing numbers of new drugs on the market, which increases the variety of drugs and drug interactions that must be managed. The pharmacist is the central health care provider in drug management, and this is increasingly true with the shift to a more clinical role for pharmacists throughout the profession and with the new requirement that the entry level degree nationwide for pharmacy licensure is the Pharmaceutical Doctorate.

The demographics of the pharmacy profession also suggest an increasing need for pharmacists. A large percentage of the pharmacy workforce is nearing retirement, which will add significantly to the shortage. There is also a trend for increasing numbers of women to enter the pharmacy workforce, and the data show that female pharmacists generally desire a more balanced lifestyle and work fewer hours than men, thus adding to the shortage.

3. PROGRAM ORGANIZATION
The Accreditation Council for Pharmacy Education (ACPE) is the federally recognized accrediting body for professional pharmacy programs. After July 2000, the ACPE only accredits programs of study that lead to the Doctor of Pharmacy (Pharm. D.) degree. The Pharm. D. is a doctoral degree requiring four years of professional education after at least two years of defined pre-professional courses. The pre-professional courses are typically taken as part of a student's undergraduate degree. All of the necessary pre-pharmacy courses are currently offered at U.H. Hilo (see Attachment 2); and the pre-professional curriculum may also be completed (all, or in part) at any regionally accredited college or university.

The four-year professional curriculum (Attachment 3) will include two years of primarily didactic and laboratory based instruction in Hilo. The third year will consist of approximately 50% didactic instruction and 50% clinical experiences. For this year students will be placed in half-time clinical rotations at various locations on all of the major islands in Hawai'i, and in selected locations in the Pacific Jurisdictions. The didactic instruction will be presented using distance learning technology to all of the field sites. The final year of the program will consist entirely of clinical rotations. Some of these rotations will be completed with medical students from the John A. Burns School of Medicine (JABSOM) at the University of Hawai'i at Mānoa. The JABSOM administration has indicated its support of the development of the proposed College of Pharmacy and is enthusiastic about the prospect of joint clinical experiences for medical and pharmacy students.

The curriculum described in (Attachment 3) was prepared by the Program's academic consultant, Dean Arthur Nelson, from Texas Tech University. It is designed to meet the accreditation Standards of the ACPE. The recommended curriculum extends the general trends that have been developing in pharmacy education over the last several years, rather than directly representing a typical curriculum found in most pharmacy schools.

The curriculum for the Pharm.D. requires a minimum of four academic years to meet the accreditation standards. The Standards define minimum competencies and expected outcomes. The professional curriculum includes the biomedical sciences; pharmaceutical sciences; behavioral, social and administrative sciences; pharmacy practice, and professional practice experiences. The practice experiences are acquired throughout the curriculum as a continuum. The
Standards require that faculty address the teaching and learning process and develop systems to assess student outcomes.

The proposed curriculum is intended to be illustrative of what the eventual curriculum will look like. It is necessary to have a curricular model in order to plan such things as class size, staffing needs and building requirements. It is acknowledged that the founding Dean and faculty will create the specific elements of the final curriculum; and will submit them to the appropriate university review process.

4. WHO WILL ENROLL IN THE PROGRAM

Only six states, including Hawai‘i, do not have an in-state pharmacy school or college; and there are no programs to train licensed pharmacists in any of the Pacific Jurisdictions countries or territories. One of the primary reasons to provide pharmacy education within a state is to offer the citizens the opportunity to secure a career in pharmacy without the cost and burden of leaving the state. At the present time there are 129 Hawai‘i residents attending pharmacy colleges on the mainland, and many more who desire such training but cannot afford the costs of relocation from Hawai‘i. Nationally, the trend over the last five years has been a significant increase in both the number of applicants per school and the number of students enrolled. With applicant-to-acceptance ratios as high as 12:1, it is becoming increasingly difficult for out of state students to gain acceptance to mainland programs.

5. RESOURCES REQUIRED FOR PROGRAM IMPLEMENTATION

Attachment 4 describes a projected six-year budget plan for the development of the College. The first two years reflect planning and start-up activities, with successive classes of students enrolling beginning in year three. The planning phase will consist of all of the activities necessary to the creation of a new college at the University of Hawai‘i at Hilo; including program approval, fiscal, staffing, building and curricular issues. Concurrently with the planning for the College of Pharmacy, efforts will be undertaken to publicize the pre-pharmacy curriculum, strengthen the undergraduate science curriculum at the University of Hawai‘i at Hilo in anticipation of increasing enrollment in basic science courses, and offering a Pharmacy Technician training program. The latter program will be offered in
Hawaii and to the Pacific Basin Jurisdictions via distance learning; and is presently being developed in cooperation with the University of Hawaii Community Colleges.

Because the College of Pharmacy is likely to impact selected undergraduate courses in basic sciences, resources will be allocated to address these impacts. The major effect of an increase in undergraduate students enrolling in pre-pharmacy courses will be on the Biology and Chemistry departments. In addition to the faculty needed for the professional pharmacy curriculum, a position in each of these two departments will be added to meet the additional demand for Biology and Chemistry courses. Funds have been allocated from the current year’s planning grant to upgrade the equipment in the chemistry laboratories, and the pharmacy building plan includes a biomedical sciences laboratory which can be used for undergraduate instruction.

Accreditation Standards mandate that appropriate space for the College of Pharmacy be available. This will require the construction of a new building. An architect is currently working on developing cost estimates and initial schematic design and conceptual drawings of a building based on the space plan in Attachment 5. This information will be used to attempt to secure funding from federal and private sources for the building construction. The campus long-range development plan identifies a site for a new instructional building upon which the pharmacy building would be constructed.

There are presently no state funds budgeted for this program. Federal funding in the amount of $700,000 has been awarded for the current year, and the same amount is included in the federal budget for next year. At least this level of funding is expected for the next few years. The federal funds are expected to cover all costs of the first year of planning period, excluding construction. As indicated in Attachment 4, the second planning year would be the first year state funds would be needed. This is the second year of the next biennium budget cycle. Year two of the planning period will add a position for a Dean of the College. Year three will include positions for a total of four administrative and six professional staff. A total of 38 faculty will be required for the college. Twenty-five of these will be clinical faculty located throughout the islands.

The College of Pharmacy is proposed to enroll 66 students per year, with 75% of the students from Hawaii %6 and 25% non-residents. This mix is expected to meet the local demand for pharmacists and allow the College to still have a student body of varied backgrounds. Tuition is proposed to be $11,000 annually for residents and $22,000 annually for non-residents. The differential tuition will allow the non-residents to help subsidize the costs of the College for residents.
As indicated earlier, there is such a high demand for pharmacy education that there should be no difficulty finding qualified students.

The annual operating budget for the College at full enrollment will be approximately $6.1 million dollars. With tuition providing an income of approximately $4.4 million dollars, the balance of $1.7 million dollars in operating funds will be requested from the State.

6. PROGRAM EFFICIENCY

The proposed College of Pharmacy will enroll 66 students per year. The most similar UH program is that of the John A. Burns School of Medicine, which enrolls approximately 75 students per year. At full enrollment the estimated annual net State operating cost per student will be $6,600.

7. PROGRAM EFFECTIVENESS

The Accreditation Council for Pharmacy Education has extensive Standards for the assessment of both the quality of student learning and the effectiveness of the program. These Standards will be carefully followed in monitoring and evaluating the program.

The University of Hawai’i at Hilo Faculty Congress endorsed the establishment of the College of Pharmacy in its February, 2004, meeting.

ACTION RECOMMENDED:

It is requested that the Board approve the creation of a College of Pharmacy at the University of Hawai’i at Hilo. It is further requested that the board approve the recruitment of a Dean for the college to immediately begin development activities in support of the College.

David Iha, Executive Administrator and Secretary of the Board of Regents