

MINUTES OF THE REGENTS' JOINT COMMITTEES ON  
ACADEMIC AFFAIRS AND BUDGET AND LONG-RANGE PLANNING

Date: Thursday, September 9, 2004

Place & Time: Kaua'i Community College  
Performing Arts Center  
1:12 p.m.

Committee on Academic Affairs

Committee Members Present: Regents Bender (presiding)  
Haynes  
Kakuda  
Kawakami  
Lee (ex-officio)

Committee on Budget and Long-Range Planning

Committee Members Present: Regents Tanaka  
Albano  
Bender  
Haynes  
Kai  
Kakuda  
Kawakami  
Lagareta  
Tanaka  
Tatibouet  
Yamasato

Others Present: David McClain, Acting President, University of Hawai'i at  
M-noa  
Rose Y. Tseng, Chancellor, University of Hawai'i at Hilo  
Christopher Lu, Vice Chancellor for Academic Affairs,  
University of Hawai'i at Hilo  
Jerry L. Johnson, Professor, University of Hawai'i at Hilo  
Dr. Arthur Nelson, Texas Tech University, Pharmacy  
Education Consultant  
David Iha, Executive Administrator and Secretary of the  
Board  
Carl Makino, Executive Assistant to the Board

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

Chancellor Tseng requested that the Committee approve the creation of a College of Pharmacy at the University of Hawai'i at Hilo and that Hilo be given the authority to begin recruiting for a Dean for the College to immediately begin development activities.

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 the Doctor of Pharmacy (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 statewide, 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 the 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 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. 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.

Acting President McClain commented that a private school of pharmacy was interested in offering a program. Professor Johnson informed that the accrediting agency for Schools of Pharmacy would not recommend such an affiliation because the school mentioned is not accredited. The group had not applied for accreditation status and any graduate from an unaccredited School of Pharmacy would not be able to stand for licensing.

Regent Haynes expressed concern that the proposed School of Pharmacy would not be closer to hospitals and the Medical School. Professor Johnson said that pharmacy schools are not affiliated with medical schools across the nation.

Regent Kai expressed that Hawai'i needs such a program in order to keep pharmacists here. Having received their education on the mainland, many do not return to Hawai'i.

Regent Tanaka inquired about a funding plan. Professor Johnson said that they will be approaching private funding sources once the School is established. UH-Hilo is committed to receiving Federal funds for start-up made available through U.S. Senator Inouye.

Dr. Nelson informed that the Pharmacy School would bring students to UH-Hilo and would serve to strengthen their science and math curriculum. The mission of the proposed School of Pharmacy would merely be to train pharmacists and not to do research or become a biomedical institution. If that were the case, the Pharmacy School would have to be located closer to the Medical School.

Regent Yamasato inquired about the tuition. Dr. Nelson stated that the University could increase tuition by approximately 35%. If it is for residents, the tuition needs to be reasonable. However, he said that at his School of Pharmacy, Medical School and Pharmacy School students

pay the same tuition.

Regent Tanaka asked if there was a backup plan if the State did not provide funding. Dr. Nelson said the only way was to raise it through tuition. He suggested that UH-Hilo be allowed to move forward with plans and hire a Dean. If in three years there is no funding the University and Board need not proceed further. There would be no loss of State funds since all of the start-up costs would come out of the forthcoming Federal funds.

Regent Lagareta asked how did UH-Hilo become the focus for Pharmacy when other disciplines would be a more natural fit such as Hawaiian, agriculture, and geology. Chancellor Tseng said that UH-Hilo is a comprehensive institution while UH-Mānoa is a research institution. The Pharmacy School would fit their mission since UH-Hilo provides professional training and the State needs pharmacists.

Regent Lagareta noted that the plan calls for 25% out-of-state students and was asked if this was realistic. Chancellor Tseng said it was and that the percentage could go higher provided tuition is around \$14,000 for residents and \$28,000 for non-residents.

Regent Lagareta expressed that the financial plan makes her feel very uncomfortable and with insufficient State resources the Committee should rethink this proposal before hiring a new dean with a five-year commitment.

Vice Chancellor Lu said that he believes there would be a minimal risk in this proposal and if the funding is eventually not available beyond the Federal funds, UH-Hilo would not proceed further. However, Regent Kawakami concurred with Regent Lagareta, stating that the financial plan seemed uncertain and what dean would come without certainty of funding. Dr. Johnson assured that private funds would be there provided the program can move forward. He explained that it is a matter of what would come first, donations or the school. He assured that once the Regents' approved the establishment of the School, private donors were prepared to fund a School of Pharmacy at UH-Hilo.

Regent Lagareta asked if the Federal funds could be used to pay for the new dean's salary. Chancellor Tseng informed that it could.

Regent Bender suggested that this matter be deferred until the Board's meeting in Hilo where further input can be received from the public and the faculty. Vice Chancellor Lu said that in all his meetings with the stakeholders, support for the School of Pharmacy was overwhelming. Regent Bender asked if he had received input from the Arts and Sciences faculty. Vice Chancellor Lu responded that the Arts and Sciences faculty have a representative on the Faculty Congress and the Congress had given its approval for the proposal.

The following testimonies were received:

JN Musto, Executive Director of UHPA expressed that the proposal requires considerable thought and that this matter should be taken up in Hilo. He said that this proposal raises several questions of priorities of resources and would bring a

change to the complexion of the campus. Consequently, this matter should be considered at UH-Hilo.

Written testimonies were also received from Ira Nakano, President of Hawai'i Japanese Chamber of Commerce in support of a School of Pharmacy at UH-Hilo, and from Roberta F. Chu, Chairperson of the Hawai'i Island Economic Development Board supporting a School of Pharmacy at UH-Hilo.

Regent Kakuda moved to defer this matter until the Committee's meeting in Hilo in October. The motion was seconded by Regent Haynes, followed by a discussion.

Regent Kai reiterated the importance of this program to UH-Hilo and that UH-Hilo should not be viewed as only one type of school. He emphasized that the community was fully behind this proposal. Regent Bender, however said that the financing needs to be clearer. Chairperson Lee agreed, that perhaps, this should be taken up in Hilo and approved in concept and that for funding they could consider options such as Kapi'olani Community College's Culinary Institute of the Pacific. Regent Lagareta said she appreciated Regent Kai's comments but needs to feel more comfortable because the Board will be held accountable regardless of State or Federal funds. She added that the Foundation is having difficulties raising money for a Medical School and therefore needs to have more assurance than just a few testimonies that there is a strong commitment for private funding provided the Regents approve the establishment of a School of Pharmacy at UH-Hilo. Regent Yamasato agreed, stating that there needs to be a review of the cash flow and a feasibility plan for this proposal. Regent Albano agreed stating that he needs to have more concrete information and perhaps written commitments from those who would be providing funding from a private source and to what extent. Regent Haynes added that a determination needs to be made if Hilo is capable of raising the \$17 million from the Big Island.

Upon call the motion was carried unanimously.

There being no further business before the Committee, the meeting was adjourned at 2:52 p.m.

Respectfully submitted,

David Iha, Secretary

Dated: October 5, 2004

c: Chairperson Patricia Y. Lee  
Members, Board of Regents  
Acting President David McClain