

**MINUTES OF REGULAR MEETING OF THE  
UNIVERSITY OF HAWAI'I BOARD OF REGENTS**

**January 17, 2003**

**I. CALL TO ORDER**

The monthly meeting of the Board of Regents was called to order by Chairperson Bert A. Kobayashi on Friday, January 17, 2003, at 8:30 a.m., in Campus Center Rooms 306-307, University of Hawai'i at Hilo.

Chairperson Kobayashi announced the passing of Regent Emeritus Gladys Kamakakūokalani 'Ainoa Brandt on Wednesday, January 15, 2003. He called on Professor Larry Kimura for a pule in her memory. Professor Kimura preceded his pule with a brief statement that Mrs. Brandt was likened to the lehua flower which has the meaning of being an accomplished, brave champion in any activity.

**Attendance**

Present were Regents Everett R. Dowling, Lynne Kaneshiro, Charles K. Kawakami, Duane K. Kurisu, Patricia Y. Lee, Ah Quon McElrath, Walter N. Nunokawa, Kathleen K.S.L. Thurston, and Myron A. Yamasato; President Evan S. Dobbelle; Executive Administrator and Secretary of the Board David Iha; and Executive Assistant Carl H. Makino. Regent Capsun M. Poe was excused.

Also present were Dr. Joyce Tsunoda, Senior Vice President and Chancellor for Community Colleges; Dr. Rose Tseng, Senior Vice President and Chancellor, UH-Hilo; Mr. Walter Kirititsu, Vice President for Legal Affairs and General Counsel; Mr. Paul Costello, Vice President for External Affairs and University Relations; Dr. Colleen Sathre, Vice President for Planning and Policy; Dr. Peter Englert, Chancellor UH-Mānoa; Dr. William Pearman, Chancellor, UH-West O'ahu; Dr. Peggy Cha, Provost, Kaua'i Community College; Dr. Mark Silliman, Provost, Leeward Community College; Dr. Angela Meixell, Provost, Windward Community College; Dr. Ramsey Pedersen, Provost, Honolulu Community College; Dr. flo wiger, Acting Provost, Maui Community College; Dr. Karl Kim, Interim Vice Chancellor for Academic Affairs, UH-Mānoa; Mr. Michael Unebasami, Vice Chancellor for Administrative Affairs for Community Colleges, UH-Mānoa; Mr. Michael Rota, Vice Chancellor for Academic Affairs for Community Colleges, UH-Mānoa; Mr. Prescott Stewart, Executive Assistant to the President; Dr. Mary Tiles,

UHPA President; Mr. Walter Niemczura, APT President; Ms. Helen Hamada, APT representative; Ms. Betsy Sloane, UH Foundation President; and others.

## **II. APPROVAL OF MINUTES**

Upon motion by Regent Nunokawa and second by Regent McElrath, the Board approved the minutes of its regular meeting held on November 22, 2002 and its special meeting of December 12, 2002 as circulated.

## **III. ITEMS FROM PRESIDENT'S MEMORANDUM NO. 15** **RECOMMENDATIONS FOR ACTION AND** **GENERAL INFORMATION**

### **Change in Status of the Bachelor of Science in Travel Industry Management, School of Travel Industry Management, Mānoa Campus**

Chancellor Englert requested that the Board grant established status to the Bachelor of Science (BS) in the Travel Industry Management program in the School of Travel Industry Management (TIM), University of Hawai'i at Mānoa.

Over the past ten years, the goals of the School of Travel Industry Management have been threefold: a high-quality education for current and future professionals in the travel industry; conceptual and applied research in that field; and service to the State and the Asia-Pacific region. During that time, a high-quality BS program was successfully instituted, developed, and improved; the faculty has been quite productive in research, publication, and professional outreach despite a heavy course load along with administrative and service burdens aggravated by uncertainty over the school's autonomy; and the school has served well its various clients - student and professional, private and public, academic and industrial.

In the 2001-2002 academic year, 325 degree candidates were enrolled. Students transfer into TIM from UH community colleges, other departments and programs at Manoa, and other institutions of higher education. Students may elect three upper-level specializations: hospitality, tourism, or transportation. All undergraduates work and study in an internship program that includes an introduction to the industry and 800 hours of approved work-study.

Recent reviews by the Accreditation Commission for Programs in Hospitality Administration and the World Tourism Organization resulted in a positive accreditation report. According to the Council on Program Reviews surveys, TIM undergraduates were quite satisfied with their programs of instruction at the school. Faculty and staff were readily available for advice and assistance, the quality of instruction and the sequence and usefulness of courses were widely approved, and overall student morale was high.

Strengths of the BS program include: close ties with industry; a high job placement rate of graduates; the use of distance learning and high technology for instruction and the dissemination of knowledge; a focus on research, professional management and leadership; aggressive fundraising and pursuit of extramural grants; effective marketing and recruitment of students; and effective public relations. Using an \$8,000 intramural grant from the UH-Mānoa Assessment Fund, the School established an Assessment Committee that developed an assessment procedure that will be implemented on a yearly cycle beginning in 2002-2003.

The BS degree in the Travel Industry Management program was established by the Board of Regents in 1991 and an extension of the provisional status was granted in 1995. Board policy provides that all new academic programs, once approved, shall have provisional status until a review is conducted. The Bachelor of Science in the Travel Industry Management program has been reviewed by the Council on Program Reviews, which found the program to be of high quality and strongly endorsed that it be established permanently.

Regent Nunokawa moved to grant permanent status to the Bachelor of Science in Travel Industry Management of the School of Travel Industry Management, University of Hawai'i at Mānoa, subject to the Regents' policy on established academic programs, as presented in President's Memorandum No. 15 (Agenda), Item A-1, dated January 17, 2003. Regent McElrath seconded the motion which was unanimously carried.

**Change in Status of the Master of Science in Kinesiology and Leisure Science, Department of Kinesiology and Leisure Science, College of Education, Mānoa Campus**

Chancellor Englert requested that the Board grant established status to the Master of Science (MS) in Kinesiology and Leisure Science of the Department of Kinesiology and Leisure Science in the College of Education on the Mānoa campus.

The MS degree in Kinesiology and Leisure Science offers graduate training in three areas: Athletic Training, Physical Education and Adaptive Physical Education, and Health, Exercise Science and Lifestyle Management. Two of the program areas, Athletic Training and Adaptive Physical Education, are highly structured and are specifically geared towards meeting national certification requirements. Once students complete their studies in Adaptive Physical Education, they may sit for the Adapted Physical Education National Standards Certification Examination to become certified adaptive physical educators. Similarly, once students complete course work in the area of athletic training, they may sit for the Board of Certification Examination offered by the National Athletic Trainers' Association. The Physical Education area helps to train secondary and college level physical educators, while the Health, Exercise Science and Lifestyle Management program area aims to prepare students for upper management in fitness and leisure time careers.

The program clearly met and exceeded all state, national, and international need factors. Program strengths include the involvement and support of professionals in the field; the clinical experience (40-60 hours) that requires students to work with athletic trainers and other professionals; student outcome objectives for the Athletic Training and Adaptive Physical Education curricula that are aligned with that of the national accrediting organizations; the commitment of the College of Education to the program; and the satisfaction of students with the program.

The MS degree in Kinesiology and Leisure Science was granted provisional status by the Board of Regents in 1999. Board of Regents Policy 5-1(a) provides that all new academic programs, once approved, shall have provisional status until a review is conducted. Reviews are initiated once a full cycle of graduates has been completed. The MS program has graduated 44 students as of Spring 2002. The program was reviewed recently by the Council on Program Reviews, and by the National Council for Accreditation of Teacher Education in October 2001. Both reviews were positive. The Council on Program Reviews recommends that the program be moved from its provisional status to the established status, and the National Council for Accreditation of Teacher Education granted accreditation to the College of Education.

Regent Nunokawa moved to grant permanent status to the Master of Science in Kinesiology and Leisure Science in the Department of Kinesiology and Leisure Science within the College of Education on the Manoa campus, subject to the Regents' policy on established academic programs, as presented in President's Memorandum No. 15 (Agenda), Item A-2, dated January 17, 2003. Regent Lee seconded the motion which was unanimously carried.

### **Establishment of the Kahuawaiola Indigenous Teacher Education Program as a Post-Baccalaureate Certificate Program of the University of Hawai'i at Hilo**

Chancellor Tseng requested that the Kahuawaiola Indigenous Teacher Education Program be granted approval as a post-baccalaureate certificate program at the University of Hawai'i at Hilo.

The Kahuawaiola Indigenous Teacher Education Program at the college is a fully approved program of the Department of Education (DOE) offering multiple licensure allowing for teaching in both Hawaiian and English. While Kahuawaiola has been official at UH-Hilo since January 21, 1999 when approved as a certificate program by Chancellor Tseng, the program needs official approval from the Board of Regents for its students to be eligible for important scholarship assistance, such as the federal Stafford Loan program. In addition, funding of students from less prosperous backgrounds who wish to become public school teachers for Hawaiian immersion schools, charter schools and standard public schools through this unique program would be made possible. The federal government requires that students receiving federal financial assistance must be enrolled in a program approved by the Board of Regents. Other teaching certificate programs of the University of Hawai'i system were approved by the Board of Regents before passage of E5.205 and thus meet the federal government requirement.

Until Fall 2002, Ka Haka 'Ula O Ke'elikōlani faculty were unaware of the negative impact of E5.205 on financial aid for their students because the tuition of students in their initial cohorts had been fully covered through extramural grants awarded to the college.

Kahuawaiola is a mandated part of Ka Haka 'Ula O Ke'elikōlani College of Hawaiian Language established in 1998 by the Board of Regents in response to Act 315 of the 1997 legislature. As such, it is associated with the state Hale Kuamo'o Hawaiian Language Center at UH-Hilo; cooperates in Hawaiian immersion curriculum development with the 'Aha Pūnana Leo at UH-Hilo. Nāwahio Kalani'ōpu'u School is the laboratory school site for teacher training for the college. It trains teachers for immersion schools, charter schools, and schools throughout the state. It is accredited by the State of Hawai'i and is the only teacher education program in Hawai'i providing all graduates multiple licensure and the first in the state to grant the DOE's Hawaiian immersion, Hawaiian studies, and Hawaiian language licenses. All Kahuawaiola graduates are licensed to teach in both Hawaiian and English and all graduates receive at least two licenses, one for Hawaiian immersion and one from a broad list of areas of expertise that can be used in English medium schools. Additional licenses for Kahuawaiola graduates applicable to English medium schools are available based on the undergraduate degree area of study and the passing of national teacher examination requirements.

Kahuawaiola is the only teacher education program in the State of Hawai'i conducted entirely in the Hawaiian language, and is the first teacher education program in the United States conducted entirely in a Native American language. As such, it sets high standards in the teaching of Hawaiian language and culture.

Regent Nunokawa moved to approve the Kahuawaiola Indigenous Teacher Education Program as a post-baccalaureate certificate program at the University of Hawai'i at Hilo, subject to the Regents' policy on new academic programs, as presented in President's Memorandum No. 15 (Agenda), Item A-3 dated January 17, 2003. Regent McElrath seconded the motion which was unanimously carried.

### **Establishment, Amendment and Abolishment of University of Hawai'i Executive Class**

Interim Vice President Neubauer requested that the Board of Regents approve the establishment of the executive classes as necessitated by the recently approved system level reorganization. However, he asked that until approval is received from the Accrediting Commission for Community and Junior Colleges, specified executive classes should not be abolished. In addition, the description of the Vice President for International Education needed to be modified in the original submission.

The executive classes are as follows:

1. Establishment of executive classes:

S101 Chief of Staff  
S102 Chancellor  
S104 Associate Vice President  
S109 Vice President for Research  
S111 Vice President for International Education

2. Amendment of executive classes:

S115 From Senior Vice President for Legal Affairs and University General Counsel to Vice President for Legal Affairs and University General Counsel

3. Abolishment of executive classes:

S119 Associate Vice President for Legal Affairs and University Deputy General Counsel, System  
S120 Senior Vice President for Research and Graduate Education  
S164 Associate Vice President for Administration, System  
S220 Associate Vice President for External Affairs and University Relations, System  
UHM108 Chancellor, UH-Mānoa  
UHM110 Senior Vice President and Executive Vice Chancellor, UH-Mānoa  
UHH100 Senior Vice President, University of Hawai'i, and Chancellor, UH-Hilo  
UHWO100 Chancellor, UH - West O'ahu  
CC100 Senior Vice President and Chancellor for Community Colleges (CC)  
CC103 Vice Chancellor for Academic Affairs, CC  
CC104 Vice Chancellor for Student and Community Affairs, CC  
CC105 Vice Chancellor for Administrative Affairs, CC  
CC115 Director of Employment

In accordance with the Board of Regents' "Delegation of Personnel Actions" dated and approved on September 20, 1985, and amended on October 19, 2001, authority to establish, amend and abolish managerial classes was delegated to the President. However, the Board of Regents retained authority to establish, amend and abolish executive classes.

In 2001, with the Board of Regents' approval of the indexing of the compensation of executive employees to the College and University Professional Association for Human Resources (CUPA-HR) salary survey data or other comparable salary survey, the Executive/Managerial (E/M) compensation plan based on internal alignment, pricing and salary schedule was no longer applicable. With the elimination of the pricing of E/M classes, the scope of responsibilities and

expectations common to positions in the class of work, rather than maintaining the current one-position classes, could be streamlined.

In some cases, specific class specifications will continue to be required for individual positions due to the nature of the assigned duties and responsibilities or the uniqueness of the position. For example, each Vice President position has unique duties and responsibilities or has a wide range of responsibilities which cut across several functional areas and programs. Hence, it is more appropriate to develop specific classes to reflect the responsibilities of each unique Vice Presidential position. However, similar to the other executive classes, position functional statements will replace the use of detailed position descriptions, which often cannot be readily distinguished from the class specifications. Here, again, streamlining the administration of executive positions will be accomplished by this proposed approach. A similar approach will be utilized for managerial positions.

Regent Lee moved to approve the requested establishment and amendment of executive classes as presented in President's Memorandum No. 15 (Agenda), Item A-4 dated January 17, 2003 and as amended. Regent Kawakami seconded the motion which was unanimously carried.

**Establishment, Amendment and Abolishment of University of Hawai'i at Mānoa's Executive Class**

Chancellor Englert requested approval of the following to reduce the number of executive classes.

- 1) Establishment of two (2) academic executive classes:

UHM 131	Vice Chancellor
UHM 210	Director of Research Institute

- 2) Amendment to the academic executive class:

UHM 145	Dean
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- 3) Abolishment of the following executive classes:

UHM 128	Vice Chancellor for Academic Affairs (UH-Mānoa)
UHM 129	Vice Chancellor for Administration, Finance & Operations (UH-Mānoa)
UHM 130	Vice Chancellor for Research & Graduate Education (UH-Mānoa)
UHM 215	Director, Institute of Marine Biology
UHM 225	Director, Pacific Biomedical Research Center
UHM 235	Director, Hawai'i Institute of Geophysics
UHM 241	Director, Cancer Research Center
UHM 245	Director, Institute for Astronomy
UHM 250	Director, Hawai'i National Energy Institute

The establishment of two (2) executive classes, Vice Chancellor and Director for Research Institute, for the University of Hawai'i at Mānoa and the amendment of the executive class, Dean, will clarify and reaffirm the roles of positions in these classes as active and vital members of the Chancellor's leadership team and proponents of campus-wide and systemwide cultural diversity. With the establishment of the Vice Chancellor and Director of Research Institute classes, the nine (9) existing executive classes (Vice Chancellor for Academic Affairs; Vice Chancellor for Administration, Finance and Operations; Vice Chancellor for Research and Graduate Education and Directors of Institute of Marine Biology, Pacific Biomedical Research Center, Hawai'i Institute of Geophysics, Cancer Research Center, Institute of Astronomy, and Hawai'i National Energy Institute) will no longer be required and are recommended for abolishment.

Concurrent with the establishment of a single class of Vice Chancellor, the Office of the Chancellor will initiate the filling of four of the five Vice Chancellor positions approved by the Board on January 19, 2001. The filling of positions at this level is essential to assist the Chancellor in the important process of extensive consultation regarding possible organizational changes for the Mānoa campus. Should changes be warranted as a result of the consultation process, such action will be brought to the Board for appropriate action. The positions to be filled are as follows:

1. Vice Chancellor (Academic Affairs)
2. Vice Chancellor (Research and Graduate Education)
3. Vice Chancellor (Diversity, Equity, and Hawaiian Issues)
4. Vice Chancellor (Undergraduate Education)

Appointment of the fifth Vice Chancellor (Administration, Finance and Operations) was approved by the Board on November 22, 2002.

In accordance with the Board of Regents' "Delegation of Personnel Actions" dated and approved on September 20, 1985, and amended on October 19, 2001, authority to establish, amend and abolish managerial classes was delegated to the President. However, the Board of Regents retained authority to establish, amend and abolish executive classes of work.

The Vice Chancellors, Directors of Research Institutes, and Deans all serve as key members of the UH-Mānoa Chancellor's executive leadership team and are charged with providing leadership and coordination for their specific areas served. As these executives serve as active supporters and proponents of the missions and goals of the University of Hawai'i system, as well as of the UH-Mānoa campus, the proposed class specifications incorporate that role.

The present class concepts articulate the overall administrative and academic functions and responsibilities of the aforementioned executive classes. However, the present class specifications do not articulate the fundamental principle that each college, school, institute or program is but one segment of the larger UH-Mānoa campus and that together they determine the future of the campus and contribute

to the system. These concomitant commitments to the UH-Mānoa campus and system are essential components of an executive leadership team which positively supports and advances the visions, mission and goals of the UH-Mānoa campus, as well as the University system.

Further, as the University is committed to diversity and cultural values, it is important that the class specifications codify this commitment. The executives must foster respect and support for cultural diversity, be knowledgeable about the people of Hawai'i, and promote cultural diversity and the unique and important cultural issues intertwined with the lives of the people of Hawai'i. The executives must embrace the different cultures which invigorate and enhance the University of Hawai'i's unique character.

The proposed class specifications are written in generic terms to encompass the multiple executive positions at the University. However, each Vice Chancellor, Director of Research Institute and Dean will retain the unique, individualized position description that describes the assigned responsibilities and expectations as it pertains to a particular college, school, institute or program area. With the new and/or revised class specifications, the Vice Chancellors, Directors of Research Institute and Deans will have a clearer perspective and understanding of the philosophical position of the University and each position's roles and expectations.

The new executive class, Vice Chancellor, is recommended to replace three (3) existing classes (Vice Chancellor for Academic Affairs; Vice Chancellor for Administration, Finance and Operations; and Vice Chancellor for Research and Graduate Education). The revision focuses on the Vice Chancellor as a senior member of the Chancellor's team, providing leadership and coordination in the specific area of assignment (e.g., Academic Affairs, Research and Graduate Education, Undergraduate Education, etc.), and with responsibility for advancing the strategic plans of the UH-Mānoa campus, as well as those of the University of Hawai'i system. The Vice Chancellors must also be proponents of and supportive of cultural diversity. The existing three (3) single-position Vice Chancellor classes are recommended for abolishment upon the establishment of the new executive class, Vice Chancellor.

A new class, Director of Research Institute is recommended to replace six (6) existing executive classes of Directors of the six (6) major organized research units of the Mānoa campus. The new class emphasizes that the Director is a key member of the Chancellor's executive leadership team and is responsible for ensuring that the institute's overall goals and missions are aligned with and supportive of the UH-Mānoa campus strategic mission and development goals. The Directors must also be proponents of and supportive of cultural diversity. The existing six (6) single-position Director classes are recommended for abolishment upon the establishment of the new executive class, Director of Research Institute.

The executive class, Dean, has been amended to clarify the Dean's role as a key member of the Chancellor's leadership team, as an active supporter of the

missions and goals of the University of Hawai'i and the UH-Mānoa campus, and as a proponent of cultural diversity.

Regent Lee moved that the Board approve the requested establishment, amendment, and abolishment of the University of Hawai'i at Mānoa's executive classes, as presented in the President's Memorandum No. 15 (Agenda), Item A-5, dated January 17, 2003. Regent Kawakami seconded the motion which was unanimously carried.

Regent McElrath indicated that she had asked Chancellor Englert about the two vacancies and whether any one of them would have anything to do with what is being perceived as a lack of attention paid to student affairs. Chancellor Englert assured the Board that those two vacancies would certainly take that concern into consideration.

### **Gifts, Grants, and Contracts**

Chancellor Englert reported that during the past 5 ½ months, the University of Hawai'i system total awards was \$187 million. At the same time last year, the total was \$131 million. He said that the University is 42 percent ahead of last year's pace in terms of dollars.

Regent Kurisu moved to accept with thanks the gifts and grants and ratify the actions of the administration in executing the necessary contracts, as presented in President's Memorandum No. 15 (Agenda), Item A-6, dated January 17, 2003. Regent Thurston seconded the motion which was unanimously carried.

Regent McElrath questioned why there were two similar grants relating to Native Hawaiians from Papa Ola Lokahi awarded to two different individuals in different departments of the University of Hawai'i at Mānoa. Chancellor Englert responded that at the opening of the Research Centers in Minority Institutions Conference in December 2002, the integration of all the Native Hawaiians in either programs in public health is one of the goals of the Mānoa Campus. This is clearly on the agenda for the Mānoa Campus.

Regent McElrath also commented that the Hawai'i health organizations are awarding grants but this may be the reason for the double-digit increase in health care premiums anticipated this year.

### **Appointments, Changes in Appointments, Leaves of Absence, Promotion, Tenure, Waivers of Minimum Qualifications, Emeritus Titles, Shortening of Probationary Period, Salary Adjustments, Position Actions, Classification and Pricing**

President Dobbelle requested that the agenda be amended to include an increase in salary for the Director of the Institute of Astronomy, Dr. Rolf Kudritzki,

and a contract extension for Mr. Riley Wallace, Head Basketball Coach, University of Hawai'i at Mānoa.

Regent Lee moved to amend the agenda to include the requested items. Regent Nunokawa seconded the motion which was unanimously carried.

President Dobelle recommended the appointments, changes in appointments, leaves of absence, promotion, tenure, waivers of minimum qualifications, emeritus titles, shortening of probationary period, salary adjustments, position actions, classification and pricing as follows:

#### UNIVERSITY OF HAWAI'I, SYSTEM

##### Executive

SATHRE, COLLEEN  
Vice President for Planning and Policy  
Office for Planning and Policy  
Professional Improvement Leave  
August 1, 2003 - July 31, 2004  
Waiver of Return Service Obligation  
August 1, 2004

#### UNIVERSITY OF HAWAI'I AT MĀNOA

##### Administrative, Professional and Technical

WILTON, MICHAEL  
UH Head Volleyball Coach (Men's), Exempt  
Intercollegiate Athletics  
Reappointment and Establishment  
and Implementation of an Incentive Plan  
August 16, 2002 - May 31, 2005

#### UNIVERSITY OF HAWAI'I, COMMUNITY COLLEGES

##### Executive

TSUNODA, JOYCE S.  
Senior Vice President and Chancellor for Community Colleges  
Office of the Senior Vice President and Chancellor  
Salary Adjustment  
July 1, 2002

##### Managerial

HEU, NANCY  
Interim Assistant Dean

Windward Community College  
Upon approval by the Board through  
June 30, 2003 or until position is  
filled on a regular basis, whichever  
occurs sooner.

Emeritus

CASEY, EDWARD P.  
Professor, Community Colleges  
History  
Leeward Community College

HILBE, JOSEPH M.  
Professor, Community Colleges  
Philosophy  
Leeward Community College

YOUNG, KATHLEEN L.  
Professor, Community Colleges  
Office Admin & Tech  
Leeward Community College

Regent Lee moved to approve the personnel actions as presented in President's Memorandum No. 15 (Agenda), Item B-1, dated January 17, 2003 and amended. Regent Nunokawa seconded the motion which was unanimously carried.

**Resignations and Retirements of Board of Regents' Appointees and Civil Service Employees**

The list of resignations and retirements of Board of Regents' appointees and retirements of Civil Service employees was presented for information. (The list of resignations and retirements is presented in President's Memorandum No. 15 (Agenda), Items C-1 and C-2, dated January 17, 2003.)

**IV. ORAL REPORT OF EXECUTIVE OFFICER**

President Dobbelle announced services for Regent Emeritus Gladys Brandt would be held on January 29<sup>th</sup> and that more information would be forthcoming.

University of Hawai'i Foundation (UHF) President Sloane reported that the UHF exceeded its projected goal for the first two quarters. She said that gifts are flowing into the University despite the slow markets this year and the looming possibility of war in Iraq. Contingency plans are being worked on in the event of such occurrence. She added that as the UHF builds its capacity in fundraising, there has been a direct effect on the level of gifts received. The UHF has received close to \$18 million in gifts so far or at least through December 31, 2002 and an unexpected high level of gifts are still coming in. She noted that this is the highest

amount of gifts ever received by the University in a non-campaign year in its statehood history. Since President Dobelle began in 2001, over \$37 million of gifts to the University have been received. In addition to the \$17.5 million received by the end of the second quarter, the UHF had paid to the University \$7.4 million in payout from endowment investments to the different departments.

Regent Thurston questioned how much of the \$17.5 million received in the second quarter was actually collected and earning interest. UHF President Sloane said that approximately \$12 million for two quarters was actually collected and earning interest. These are irrevocable planned gifts, estate gifts, life annuities - all of those which is the national standard of counting gifts.

UHF President Sloane further reported that last year, the University was provided with \$23 million in both gifts and payouts from the endowment for actual operations costs. This year, figures are already up to \$26 million at this point. The UHF expects a good year this year but if there is an act of combat, the history here in Hawai'i and nationally is all gifts stop for the period of the act of combat.

In addition, a local and national search for a new director of alumni relations was undertaken by the UHF in collaboration with the University of Hawai'i Alumni Association (UHAA). Mealoha Husen was selected. Mealoha was born in Hawai'i and has a successful track record in alumni relations at Oregon State University. Mealoha will focus on revenue-generating strategies as well as alumni participating strategies to substantially increase UHAA membership and programs over the next five years.

UHF President Sloane said that the UHF Financial Services Department continues to work at a high level of efficiency. UHF now manages 3,148 accounts of which approximately 550 of those accounts are endowment accounts and 98 percent of those accounts are restricted to use determined by the donors. As indicated earlier, she said that the UHF had distributed \$7.4 million to the departments and programs of the University and in addition to that, there has been a gain in the endowment of \$3.5 million in the spread between the book value and the market value. She said that there would be a review of both local and national endowment managers on February 10 and the UHF will be inviting the Regents to attend.

Regent Thurston suggested that in future reports, the Board be provided with a spread sheet showing the actual dollars the University receives in pledges and next to it a column showing actual cash received so that for planning purposes the Board can at least see what kind of cash is actually earning investment returns.

Regent Lee said that the periodic reporting by the University of Hawai'i Foundation is very useful. She suggested that in the future, because the new Medical School is an important project, the Board should be provided with a monthly report on the fundraising for that project and to have a general picture of the size of the endowment and how it is doing.

Regent Kurisu inquired as to the current size of the total endowment of the UHF. UHF President Sloane said that the fund had come back up to \$87 million.

Regent McElrath asked if there is any way that programs at the University could be assessed for inclusion in fundraising efforts.

UHF President Sloane stated that an academic committee lead by Interim Vice President Neubauer will be identifying programs and multidisciplinary projects from throughout the University for the UHF to focus its fundraising efforts on. The committee will be reviewing proposals from the entire University system. Interim Vice President Neubauer said that he may be able to provide a report by April.

In summary, President Dobbelle said that the University is projected to receive over \$37 million which is more than the University has ever raised in its history in one year without a capital campaign. He said that this is directly due to a new staff at the UHF and the fact that of the 560 days he has been President of this institution, he had been on the road 208 days. He said that there was \$20 million in the pipeline.

President Dobbelle called on Chancellor Tseng for an update on developments at the University of Hawai'i at Hilo.

Before proceeding with her presentation, Chancellor Tseng informed the Board that UH-Hilo is considering eliminating the lower division tuition rate at UH-Hilo and charging all students the upper division rate. The result would be a one tuition rate rather than a two-tier tuition rate. Public hearings will be held next month on the islands of Kaua'i, O'ahu, Maui and Hawai'i. Student surveys were conducted and the overwhelming majority supported the recommendation.

Chancellor Tseng reported that UH-Hilo has one of the most ethnically-diverse student population of any public liberal arts universities in the United States. She stated that the *U.S. News and World Report* ranked UH-Hilo as the number one public university nationwide in campus diversity. Additionally, *U.S. News and World Report* ranked UH-Hilo as number 14 among over 200 liberal arts colleges in percent of international students. Since 1997, UH-Hilo has sustained increased enrollment each year by 15 percent and since 1987, enrollment has doubled. Additionally, UH-Hilo has received the *USA Today* NCAA award for scoring the highest overall student athletic graduation rate.

## **V. NEW OR OTHER BUSINESS**

### **Report of the Regents Committee on Finance and Facilities on the Proposed Amendments to the Board of Regents' Bylaws and Policies**

Regent Kurisu submitted the following report from the Committee on Finance and Facilities on proposed amendments to the Board of Regents' bylaws and policies:

At the December 12, 2002, special meeting of the Board of Regents, the proposed reorganization of the University of Hawai'i system was approved. During the discussion in Committee, the issue of accountability was brought up, reinforcing the fact that, by the State's Constitution and statutes, the Board has sole responsibility of governing the internal affairs of the University of Hawai'i. This places the burden of accountability, fiduciary responsibility, due diligence, and most importantly, the responsibility of insuring for quality higher education opportunities for the people of Hawai'i on the Board of Regents.

Given the Board's accountability to the public and the sweeping changes made to the organization of the University which brought about some radical departures from the University's past structure, Regents suggested that there be a standing committee of the Board charged with the responsibility of independently auditing the financial, management, internal controls, and audit processes of the University. President Dobelle supported the establishment of such a committee, citing the fact that to his knowledge, most governing boards at other institutions have such a committee for the exact purpose – to remain accountable to their constituencies.

Regent Kurisu moved to establish a Regents' Audit Committee in addition to the existing seven standing committees of the Board charged with the responsibility to review and monitor the University's financial, management, internal controls, and audit processes; review and monitor the University's compliance with policies, statutes, and regulations; and secure external auditors at its discretion. Regent Thurston seconded the motion which was unanimously carried.

Regent Lee stated that at its meeting on October 18, 2002, the Board adopted extensive amendments to its policies. She said that the Board has recently been informed that the faculty has since expressed concerns over certain adopted sections and added that it would be appropriate to advise the University community that the purpose of the amendments was to establish the Board's authority under constitutional autonomy, eliminate unnecessary and archaic provisions and qualify sections that in the past offered problems due to ambiguity and misinterpretation. Regent Lee said that it is important that the University community understand that the next phase, once the policies were adopted, is to move into the implementation and delegation phases. In the next phases, the Board will rely on the Administration, in consultation with the Board, to suggest what sections and what authorities should be delegated. The Board expects the Administration to involve the appropriate segments of the University community in this process, particularly faculty representatives. The Board also expects the Administration to make its suggestions relative to delegation through a preliminary draft to be received by the Board in time for its March meeting. In the interim, the implementation of the amendments, with the exception of the amendment presented by Regent Kurisu and approved by the Board, will be suspended until the Board's March meeting.

Regent Thurston questioned the need for a delay in implementing the adopted amendments, stating that Regent Lee and her committee, along with those who provided input from the Administration, had worked arduously at this task. She

added that in her opinion, the amendments effectively addressed the Board's authority under autonomy. President Dobelle acknowledged Regent Thurston's concerns, stating that he would defer to counsel to work this out.

Regent McElrath commented on the reference made by UH Foundation President Betsy Sloane on the effect of fundraising if there was to be a war in Iraq. She suggested that the President draft a letter to Hawai'i's Congressional delegates requesting that they as well as the President and the National Congress find ways to a peaceful solution to the problem. This letter would be co-signed by President Dobelle and Board Chair Kobayashi. Chairperson Kobayashi agreed to draft a letter as requested.

Chairperson Kobayashi acknowledged the resignation of Allan Ikawa from the Board of Regents. On behalf of the Board, he thanked Regent Emeritus Ikawa for his public service to the University and the people it serves.

Serving as a neighbor island regent requires a considerable commitment of time, expense and energy. Chairperson Kobayashi said that as a first term Regent, Allan was asked by his fellow regents to serve in leadership positions including: co-chair of the committee that led to the adoption of the new Mauna Kea Science Reserve Master Plan; chair of the Advisory Committee for the selection of the new University President; and Vice Chair and Chair of the Board of Regents.

On behalf of the Board, Chairperson Kobayashi wished Regent Emeritus Ikawa well in his future endeavors.

President Dobelle concurred, adding that Regent Ikawa would be missed.

## **VI. ANNOUNCEMENT**

### **Next Meeting**

Chairperson Kobayashi announced that the next regular monthly meeting of the Board of Regents would be held on February 21, 2003 at 8:30 a.m. at Honolulu Community College. He thanked Chancellor Tseng for hosting the dinner at her home and for the breakfast hosted by UH-Hilo. He also thanked the faculty, staff, and students of UH-Hilo for assisting the Regents at all the meetings. He expressed appreciation to Professor Larry Kimura for the pule in memory of the beloved Regent Emeritus Gladys Kamakakūokalani 'Ainoa Brandt.

## **VII. ADJOURNMENT**

There being no further business before the Board, the meeting was adjourned at 9:40 a.m.

Respectfully submitted,

David Iha, Executive Administrator  
and Secretary of the Board