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

May 16, 2003

I. CALL TO ORDER

The monthly meeting of the Board of Regents was called to order by Chairperson Bert A. Kobayashi on Friday, May 16, 2003, at 8:35 a.m., in the Campus Center Conference Chamber, Room 220, University of Hawai‘i at Mānoa. Chair Kobayashi introduced two new Board members, Kitty Lagareta, who replaced Lynne Kaneshiro, and Ted H. S. Hong, who replaced Allan K. Ikawa.

Attendance

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

Also present were Dr. Doris Ching, Vice President for Student Affairs; Mr. Paul Costello, Vice President for External Affairs and University Relations; Ms. Carolyn Tanaka, Associate Vice President for External Affairs and University Relations; Mr. Walter Kirimitsu, Vice President for Legal Affairs and General Counsel; Dr. David McClain, Interim Vice President for Research; Dr. Deane Neubauer, Interim Vice President for Academic Affairs; Dr. Joyce Tsunoda, Vice President for International Education; Ms. Peggy Cha, Chancellor, Kaua‘i Community College; Dr. Peter Englert, Chancellor, University of Hawai‘i at Mānoa (UH-Mānoa); Dr. Angela Meixell, Chancellor, Windward Community College; Dr. John Morton, Chancellor, Kapi‘olani Community College; Dr. William Pearman, Chancellor, UH-West O‘ahu; Mr. Ramsey Pedersen, Provost, Honolulu Community College; Ms. Sandra Sakaguchi, Provost, Hawai‘i Community College; Dr. Mark Silliman, Chancellor, Leeward Community College; Dr. Rose Tseng, Chancellor, University of Hawai‘i at Hilo; Dr. flo wiger, Acting Chancellor, Maui Community College; Dr. Karl Kim, Interim Vice Chancellor for Academic Affairs, UH-Mānoa; Mr. Michael Rota, Vice Chancellor for Academic Affairs, Community Colleges, UH-Mānoa; Mr. Michael Unebasami, Vice Chancellor for Administrative Affairs, Community Colleges, UH-Mānoa; Dr. Rolf Kudritzki, Director, Institute for
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Astronomy, UH-M~noa; Mr. Sam Callejo, Director of Capital Improvements; Ms. Betsy Sloane, President, University of Hawai‘i Foundation; Mr. Prescott Stewart, Executive Assistant to the President; and others.

II. APPROVAL OF MINUTES

Upon motion by Regent Dowling and second by Regent Poe, the Board approved the minutes of its regular meeting held on April 17, 2003 as circulated.

III. ITEMS FROM PRESIDENT’S MEMORANDUM NO. 19
RECOMMENDATIONS FOR ACTION AND GENERAL INFORMATION

Affiliated Student Housing Program

Vice President Ching requested that the Board approve the use of private sector housing accommodations to meet the increasing demands for student residency at campuses of the University of Hawai‘i.

A guarantee of housing accommodations is a critical factor in order to attract students to the University of Hawai‘i, particularly those who live on the neighbor islands, the mainland, and foreign countries. The current available housing accommodations do not meet the increasing demand for student housing at the University of Hawai‘i at M~noa and other UH campuses. For a number of years, the demand for on-campus student housing far surpassed the availability of housing accommodations at UH-M~noa, which currently has approximately 3,000 bed spaces. In Fall 2002, the number of M~noa students waitlisted was between 300 to 400. Kapi‘olani Community College and Honolulu Community College also experienced increased demands for student housing. Out-of-state recruitment and other factors have further exacerbated the demands.

Last year, a pilot project using hotels to supplement the residence halls proved to be successful. The pilot program involved a referral agreement made between the University of Hawai‘i, the Kuhio Village Resort, and the Queen Kapi‘olani Hotel. In this agreement, the University served as a referral agent, along with providing live-in staffing and programming for the approximately three dozen University of Hawai‘i students who participate in the program. Students made their contractual arrangements directly with the hotel. Because there was no guarantee to the hotels as to the number of students who would take advantage of the program, room rates were significantly higher than if the hotel is guaranteed the rental of a certain number of rooms. The administration is aiming for approximately 100 rooms, or 200 additional bed spaces.

By guaranteeing a hotel a certain number of room rentals through a lease agreement, the hotels will hopefully reduce the room rates offered to University of Hawai‘i students. In addition, the hotels would be staffed with live-in staff including resident advisors, hall director, and other appropriate staff. Student programming
A Request for Proposal (RFP) would be sent to the various local hotels. The RFPs would be evaluated on their proposed lease rental rates and ability to provide amenities, such as meal programs, high speed internet access, American Disability Association disability certified accommodations, and other appropriate services.

The University would:

- commit to renting a block of rooms from the hotel for a specific number of weeks;
- obtain reimbursement from the students who occupy the rooms; and
- be contractually liable for the rent of the rooms even if they remain vacant and are not occupied by students.

Regent Kurisu moved to authorize the administration to issue a Request for Proposal reflecting the student housing needs of the various University of Hawai‘i campuses that choose to participate in the project with the understanding that the negotiated final agreements with the hotels shall be approved by the Board, as presented in President’s Memorandum No. 19 (Agenda), Item A-1, dated May 16, 2003. Regent Poe seconded the motion which was unanimously carried.

**Lease Agreement for Windward Community College Employment Training Center’s Culinary Arts Training at the Kuhio Park Terrace**

Chancellor Meixell requested that the Board of Regents authorize the administration to enter into a lease agreement with the State of Hawai‘i, Housing and Community Development Corporation of Hawai‘i (HCDCH), for approximately 4,175 square feet of space located at Kuhio Park Terrace.

The proposed lease will provide classroom, office, and kitchen training space for the Windward Community College (WCC) - Employment Training Center (ETC) to offer a culinary arts program through the new Multi-Cultural Resource Center at the Kuhio Park Terrace.

The Housing and Community Development Corporation of Hawai‘i received $10.8 million in federal funds for the planning, design and construction of the Kuhio Park Terrace/Kuhio Homes Community Resource Center project. The project serves as a comprehensive community resource center to be utilized by the public housing residents by providing economic development activities, education and training, as well as to house other support agencies to assist in preparing the residents to become self-sufficient.

In support of this concept, ETC has received approximately $663,000 in federal funds to provide training and support services within the Resource Center. It was envisioned that the space would be utilized to conduct a culinary arts training program whereby students will have the opportunity to learn under simulated working conditions and receive training in job readiness skills and work place
expectations such as punctuality, initiative and problem solving. The program covers the theories and principles of basic cooking including safety and sanitation. Depending upon competencies attained, students may earn up to four credits toward Kapi‘olani Community College’s certificate and degree program in Culinary Arts.

Through this Resource Center, the ETC program will be provided with an alternate venue for the high occupational demand in culinary arts. While currently operating a similar program at the Windward Community College campus, ETC has received many requests to offer such a program in the Honolulu area where there is a high demand for culinary arts training. In addition, this lease will also provide ETC an opportunity to:

- Meet the growing demand for hands-on culinary arts training;
- Provide employers with a trained workforce;
- Stir economic development in the Kalihi area by providing entrepreneurial training;
- Attract a new pool of students;
- Assist the State with the training needs of the economically disadvantaged;
- Expand education and training opportunities;
- Support Windward Community College’s mission of providing workforce and career ladder training programs.

Rent for the first year is set at $4,592.50 per month with an estimated common area maintenance fee of $.60 per square foot, or $2,505.00 per month, for a total monthly payment of $7,097.50, plus tax. Under the agreement, the University would be provided options to extend the lease for four (4) additional one-year periods. Rent for the extension period(s) would be set by mutual agreement of the parties. The lease agreement will be reviewed by the Office of the University General Counsel for its approval as to form. ETC anticipates an enrollment of approximately 18 students per session and has determined that the program tuition, along with federal funding, would be sufficient to cover the rental expenses.

Regent Kurisu moved to authorize the administration to enter into a lease agreement with HCDCH for approximately 4,175 square feet of space at Kuhio Park Terrace to be used by the Windward Community College - Employment Training Center for its education and training program in the culinary arts, as specified above and as presented in President’s Memorandum No. 19 (Agenda), Item A-2, dated May 16, 2003. Regent Poe seconded the motion which was unanimously carried.
Granting of a Lease to the U.S. Department of Agriculture for their Hawai‘i Fruit Fly Production Facility in Waimānalo

Director Callejo requested that the Board authorize the consolidation of the existing 6.98 acre sublease with a new lease of 11.15 acres for a total lease area of 18.13 acres to the U.S. Department of Agriculture (USDA) for their Hawai‘i Fruit Fly Production Facility (HFFPF) at the Waimānalo Agricultural Experimental Station, Waimānalo, O‘ahu, Hawai‘i.

The University of Hawai‘i executed General Lease Number S-4579 with the State of Hawai‘i, Department of Land and Natural Resources, on July 12, 1978 for three parcels of land totaling 127.639 acres, for 20 years effective September 1, 1977, and the rent as “gratis”.

On January 12, 1983, the University of Hawai‘i entered into a sublease with the USDA - Animal and Plant Inspection Service, for 6.98 acres of the 127.639 acres, for a period of 50 years, effective November 1, 1982 through October 30, 2032 under the condition that in no event would the term exceed the expiration date of General Lease Number S-4579 which expired on August 31, 1997. On August 23, 1999, the Governor executed Executive Order No. 3786 that set aside the 127.639 acres formerly under General Lease Number S-4579 to the University of Hawai‘i Land for Public Purpose.

The USDA currently has a 35,000 sq. ft. facility on the existing 6.98 acre site for the fruit fly program. They are proposing to expand the program and will need additional space and facilities to implement these new programs. Their request for an additional 11.15 acres is to accomplish the following:

1. Demolish the existing 35,000 sq. ft. building and construct a new 54,000 sq. ft. Hawai‘i Fruit Fly Production Facility.
2. Construct a new 10,000 sq. ft. warehouse.
3. Construct a new 3,000 sq. ft. maintenance building.
4. Install temporary modular laboratory buildings for research programs.
5. Construct a wastewater reclamation plant.
6. Install the required infrastructure, parking and landscaping for a complete site development plan.

The estimated construction cost of the proposed development is $30 million. When completed and fully operational, the project would employ 65 people, including management personnel, scientists, technicians and laborers and have an annual payroll between $2 million and $3 million. Since traditionally, 25% of the employees live in the Waimānalo community, this facility would be considered a major employer in the Waimānalo area.
The College of Tropical Agriculture and Human Resources (CTAHR) supports the project and confirms that the proposed development is in concert with the vision of the CTAHR/USDA Waimanalo Campus. USDA and CTAHR will be able to implement cutting edge collaborative research and training programs at this campus.

The USDA facility would have a significant economic benefit to Hawai‘i. If the State of Hawai‘i chooses to implement a fruit fly eradication or suppression program, the USDA facility would produce the sterile fruit flies for the program. If the eradication or suppression program is successful, the benefit to the Hawai‘i economy could be very substantial. A study was done in 1977 by the State Department of Agriculture to assess the importance of fruit flies to the Hawai‘i agricultural economy. The study found that the retail value measured in terms of import replacement and export potential was $101.4 million per year. It can be safely assumed that the value in 2003 is much higher.

UH scientists will be able to work with other local, national and international scientists to ensure that Hawai‘i remains a world leader in the science of fruit fly detection and management. CTAHR therefore supports the granting of the lease.

Regent Kurisu moved to grant a consolidated lease of 18.13 acres to the USDA at no cost for 50 years, as presented in President’s Memorandum No. 19 (Agenda), Item A-3, dated May 16, 2003. Regent Yamasato seconded the motion which was unanimously carried.

Agreement to Purchase Land and Develop the Institute for Astronomy’s Advanced Technology Research Center on Maui

Director Callejo requested that the Board authorize the administration to enter into a turnkey development agreement with Kulamalu Science LLC (“Kulamalu”) under which Kulamalu will (1) plan, develop, and construct a world class office and laboratory facility for the Institute for Astronomy (“IfA”) in a commercial subdivision at Kula, Maui; (2) convey the facility (to be known as the “Advanced Technology Research Center”) and the land thereunder to the University; and (3) grant the University an option to purchase an adjoining lot for future expansion, subject to additional legislative funding.

The purpose of this development transaction is to replace IfA’s current 80-year-old Waikaoa Laboratory with a state-of-the-art facility. The new facility will maintain IfA’s stature as one of the “top five” solar research programs in the nation and one of the premier education and research programs of the University. IfA needs this new facility to retain its competitive advantage in attracting research and grant funds. In particular, because of excellent scientific characteristics of Haleakala, IfA is currently being considered for one of the leading projects of modern astronomy, the Advanced Technology Solar Telescope, an $80 - $100 million project. In addition, the acquisition of the adjoining lot under the proposed land option will increase the possibility of inducing the National Solar Observatory to relocate to Maui. The National Solar Observatory is a federally-funded institute employing 60 -100 scientists and engineers with an annual operating budget of $8.4 - $10.4 million. To win these projects, IfA must demonstrate that it has the
necessary supporting infrastructure, such as space for meetings, offices, various laboratories for electronics, optics, micro fabrication, assembly, machine shop, telescope control room, computer and data storage rooms.

Under the development agreement, the University will pay Kulamalu approximately $7.5 million. This total excludes amounts for furniture and scientific equipment and the 1% set aside for works of art. These funds were appropriated in 2002 as part of the University’s capital improvement budget. The funds have been released to the University and are currently in an account established at the Research Corporation of the University of Hawai’i (RCUH). In return, the University will receive (1) title to two lots with a gross area of approximately 2 acres and an option to purchase an adjoining third lot with a gross area of 1.4 acres (all land costs reflect a 4.5% discount reduction from the appraised value); and (2) a new two-story facility with approximately 17,000 square feet, constructed to accommodate the program needs of the IfA. The option to purchase the third lot may be exercised no later than June 30, 2005, at an option price of $752,291, so long as the University includes the option price in its budget request next year, or the following year, if no funds are appropriated next year.

The construction and development will be handled on a turnkey basis with Kulamalu. IfA will provide input on the program requirements for the space, and the University will review and approve construction plans and specifications, the final budget, and the project schedule. Kulamalu will be required to advertise in a newspaper of general circulation seeking no less than three qualified, reliable, and bondable licensed general contractors to perform the scope of work. The development agreement will be reviewed and approved as to form by the University’s Office of General Counsel. The University has successfully used the turnkey development arrangement in building the Moloka’i Education Center.

The proposed site is uniquely situated for this project. The site is located in the Kulamalu commercial subdivision in Kula, Maui. It is halfway between the Haleakala telescopes and the Kihei High Performance Computing Center. The Kulamalu site has a clear line-of-sight necessary for microwave communication purposes between Haleakala and Kihei. In addition to the location, the site is ready for construction with all available utilities including electricity, water, sewer, telephone, and fiber optics. Zoning has been approved. An environmental assessment will be required.

At the time funding was initially requested for this project, it was anticipated that $1.85 million would be sufficient to acquire all three identified lots containing a gross area of 3.4 acres. This cost item amount is reflected in the 2002 Capital Improvements Program appropriation for this project. Subsequently, two appraisal reports were obtained. An appraisal requisitioned by the University dated December 6, 2002 from ACM Consultants, Inc. of Wailuku, Maui, appraised the property at $22.34 per square foot. An earlier appraisal dated June 20, 2002 by John Child and Co. appraised the property at $22.00 per square foot.

Lots 15 and 16 contain a net usable area of 1.912 acres which, at $22 per square foot, result in a land value of $1,832,308. Kulamalu offers the University a
4.5% discount, or $82,454, resulting in a discounted purchase price to the University of $1,749,854. The current cost element appropriation for land acquisition is sufficient to purchase Lots 15 and 16, but is not sufficient to purchase the third contiguous Lot 17. Thus, the University must request additional funding from the Legislature to exercise the purchase option.

The third Lot 17 contains a net area of 0.822 acres with a land value of $787,739 at $22 per square foot. The option to purchase this lot also includes a 4.5% discount, or $35,448, which will bring the option purchase price to $752,291. This lot will be needed for expansion to attract the National Solar Observatory.

Kulamalu Science LLC is a limited liability company organized on May 29, 2002 under the laws of the State of Hawai‘i. Kulamalu Science LLC is a wholly owned subsidiary of M~ui Quest LLC. Members of M~ui Quest are Everett Dowling and Dowling Company, Inc. (DCI).

In a letter dated August 7, 2002, the Hawai‘i State Ethics Commission examined this proposed development agreement and concluded there would be no ethics concern so long as (1) Regent Dowling does not participate in any manner (such as discussing or voting) on any action before the Board of Regents or the Board of Directors for the Research Corporation of the University of Hawai‘i concerning this project; (2) Regent Dowling does not assist or decide, directly or indirectly any business issue for Kulamalu Science with respect to the University, and (3) pursuant to HRS § 84-15(a)(3) a copy of the proposed development agreement is posted and filed with the State Ethic Commission at least 10 days before the agreement is executed. These statutory restrictions to avoid a conflict of interest mirror the requirements of Article X of the Bylaws for the Board of Regents which provides that members of the Board who have a conflict of interest recuse themselves and refrain from participating in the consideration of the proposed matter.

Regent Yamasato inquired about the possibility of soliciting several other turnkey bids and to estimate how much it would cost the University to develop the project inhouse. Director Callejo responded that the reason this project was on a fast track was because the IfA wanted to get the facility done by the end of next year in order to discuss it with the National Solar Observatory in trying to get a $100 million project on Maui. He added that if the concern is the perception of a conflict of interest, the confidential State Ethics Commission memo is clear that based on what was reported, Regent Dowling would not be in conflict.

Regent Lagareta commented that the last paragraph of the Ethics Commission’s letter speaks to a minimum standard of conduct, and it advises that a State agency may have administrative policies and rules that are more stringent than the Ethics Code. Therefore, given a strong expressed concern that the Regents would not want the perception of impropriety on the Board, she could not support the project. She added that an experienced developer could assume the project. Regent Thurston concurred that should the University bid the development of the facility, it could be done, however, she had reservations about developing the project inhouse.
Regent McElrath inquired about acquiring space at the Kihei High Performance Computing Center. Director Kudritzki responded that the Kula site was desirable because scientists want to have the laboratories and the whole facility close to the summit.

Regent Lagareta expressed that while she recognized IfA’s objectives, she felt that the Board must nevertheless maintain the reputation of the University. She asked about the time frame. Director Kudritzki stated that a delay of a few months was not a problem.

Regent Hong commented that, from his perspective, Regent Dowling was an honorable person, a trusted Regent, and well-respected in the community. He applied to the Ethics Commission for a letter to ask whether or not it is permissible to do this kind of project and that speaks for his credibility. But this kind of a project places him in a bad situation. He added that he did not appreciate the Administration placing Regent Dowling in such a dilemma, and his reputation and standing in the community now being questioned. Regent Lagareta concurred stating it was unfortunate that it had come to this point because Regent Dowling has an extraordinary reputation and just to have this discussion was unfortunate. Director Callejo assured that the construction of the facility will go out to bid.

Regent Kurisu moved to authorize the Administration to negotiate with Kulamalu Science LLC for the purchase of real property in Kula, Maui, as described above for the development and construction of a research facility for IfA, as presented in President’s Memorandum No 19 (Agenda), Item A-4, dated May 16, 2003. Regent Hong seconded the motion which was unanimously carried.

Regent Dowling had recused himself from the meeting and did not participate in any discussion or decision related to this item.

**Establishment of a Biotechnician Certificate of Achievement at Kapi’olani Community College**

Chancellor Morton requested the approval of a new, one-year certificate of achievement for Biotechnicians. Biotechnology is the use of living cells or organisms to produce a product or to improve plants, animals or microorganisms. The applications of biotechnology include pharmaceuticals, agriculture, the diagnosis and prevention of disease, vaccines, forensic and bioremediation.

The proposed Biotechnician program at Kapi’olani Community College is designed to prepare students for employment in the biotechnology industry and research. Students will learn basic laboratory skills, equipment operation and maintenance, quality control, safety and good manufacturing practices. The program will meet the needs of Hawai’i for a trained work force in the developing biotechnology industry. Although the projected need for biotechnicians in Hawai’i is limited, about 5 to 10 per year, many of the graduates of this program will also have an Associate in Science degree in Medical Laboratory Technology (MLT) and
can be employed in clinical laboratories throughout the State. Others may apply their courses to the MLT program or to a Bachelor of Science degree at UH-Mānoa.

Upon successful completion of this program, the student should be competent in a number of areas related to biotechnology and to medical laboratory technology, including the ability to:

• Perform highly technical procedures such as cell counting, DNA extraction and characterization, cloning, PCR, ELISA and other immunological techniques, maintenance of cell lines, protein isolation and purification.

• Conduct research experiments following operation and safety protocols and apply knowledge of theory and techniques sufficient to troubleshoot appropriately.

• Analyze and display data using computer technology.

• Manage laboratory activities, including recordkeeping, ordering supplies and preparing reports.

• Understand and monitor the use of biological, chemical or radioactive hazards.

The proposed program is organized so that any student who completes the prerequisites may enroll in the courses required for the certificate. Medical Laboratory Technology program graduates will be able to obtain the certificate with the completion of one additional semester of study in Molecular Biology and Tissue Culture. Other students, including those with degrees in a biological science, will be able to complete the program in one year or less and will also be able to attain advanced standing in the MLT program.

Given the emerging nature of the biotechnology field, the current demand for biotechnicians is not high. However, with the State’s emphasis on biotechnology as an area of economic development and with the planned UH medical and biotechnology facility in Kakaako, we expect that the demand for biotechnicians will soon grow.

Regent Kawakami moved to approve the establishment of the Certificate of Achievement, Biotechnician, at Kapiʻolani Community College, effective Fall 2003, subject to the Regents’ policy on provisional academic programs, as presented in President’s Memorandum No. 19 (Agenda), Item A-5, dated May 16, 2003. Regent Poe seconded the motion which was unanimously carried.

Amendment to Athletic Coaches Salary Ranges, University of Hawai‘i at Hilo

Chancellor Tseng stated that, earlier this academic year, the Board of Regents was presented with a request from UH-Hilo to amend the salary ranges for their athletic coaches. At the time, the Board deferred this item to enable the
administration to conduct a more comprehensive review of UH-Hilo’s entire athletic salary program, its ability to finance appropriate salary levels for their coaches, as well as equity concerns as they relate to coaching counterparts at the Mānoa campus. The administration engaged former Athletics Director Hugh Yoshida and current Director Herman Frazier to examine these issues.

Mr. Yoshida studied financial and non-financial aspects of the Hilo athletic program in order to put the issues of coaches and salaries in better context. He concluded that in order for UH-Hilo to continue at its same level, there needs to be a strong fundraising effort, particularly for the baseball program. Recognizing this as a major strategic initiative, UH-Hilo’s administrative team has already taken action in this effort, successfully raising more than $200,000 in private donations for the baseball program this year.

In reviewing this request, both Mr. Yoshida and Mr. Frazier have deemed the increased salary structure to be fair and equitable, noting that a great deal of thought was given to issues of gender equity. However, both of them raised concerns regarding UH-Hilo’s baseball program. They felt there was a need to present System management with a strong athletic and financial justification for keeping baseball at the Division-I level in order to support the recommended salary range. If the baseball program can continue to do so, the ranges presented for baseball coaches at UH-Hilo would be appropriate.

In meeting with UH-Hilo’s senior management, it was recognized that a decision was needed to continue the baseball program at the current level or delete the program as it would no longer be financially viable at a different divisional level. After reviewing the options and weighing the recent fund-raising successes, Chancellor Tseng and Athletic Director McNally decided to continue the program as is, based on their proven ability to adequately fund a Division-I program.

UH-Hilo has shown proper justification for continued play at the Division-I level in baseball and the salary range is appropriate. It is therefore recommended that, based on the review, the amended salary ranges for coaches at UH-Hilo are both fair and equitable.

Regent Lee moved to adopt the proposed amendments to the Board’s policy on coaches’ salaries at UH-Hilo, increasing the salary ranges for coaches at UH-Hilo, as presented in President’s Memorandum No. 19 (Agenda), Item A-6 dated May 16, 2003. Regent Nunokawa seconded the motion which was unanimously carried.

Research Agreement with The Education Laboratory, a Hawai‘i New Century Public Charter School

Agenda Item A-7, “Research Agreement with The Education Laboratory, a Hawai‘i New Century Public Charter School,” was deferred at the request of President Dobelle.

Proposed Amendment to Board of Regents’ Policy Relating to Research
Agenda Item A-8, “Proposed Amendments to Board of Regents’ Policy Relating to Research,” was deferred at the request of President Dobelle.

**Established Status for the Ph.D. Program in Civil Engineering, College of Engineering, Mânoa Campus**

Interim Vice Chancellor Kim requested that the Board grant established status to the Ph.D. program in Civil Engineering of the Department of Civil and Environmental Engineering within the College of Engineering on the Mânoa campus.

The Ph.D. program in Civil Engineering has completed its provisional cycle. In accordance with Board of Regents’ policy, it has been reviewed for established status. The program is designed to meet increasing national and state demands for civil engineers who possess a high level of expertise. It is intended to serve the dual role of preparing students for university and professional careers as well as conducting applied research in areas relevant to Hawai‘i and the Pacific region.

The Ph.D. program in Civil Engineering was granted provisional status by the Board of Regents in 1992. 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. As of Spring 2003, 29 students had been admitted to the program; ten are currently enrolled and another six have graduated.

There have been more than 20 complete applications to the doctoral program annually of which 15 have been acceptable and two have enrolled. When provisionally approved, the stated goals of the program were to obtain a steady state enrollment of about ten students and to increase research funding. Enrollment has typically been around ten. The program has attracted high-quality students which is reflected in their professional accomplishments. The ten students enrolled in Spring 2003 have presented 11 papers at professional meetings and published four papers in refereed journals.

The program is a small, low cost program. The fact that the department offers a doctoral program has been a positive factor in attracting top faculty and in obtaining research awards. In fact, research funding has increased five-fold since the program was initiated.

There clearly is a demand for civil engineers with advanced training. All of the graduates to date are employed in positions directly relevant to their degree. Also, students in-route to degrees are getting and accepting offers.

The program has been reviewed by the Graduate Council. Based on its review, the Graduate Council recommended that the Ph.D. program in Civil Engineering be granted established status.

Regent Nunokawa moved to grant permanent status to the Ph.D. program in Civil Engineering in the College of Engineering, University of Hawai‘i at Mânoa, subject to the Regents’ policy on established academic programs, as presented in
President’s Memorandum No. 19 (Agenda), Item A-9, dated May 16, 2003. Regent Lee seconded the motion which was unanimously carried.

Established Status for the Ph.D. in Social Welfare, School of Social Work

Interim Vice Chancellor Kim requested that the Board of Regents approve established status for the Ph.D. program in Social Welfare, School of Social Work, University of Hawai‘i at Mānoa.

The Ph.D. in Social Welfare has completed its provisional cycle. By Board policy, it should be reviewed for established status. It provides courses, curricula, and training that respond to Hawai‘i’s personnel and educational needs. The Ph.D. is the highest degree offered by the School of Social Work, which also offers the Master of Social Work (MSW) degree and the Bachelor of Social Work (BSW).

The Board of Regents approved the doctoral program in Social Welfare as a provisional program on February 15, 1991. The Ph.D. in Social Welfare is one of two graduate degrees offered by the School of Social Work. The MSW is intended for students seeking professions as practitioners within the community. The Ph.D. is designed less for practitioners than for those who wish to go into higher education, social work administration, or consulting. In adding this program along with the existing MSW program, the Board acknowledged the importance of more sophisticated training to prepare students for careers in this important area of the human services.

The program awarded its first Ph.D. in 1996 and has granted eleven degrees since then with another eleven students currently enrolled in the program. The curriculum for the degree is primarily dictated by their national accrediting body, the Council on Social Work Education. Admission to the program is competitive. The program provides the student with advanced knowledge in the application of social science theory and research to social policy analysis, program evaluation and social work practice. It requires that students be able to formulate and conduct original research in a major social problem area or in the area of social work intervention. The program also provides perspectives on culturally appropriate approaches to social work and social welfare agencies.

The establishment of the Ph.D. program provides a greater scope to the School’s ability to contribute to the state’s continuing need for social workers. Graduates of the Ph.D. program fulfill different needs of the state from MSW and BSW graduates. The Ph.D. program prepares students to be leaders in policy and research in substantive areas such as child and family, gerontology, health and mental health. The MSW and BSW programs, in contrast, provide background in policy and research but prepare students primarily for practice in the substantive areas.

The doctoral program will help to improve the quality of social welfare programs in the state through new leadership, research, consultation and in-service training. The doctoral program will make available a wider range of resources to the community and thus enhance social welfare programs. The School’s capacity to
conduct agency-based consultations, program evaluations and research services will expand as doctoral students, under faculty supervision, progress through the Ph.D. program. Generating new knowledge specific to issues in Hawaiʻi is an important asset to the state.

Finally, as the only doctoral program in social welfare in the Pacific region, the presence of this doctoral program encourages the recruitment and retention of Native Hawaiian, other Pacific Islander, and Asian leaders who have a commitment and cultural understanding of the critical social welfare issues in Hawaiʻi and the Pacific.

The permanent status of the Ph.D. program will not divert faculty and resources from the other programs in the School. The BSW and MSW programs continue without reduction and there have been no additional resources allocated to the Ph.D. program since its initiation in 1991.

The proposal to grant established status for the Ph.D. degree in Social Welfare has been reviewed and endorsed by the Council on Program Reviews (COPR), which found the program to be efficient and of high quality. There is significant demand for this program. Since COPR conducted a review of this program, the Graduate Council was not involved in any further review of the program.

Regent Nunokawa moved to grant the Ph.D. program in Social Welfare of the School of Social Work, University of Hawaiʻi at Mānoa, permanent status, subject to the Regents’ policy on established academic programs, as presented in President’s Memorandum No. 19 (Agenda), Item A-10, dated May 16, 2003. Regent McElrath seconded the motion which was unanimously carried.

Abolishment of Center for Russia in Asia, School of Hawaiian, Asian and Pacific Studies, Mānoa Campus

Interim Vice Chancellor Kim recommended that the Board abolish the Center for Russia in Asia, School of Hawaiian, Asian and Pacific Studies of the Mānoa campus.

The Center for Russia in Asia was created in 1986 when the Soviet Union was still in existence and the East-West Center was a major focus for studies of the Asia and Pacific region. Initial plans for the Center, which were never realized, projected that it would broaden into a major research center. The Center is presently located in the School of Hawaiian, Asian and Pacific Studies and staffed by one full-time faculty member who provides one course on Russia in Asia and the Pacific. The Center’s major activity is to maintain a database of articles from Russian newspapers.

In February 2000, the Council on Program Reviews (COPR) concluded its review of the Center for Russia in Asia and recommended that the Center be eliminated and Interim Dean Edgar Porter of SHAPS concurred with the
recommendation, citing budgetary constraints and the fact that the Center has become less central to the mission of SHAPS.

The full-time faculty member, who holds a tenured position in SHAPS, has been reassigned to the Dean’s Office to provide services related to graduate student advising and information technology support for the School. The faculty member also teaches one course a year and maintains a database shared around campus.

SHAPS will continue to maintain the database begun by the Center and has expanded it to include all films relating to Asia and the Pacific Islands. This information is placed on the SHAPS website for general audience retrieval.

This abolishment will result in no salary savings, however, it will reduce operating expenses for SHAPS by approximately $5,000 annually.

Regent Nunokawa moved to abolish the Center for Russia in Asia, located in the School of Hawaiian, Asian, and Pacific Studies, University of Hawai’i at Mānoa, as presented in President’s Memorandum No. 19 (Agenda), Item A-11, dated May 16, 2003. Regent McElrath seconded the motion which was unanimously carried.

Honorary Degrees for Henry Kuualoha Giugni and Richard D. Parsons

President Dobelle recommended that the Board award honorary degrees to:

• Henry Kuualoha Giugni, Chief of Staff for Senator Daniel K. Inouye
• Richard D. Parsons, Chief Executive Officer of AOL Time Warner Inc.

Henry Kuualoha Giugni served as chief of staff for Senator Daniel K. Inouye in Washington D.C. for over twenty years after nearly a decade of service with Senator Inouye in the Hawai’i territorial legislature. Mr. Giugni provided special support to Senator Inouye’s office relative to the concerns of the Native Hawaiian community and as liaison with other minority groups. It was Mr. Giugni who represented Senator Inouye’s office and thus the people of Hawai’i in the famous 1965 civil rights march on Selma, Alabama, led by Dr. Martin Luther King.

From service to the people of Hawai’i, Mr. Giugni moved onto national service as Sergeant-at-Arms of the United States Senate in 1987. Serving in this post until 1990, Mr. Giugni was the chief law enforcement and protocol officer of the U.S. Senate and also the manager of most of the Senate’s support services. In his capacity as Sergeant-at-Arms, Mr. Giugni oversaw more than 2,000 employees and administered a budget of nearly $120 million from his office located in the United States Capitol Building.

Mr. Giugni took with him Hawai’i’s spirit of aloha to Washington during a difficult time for minorities in the United States. His appointment of numerous African Americans, Hispanics and other minority community members to positions in the Capitol provided important confirmation of their capabilities to those in the larger community. His contributions to government deserve recognition from the
University of Hawai‘i system and it is especially fitting that the Honorary Doctorate be awarded during ceremonies at the University of Hawai‘i at Hilo campus.

Richard D. Parsons attended the University of Hawai‘i at Mānoa for seven semesters from 1964 to 1968 and left the University prior to graduating. Later he attended Union University’s Law School where he received a JD.

As its CEO, Mr. Parsons oversees all of AOL Time Warner’s businesses and divisions which include interactive services, cable systems, publishing, music, networks and filmed entertainment. He is a member of the AOL Time Warner’s Board of Directors.

Before assuming his current position in May 2002, Mr. Parsons served as Co-Chief Operating Officer of AOL Time Warner where he oversaw the company’s content businesses – Warner Bros., New Line Cinema, Warner Music Group and AOL Time Warner Book Group – as well as two key corporate functions: Legal and People Development.

Mr. Parsons was a key participant in driving Time Warner’s growth, working on a range of strategic, financial and operational initiatives. He was also the principal executive responsible for supervising the interaction and coordination of the company’s operating divisions. In addition, Mr. Parsons had prime responsibility for helping roll out a company-wide initiative aimed at examining and defining Time Warner’s vision and values.

Prior to joining Time Warner, Mr. Parsons was Chairman and Chief Executive Officer of Dime Bancorp, Inc., one of the largest thrift institutions in the United States. Previously, he was the managing partner of the New York law firm of Patterson, Belknap, Webb & Tyler. Prior to that, he held various positions in state and federal service, as counsel for Nelson Rockefeller and as a senior White House aide under President Gerald Ford. Mr. Parsons received his undergraduate education at the University of Hawai‘i and his legal training at Union University’s Albany Law School.

In May 2001, Mr. Parsons was appointed as Co-Chairman of the President’s Commission to Strengthen Social Security. Additionally, he is Chairman of the Apollo Theater Foundation and also serves on the boards of Citigroup, Estee Lauder, the Colonial Williamsburg Foundation, the Museum of Modern Art and Howard University.

Regent Thurston moved to award the Honorary Doctor of Humane Letters to Henry Kuualoha Giugni and Richard D. Parsons in accordance with the Regents’ policy on honorary degrees, as presented in President’s Memorandum No. 19 (Agenda), Item A-12, dated May 16, 2003. Regent Poe seconded the motion which was unanimously carried.

Gifts, Grants, and Contracts
Interim Vice President McClain reported that during the period March 16, 2003 to April 15, 2003, a total of $25.9 million in gifts, grants, and contracts was received by the University of Hawai'i System. Of the $25.9 million, $14.6 million were for research and $11.3 million were for non-research. On a year-to-date basis, the University research enterprise has brought in a total of 1,192 awards for a total of $262 million.

Regent Kurisu inquired about the process for the selection of consultants. Director Callejo responded that the consultant selection process is based on a memorandum distributed in 1995 from the University Procurement Office to all facilities and administration. He said that, basically, it mirrors the State Procurement Law and its rules. Initially the screening committee is made up of three people who are most familiar with the type of project. The following criteria is used:

- past performance with the University as far as quality of work and compliance to schedules;
- professional qualifications of the firm;
- the required disciplines such as architectural, electrical, civil, structural, mechanical, etc.;
- the capacity and size of staff to perform the type of work;
- specialized experience required for the project and any specialized equipment or technical competence required;
- quality control practices and techniques of the firm, volume of work awarded to the firm, or actively under contract during the last twelve months;
- ability to work effectively with the University, and its user program staff; and
- familiarity in the area and knowledge of the local codes and ordinances.

Director Callejo stated that members of the selection committee will look at the top three companies and will rank them based on the criteria above. Currently the evaluations are forwarded to Director Callejo for his review and acceptance.

Regent McElrath stated that “classified research” is often used. There is a faculty senate proviso which states that the University will not engage in “classified research.” She therefore asked for a clarification at the next Board meeting as to what constitutes “classified research.” Interim Vice President McClain said that he would respond at the next meeting.

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. 19 (Agenda), Item A-13, dated May 16, 2003. Regent Lee seconded the motion which was unanimously carried.

**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 Dobelle requested that the agenda be amended to include the appointment of Dr. Robert Schwarzwalder, Jr. as Assistant University Librarian at the University of Hawai'i at Mānoa, effective May 19, 2003.

Regent Lee moved to amend the agenda to include the appointment of Dr. Robert Schwarzwalder, Jr. Regent Nunokawa seconded the motion which was unanimously carried.

President Dobelle recommended the following personnel actions:

UNIVERSITY OF HAWAI'I, SYSTEM

Executive

IMAI, EUGENE
Vice President for Administration & CFO
Off of the Vice President for Admin & CFO
Extension of Professional Improvement Leave
May 1, 2003 - April 30, 2004
Waiver of Return Service Obligation
May 1, 2004

UNIVERSITY OF HAWAI'I AT MĀNOA

Executive

JOHNSON, JULIE ELAINE
Dean
School of Nursing and Dental Hygiene
Multiple Year Appointment
August 1, 2003 - July 31, 2006

KEIL, KLAUS
Director
Hawai'i Institute of Geophysics and Planetology
Retention Salary Adjustment
Upon approval by the Board

SOIFER, AVIAM
Dean
William S. Richardson School of Law
Multiple Year Appointment
July 1, 2003 - June 30, 2006

UNIVERSITY OF HAWAI'I AT HILO

Executive
Regent Lee moved to approve the appointments, changes in appointments, leaves of absence, promotion, tenure, waiver of minimum qualifications, emeritus titles, shortening of probationary period, salary adjustments, position actions, classification, pricing, as presented in President’s Memorandum No. 19 (Agenda), Item B-1, dated May 16, 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. 19 (Agenda), Items C-1 and C-1, dated May 16, 2003.

**IV. ORAL REPORT OF EXECUTIVE OFFICER**

**Legislative Update**

Associate Vice President Tanaka reported that of the nine bills submitted by the University of Hawai‘i, four were supported by the Governor of which three were passed. They are:

1. Senate Bill 1410, relating to claims against the University of Hawai‘i. The Bill appropriates money out of the University of Hawai‘i Tuition and Fees Special Fund for the purpose of satisfying claims for legislative relief to persons, firms, corporations and entities which have claims against the University of Hawai‘i for payments of judgement, settlements or other liabilities.

2. House Bill 320 relating to the University of Hawai‘i Risk Management Special Fund. The Bill establishes the risk management special fund and authorizes funds to be expended by the University for the administration of the University’s risk management program.

3. House Bill 317 relating to the Employees Retirement System. The Bill allows a faculty member, lecturer of the University with multiple part-time appointments or positions to aggregate these appointments in order to meet eligibility requirements for membership in the ERS.

**University of Hawai‘i Foundation (UHF) Report**
President Sloane reported although the UHF is experiencing budgetary pressures, she believed that with strategic and prudent management of public and private resources, the agreements made in the contract executed last October can be fulfilled. She stated that the UHF had raised $21.1 million thus far which is approximately $4 million more than last year. She further reported that the UHF is in the midst of an extensive review of all fund management services, which will be done on a regular basis every three to five years as a matter of UHF policy, in order to ensure that the resources held by the UHF on behalf of the University will grow in perpetuity.

Donna Vuchinich, UHF’s Vice President for Development, reported that the UHF is working toward delivery of $25 million to the University by June 30, 2003. She further reported that:

- There has been an increase in individual gifts from donors.
- The UHF has received cash distributions through the deferred giving program from bequests that have matured.
- There has been an increase in the pledge rate in the annual giving program.
- Of the dollars that have come in through the end of April, $3.8 million were for student scholarship support and $5.5 million were invested in faculty programs.
- Regarding special events, a number of things are being done to steward the gifts and the donors involved in the programs and each of the colleges has its own activities that participate in that.

Regent Kurisu asked how the goal of $25 million was established by the UHF. Vice President Vuchinich responded that it was based on the previous year’s activity. In addition, since the UHF has geared up with much more staff, Regent Kurisu also wanted a measurement of the results today as compared to the results two to three years ago. He also asked how the UHF matched up its fundraising activities in conjunction to what the University mandates. Vice President Vuchinich said that she will provide the data at the Board’s next meeting. Regent Thurston added that she would like the Board to receive the information for review prior to the next meeting. She said that she would also like to see what the trend was prior to the additional investment that the Board of Regents provided to the UHF and compare the past and current results. She also requested a report on the $150 million provided to the medical school.

President Dobelle commented that the UHF will be raising funds directly for the priorities as determined by the deans and chancellors as well as scholarships and endowed chairs which are historically the way contributions generally flow. Monies that are given to the UHF at this point are 97 percent restricted. He said that very little money given to the UHF is discretionary.
Regent Lee added that with the new contract and greater funds committed to the UHF, there will be higher expectations as well. She echoed Regent Thurston’s comments that the Board be provided a periodic update on the Medical School. She said that a status report on the medical school fundraising could be a part of the monthly update that the UHF presents at the Board of Regents’ meetings.

Bill King, UHF’s Vice President for Administration and Chief Financial Officer, reported on the fundraising activities and expenditures through March 31, 2003. The fundraising activities were broken down by type - gifts, pledges, deferred gifts, and planned giving which includes charitable gift annuities, charitable trusts, and bequests. He also said that essentially the UHF is getting three elements from the university:

- Basic contract which is now $2 million a year.
- Alumni association contract which is $350,000 per year.
- Split funding of the UHF development officers where the university pays 50 percent of the salaries and fringe benefits.

Regent Hong requested a table of organization and salaries of the UHF by the next Board meeting. Vice President King responded that he would share part of the IRS 990 information which is public record. In response to Regent Thurston’s question as to what percentage is set aside for management of the gifts and endowments, Vice President King stated that fees are 2 percent of gifts and 3 percent of endowment. However, he said that UHF is looking into this to make sure that this is enough to carry the UHF through this campaign year.

**Academy of Creative Media**

Chancellor Englert briefed the Board and the public on the early stages of planning for the Academy of Creative Media. He said that upon completion of the successful planning and consultation processes, the Board will be asked to take action on the planned academic program and organizational structure as required by policy. He introduced Chris Lee, the guide and mentor hired by the University of Hawai‘i, to present a brief overview of the concept of the Academy.

**V. NEW OR OTHER BUSINESS**

Vice President Neubauer stated that a report detailing the University’s articulation throughout the year will be delivered to the Regents within 10 days and will be available at the June meeting. He added that he wanted to correct what is probably the most common misperception about articulation which is the notion that credit from the community colleges is not received at M~noa whereas it is received at other universities. The issues discussed with faculty throughout the system have to do with the utilization of courses taught at the community colleges to meet graduation requirements and general education requirements at the receiving campuses. It is not an issue about credit and recognizing credit. These are issues about the extent to which requirements of the academic programs will be met.
Subcommittee to Review the Direction of the Development of a Graphic Identity for the University of Hawai‘i System

Chair Kobayashi appointed Regents Kathy Thurston, Pat Lee, and Kitty Lagareta to a subcommittee to review the direction of the development of a graphic identity for the University of Hawai‘i System. He stated that the subcommittee could invite members from the community to participate in its deliberations and hopefully this can be done as quickly as possible.

VI. ANNOUNCEMENT

Next Meeting

Chairperson Kobayashi announced that the next regular monthly meeting of the Board of Regents would be held on June 20, 2003 at 8:30 a.m. at the University of Hawai‘i at Mānoa.

VII. ADJOURNMENT

There being no further business before the Board, the meeting was adjourned at 11:10 a.m.

Respectfully submitted,

David Iha, Executive Administrator and Secretary of the Board