

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

**April 16, 2004**

**I. CALL TO ORDER**

The monthly meeting of the Board of Regents was called to order by Chairperson Patricia Y. Lee on Friday, April 16, 2004 at 9:24 a.m., in Hale '} koakoa, Rooms 101/102, Windward Community College.

**Attendance**

Present were Regents Byron W. Bender, James J. C. Haynes II, Ted H. S. Hong, Trent K. Kakuda, Charles K. Kawakami, Kitty Lagareta, Walter Nunokawa, Alvin A. Tanaka, and Myron A. Yamasato; President Evan S. Dobelle; Executive Administrator and Secretary of the Board David Iha; and Executive Assistant Carl H. Makino. Regent Jane B. Tatibouet was excused.

Also present were Mr. Walter Kirimitsu, University General Counsel; Mr. Sam Callejo, Chief of Staff; Dr. Doris Ching, Vice President for Student Affairs; Dr. James Gaines, Interim Vice President for Research; Dr. David McClain, Vice President for Academic Affairs; Dr. Linda Johnsrud, Interim Associate Vice President for Planning and Policy and Acting Chancellor, University of Hawai'i at West O'ahu; Mr. James Sloane, Vice President for Administration; Ms. Carolyn Tanaka, Associate Vice President for External Affairs and University Relations; Ms. Peggy Cha, Chancellor, Kaua'i Community College; Dr. Shirley Daniel, Interim Chancellor, Hawai'i Community College; Dr. Peter Englert, Chancellor, University of Hawai'i at M~noa; Dr. Angela Meixell, Chancellor, Windward Community College; Dr. John Morton, Chancellor, Kapi'olani Community College; Mr. Ramsey Pedersen, Chancellor, Honolulu Community College; Dr. Clyde Sakamoto, Chancellor, Maui Community College; Dr. Mark Silliman, Chancellor, Leeward Community College; Dr. Rose Tseng, Chancellor, University of Hawai'i at Hilo; Ms. Jan Yokota, Director, Office of Capital Improvements; Dr. Karla Jones, Director, State Board for Career and Technical Education; Mr. Prescott Stewart, Executive Assistant; and others.

**II. APPROVAL OF MINUTES**

Upon motion by Regent Kakuda and second by Regent Nunokawa, the Board approved the minutes of the March 19, 2004 meeting, as circulated.

### **III. RECOMMENDATIONS FOR ACTION AND GENERAL INFORMATION**

#### **Request to Engage in a Contract for Consultant Services from William T. Bakamas dba B Commercial**

Interim Vice President Gaines requested that the Board engage in a contract for consultant services from William T. Bakamas, dba B Commercial to assist in the preparation, organization and structuring of a proposed University Affiliated Research Center (UARC) and in contract negotiations with the U.S. Government and U.S. Navy. The request to establish the proposed UARC shall be presented to the Board upon receipt of final approval from the U.S. Government and U.S. Navy.

More specifically, B Commercial would provide consultant services to the University of Hawai'i in the preparation, organization, and structuring of a proposed University Affiliated Research Center (UARC); assist the University in the negotiation with the U.S. Government and U.S. Navy on the omnibus Indefinite Delivery Indefinite Quantity (IDIQ) contract, guidance on matters related to export control regulation such as International Traffic in Arms Regulation (ITAR) and Export Administration Regulations (EAR), and compliance matters relating to development of a University Affiliated Research Center.

Board policy stipulates that should it be determined, in consultation with the Board, that a contract or settlement is anticipated to have a significant impact on policy, programs or operations, incur potential institutional liability, or have a systemwide impact, the prior approval of the Board shall be required regardless of amount and source of funding.

Mr. William T. Bakamas is currently the Associate Director of the Applied Physics Laboratory (APL) at the University of Washington and is the President of B Commercial. APL is one of the four (4) established Navy UARCs in the U.S.; it has been in existence since 1943. He has 20 years' experience at the University of Washington, Applied Physics Laboratory, and in negotiating the Indefinite Delivery Indefinite Quantity (IDIQ) and Fixed Price Plus Fee Contracts. As President of B Commercial, Mr. Bakamas recently consulted for University of Maryland to develop a proposal for the creation of a UARC. He has extensive knowledge of the policies and procedures of the U.S. Government and U.S. Navy. He is well-versed in International Traffic in Arm Regulations and understands the implications of these regulations in regards to a research university. He has years of experience in negotiating with the U.S. Government and U.S. Navy and has had great success with the University of Washington's APL and the creation of the University of Maryland's UARC. Mr. Bakamas' services are unique and are required to facilitate the University of Hawai'i's proposal for and creation of the University's UARC.

The UARCs operate under sole-source multitask NAVSEA delivery order contracts to perform work primarily for the Navy task sponsors. The UARCs have developed core technical competencies through support of Navy and other DOD and civilian agencies. They provide research, development, test and evaluation, and engineering capabilities to the Navy and DOD. The UARCs foster education in engineering and scientific disciplines that are especially relevant to Navy/DOD needs.

The cost of this two-year contract is estimated at \$75,000 which includes the consultant fees and reimbursable costs such as travel and related expenses. Funds are to be provided by the Vice Chancellor for Research & Graduate Education Research and Training Revolving Fund (RTRF) allocation.

Regent Haynes moved to authorize the administration to enter into a contract for consultant services from William T. Bakamas dba B Commercial for a duration of 24 months at a cost not to exceed \$75,000 for fees and reimbursable costs as presented in Item A-1 of the Board of Regents' agenda dated April 16, 2004. Regent Lagareta seconded the motion which was carried by majority vote. Regent Kakuda voted against the motion.

**Amended and Restated Memorandum of Understanding with Hiluhilu Development, LLC, Regarding the University of Hawai'i Center in West Hawai'i**

Note: Regent Lagareta recused herself from the discussion and vote on this item due to a declared conflict of interest.

Director Yokota requested that the Board authorize the administration to enter into an amended and restated Memorandum of Understanding (MOU) with Hiluhilu Development, LLC, (Hiluhilu) regarding the University of Hawai'i Center in West Hawai'i.

In 1991, the Board of Regents selected a 500-acre parcel of vacant land east of the Kona Airport as a suitable site for a permanent University of Hawai'i campus in West Hawai'i. However, the development of the site has been hampered by a lack of capital improvement funds to provide adequate potable water, roadway and other basic supporting infrastructure and to construct classroom and office buildings. Hiluhilu Development owns a 725-acre parcel adjacent to the north boundary of the University's site and has expressed its willingness to coordinate its development with that of the University for the West Hawai'i campus, and to cooperate by providing supporting infrastructure for the campus.

On November 21, 2002, with the Board's approval, the University entered into an MOU with Hiluhilu to discuss joint development opportunities for the adjacent properties, with Hiluhilu providing critical infrastructure for the University's initial relocation of its West Hawai'i Center. Since that time, representatives of the University and Hiluhilu have continued discussions on these subjects and Hiluhilu has been in discussion with its consultants, the County Department of Water Supply, and the State Departments of Land and Natural Resources, Hawaiian Home Lands, and Transportation.

Under consideration is the concept of a University Village. Hiluhilu will develop a residential/commercial community on its property, with a village town center spanning its lands and the University's property. This town center is envisioned as a walking village, which would integrate the University's facilities with compatible commercial and cultural facilities.

In the initial stage of this project, the University will identify the specific amount of space it needs to relocate from its present leased facilities at Kealakekua to the University Village. Hiluhilu will design and construct structures on its property to meet the University's needs. The University will use its existing budget to lease these

facilities on a mid-term basis of 5-10 years until the University's facilities can be built on its own land adjacent to the Hiluhilu land. It is understood that the design of the initial structures and the related improvements would allow Hiluhilu to convert them to a non-University use after the University moves to its own facilities.

An update on this project was provided to the Regents' Committee on Finance and Facilities at its October 16, 2003 meeting in Hilo.

As a result of the discussions since the November 2002 MOU, additional details have been developed on how the University and Hiluhilu will coordinate efforts related to potable water, the roadway access to the property, wastewater treatment plant, architectural and use controls, and the initial building improvements for the University. Therefore, an amended and restated MOU has been prepared to incorporate the substantive provisions of the November 2002 MOU and describe the key principles that will guide future discussions and ultimately lead to formal legally binding commitments.

Regent Haynes moved to authorize the administration to enter into an amended and restated Memorandum of Understanding with Hiluhilu Development, LLC, subject to legal review for form and content as presented in Item A-2 of the Board of Regents' agenda dated April 16, 2004. Regent Yamasato seconded the motion which was unanimously carried.

### **Proposed Amendments to Board of Regents' Policy on Procurement**

Chairperson Lee reported that Agenda Item A-3, "Proposed Amendments to Board of Regents' Policy on Procurement" was deferred.

### **Honorary Degrees for Earl E. Bakken, David Cole, and Charles K. Nishioka**

Vice President McClain recommended that the Board award the Honorary Doctor of Humane Letters degree to Mr. Earl E. Bakken, Mr. David Cole, and Mr. Charles K. Nishioka.

**Mr. Earl E. Bakken's** distinguished international reputation arises from his contributions to medical technology. Additionally, Mr. Bakken's public service activity in the areas of medicine, life sciences, health and wellness, with special attention to native Hawaiians and underserved communities in Hawai'i is deserving of this honor.

Born in 1924 in Minneapolis, Minnesota, Mr. Bakken was educated in the Columbia Heights public schools. He served four years in the United States Air Force as a radar maintenance instructor, then enrolled at the University of Minnesota (UM) and earned a Bachelor of Electrical Engineering degree in 1948.

In 1949, Mr. Bakken co-founded Medtronic, Inc., headquartered in Minneapolis and is now the world's leading medical technology company. Medtronic is the leading producer of heart pacing devices and a major manufacturer of prosthetic heart valves, membrane oxygenators, therapeutic catheters, nerve and muscle stimulation devices, and provider of drug delivery systems throughout the world. In 1985, the company was among Fortune 500's largest publicly held corporations in America. Mr. Bakken was Medtronic's CEO and Chairman of the Board from the company's incorporation in 1957 until 1976. He was senior Chairman of the Board until his retirement in April 1989, and

currently serves as Director Emeritus, focusing primarily on the company's mission in the bioengineering industry.

In 1992, Mr. Bakken and his wife, Doris, settled in South Kohala on the island of Hawai'i. Focusing his attention on the health and well-being of North Hawai'i's 40,000 people, Mr. Bakken was instrumental in the development of the North Hawai'i Community Hospital, which opened in 1996 in an area previously lacking full-service medical facilities. The hospital is the first in the nation to integrate the latest Western, technology-based medicine with ancient Hawaiian, Asian, and holistic healing arts, and services an ethnically-diverse community with special attention to the needs of native Hawaiians. Mr. Bakken currently serves as President Emeritus on the hospital's Board of Directors.

In 2001, The National Academy of Engineering presented Earl Bakken and Wilson Greatbatch the engineering profession's highest honor: the Fritz J. and Dolores H. Russ prize for their work involving the cardiac pacemaker. The Russ prize was established in 1999 to recognize engineering achievements that are of critical importance in improving the quality of life. This was the first time this award was ever presented.

Mr. Bakken is also affiliated with Five Mountains-Hawai'i, an organization that promotes and sustains the natural, social, and economic assets of the island community. Based on native Hawaiian values, Five Mountains currently partners with the Kohala Center, in developing innovations in research and education; the North Hawai'i Outcomes Project; and Friends of the Future, an organization that develops community-based activities to improve the health-related quality of life of North Hawai'i's population. Mr. Bakken has headed Five Mountains, and now serves as Vice Chairman of the Board of Directors of Friends of the Future.

Mr. Bakken's extensive contributions to the field of health and wellness deserve to be recognized by the University of Hawai'i system. His genius for technological innovation combined with a keen entrepreneurial spirit has led to improvement of the quality of life for untold thousands of individuals throughout the world.

As a resident of the island of Hawai'i, it is especially fitting that the degree be presented at the University of Hawai'i at Hilo campus during the Spring 2004 commencement ceremony, in accordance with Board policy.

**David Cole** is a recipient of the 1997 Distinguished Alumni Award. He is described as a man of great passion and great care for the people of Hawai'i.

Mr. Cole is the newly-named President and Chief Executive Officer of Maui Land and Pineapple, Inc., a 28,600-acre land holding and pineapple production company on Maui. Mr. Cole plans to couple his substantial business background with sustainability and respect for the land.

Raised on O'ahu, Mr. Cole graduated from Kailua High School and in 1975 received his Bachelor's degree in Liberal Studies from the University of Hawai'i at M~noa. As a student, he was active on campus as the vice president of the Associated Students of the University of Hawai'i.

Originally moving to the U.S. continent to pursue a law degree, Mr. Cole quickly realized his calling as an entrepreneur and through a series of startups of his own as well as his work at America Online (AOL), has become a distinguished member of the business community. Mr. Cole has been involved in a wide range of industries, including organic farming, nature conservancy, and software and internet services. A versatile , he served as the CEO of Ashton-Tate, and Chairman and President of NaviSoft – a pioneer in online publishing software that was acquired by AOL in 1994. As a result of the acquisition, Mr. Cole served as President of AOL's Internet Services Corporation and later as President of their New Enterprise Group. Mr. Cole has been a lead investor in the early stages of several tech companies, including Macromedia Incorporated, Shiva Corporation (acquired by Intel), and Tops Inc. (acquired by Sun Microsystems).

In a surprising career move, Mr. Cole left AOL and in 1996 acquired Sunnyside Farms, a 425-acre failing farm that he has since turned into a profitable 600-acre organic producing entity using the principles of sustainability. Sunnyside Farms now produces organic fruits, vegetables, flowers, meat, and eggs. He is also the Chairman of Twin Farms Collection, a luxury resort company with holdings in California and Vermont.

Even while away from home, Mr. Cole was an active supporter of local organizations and services, including the Honolulu Academy of Arts, The Contemporary Museum, Child and Family Services, Punahou School and Hawai'i Preparatory Academy. Mr. Cole remains active in the community and is a director for Public Broadcasting Service, Island Press, Sesame Workshop and the American Farmland Trust. He is a past director of the Nature Conservancy and the World Wildlife Fund. Mr. Cole is also serving a key role in the agreement between the University of Hawai'i and EARTH (Escuela de Agricultura para la Región Tropical Húmeda) University in Costa Rica in working towards environmental and social sustainability.

The honorary degree will be presented to Mr. Cole during the M-noa 2004 Spring commencement ceremony where he is scheduled to deliver the keynote address.

**Charles K. Nishioka** is a self-made man from humble beginnings who overcame substantial odds, setbacks, and adversities to become a highly successful, respected, and distinguished small businessperson who has achieved national stature and recognition.

He has also distinguished himself through extensive and lengthy public service. Through Rotary International, his service has acquired an international dimension and benefitted the world at large. His record of service exemplifies well the Rotary motto of "Service above Self." He has continuously strived to improve the quality of life in his community.

From 1951 until his retirement in 1989, Mr. Nishioka was the owner-operator of a very successful service station business (Charley's Chevron Gas Station) in Waipahu, Hawai'i which later evolved into an auto parts, tire, and auto repair business.

As a result of his persistent negotiations with the Standard Oil Company of California, Mr. Nishioka was allowed to open two additional Chevron service station locations: Saxon's Service in Pearl City (Saxon being the name of his son) and Charl-

son Service near the old Waipahu High School. From a small, three-person family operation (Mr. Nishioka, his wife Elsie, and one employee from the neighborhood, with the assistance after school and on the weekends from his two children, Saxon and Elaine), the three service-station operation expanded at one time to 35 full and part-time employees. After passing the active management of the business to his son, Mr. Nishioka became the Chairman of the Board of Charles K. Nishioka & Son, Inc., dba Charley's General Tire, Charley's Auto Parts, and Charley's One-Hour Photo Service. Saxon Nishioka has also since retired and the family business has been sold.

In 1986, with enthusiastic letters of recommendation and support from well-known community and business leaders, as well as from past and present employees, Charles Nishioka was selected by the U.S. Small Business Administration (SBA) as the 1986 Small Businessman of the Year for the State of Hawai'i. One of those support letters was from then University of Hawai'i President Albert Simone who thanked Mr. Nishioka for his financial support to the University. Mr. Nishioka had achieved "President's Club status" because of the level of and the years of his loyal financial support to the University.

Upon his selection for the State award, Charles Nishioka became Hawai'i's nominee for the SBA's National Small Business Person of the Year Award for 1986. To his honor and credit, Mr. Nishioka was selected for this prestigious national award which was presented to him in Washington, D.C. As the national awardee, Mr. Nishioka also had the opportunity to personally meet then U.S. President Ronald Reagan. The national winner is selected on the basis of record of stability, growth in employment and sales, financial condition, innovation, response to adversity, and community service.

Mr. Nishioka has also rendered extensive community service through organizations such as the Boy Scouts of America and Rotary International. Mr. Nishioka's record of service, as well as his philanthropy to various educational and community organizations, exemplify the Rotary motto of "Service above Self."

In accordance with Board policy, Mr. Nishioka will be presented the honorary degree during 2004 commencement ceremonies at Leeward Community College.

Regent Lagareta moved to award the Honorary Doctor of Humane Letters to Earl E. Bakken, David Cole, and Charles Nishioka, to be presented at appropriate ceremonies in accordance with Board policy, and as presented in Item A-4 of the Board of Regents' agenda dated April 16, 2004. Regent Kakuda seconded the motion which was unanimously carried.

**Extension of the Provisional Status for the Graduate Certificate in Religion in the College of Arts and Humanities, University of Hawai'i at Mānoa**

Chancellor Englert requested that the Board approve the extension of the provisional status for the Graduate Certificate in Religion in the College of Arts and Humanities, University of Hawai'i at Mānoa, through Spring 2007.

The provisional Graduate Certificate in Religion was to have been reviewed for established status after Spring 1996. Since no students had completed the program by that date, a review of the program was not possible. Student enrollment has continued to be problematic with only three students completing the program to date.

The extension of the program's provisional status will allow the Department of Religion to fully implement its plans for the Religion in Public Life proposal which is projected to increase the number of students in the certificate program.

Board policy requires the review of provisional programs upon completion of its first full cycle. As noted above, only three students have completed the program since its initiation. Without more students, it is not possible to conduct the program review needed to determine whether to grant established status to the program or not.

The Graduate Certificate in Religion was approved by the Board of Regents in 1994 as a provisional program. It was scheduled to be reviewed for established status upon the completion of its provisional cycle in Spring 1996. In 1997, the program was referred to the Graduate Council for review. However, since no students had completed the program by 1996, the Graduate Council was unable to conduct a comprehensive review.

The College of Arts and Humanities was notified that there was insufficient justification to continue the program and after further discussion and deliberation, a request to terminate the program was submitted to the Board of Regents via the President in January 2002. The request was returned without action.

Since that time, the Department, with the support of the President and the Mānoa Chancellor, has launched a "Religion in Life" project in an effort to increase student enrollment in the certificate program. The Certificate in Religion is essential to the project; the purpose is to create better understanding of the impact that religions have on political affairs, economic development, public welfare, social ethics, group identity, and views of other religions and societies. It is the first U.S. project to examine the impact of religion on public life in Hawai'i and the Asia-Pacific region.

The central component of the project is the Fellows in Religion and Leadership Program, which will bring promising clerical and lay religious leaders from the Asia-Pacific region for one year of study at the University. Program Fellows will be accepted into the certificate program. The first Fellow who started the program this semester is a Buddhist monk from Bhutan and is a member of the government's Council on Religious Affairs.

An important aspect of the Fellows program will be the resulting network of alumni who are religious leaders throughout the Asia and Pacific area. This network will enable the Department to renew and expand relationships, to create opportunities for projects involving other units of the University, and to obtain, analyze and disseminate critical knowledge of religious developments in various regions. Based at the University of Hawai'i at Mānoa, the network will involve faculty and students, the local community, and religious leaders throughout Asia and the Pacific.

Therefore, an extension of the provisional status of the program through Spring 2007 is being requested to allow the Department sufficient time to implement its projected plans.

The certificate program does not utilize additional University resources. The courses that comprise the certificate are part of the Master's degree in Religion.

Regent Nunokawa moved to approve an extension of the provisional status for the Graduate Certificate in Religion in the College of Arts and Humanities, University of Hawai'i at Mānoa through Spring 2007, as presented in Item A-5 of the Board of Regents' agenda dated April 16, 2004. Regent Lagareta seconded the motion which was unanimously carried.

### **Proposed College of Pharmacy at the University of Hawai'i at Hilo**

Agenda Item A-6, "Proposed College of Pharmacy at the University of Hawai'i at Hilo" was deferred at the request of President Dobbelle.

### **Maui Community College Strategic Plan, 2003-2010**

Chancellor Sakamoto requested that the Board approve in principle the Maui Community College updated Mission Statement and Strategic Plan, 2003-2010.

Board of Regents' policies establish the Board as the approving authority for the University strategic plan. The policy further establishes the Board as the approving authority for the University of Hawai'i Community College academic or strategic plan and mission statement.

The current University of Hawai'i strategic plan was adopted by the Board of Regents on June 21, 2002 and the UH Community College strategic plan was adopted on November 22, 2002. The current community college mission statement was adopted by the Board of Regents in 1996 and reaffirmed as part of the current strategic planning process.

The Accrediting Commission for Community and Junior Colleges (ACCJC) recently communicated to the University the expectation by the Accrediting Commission that individual community college mission statements and community college strategic plans would receive Board of Regents' approval. Accordingly, Maui Community College requests approval of its mission statement and its strategic plan by the Board of Regents.

The Maui Community College mission statement and strategic plan were developed through a broad-based process as a part of the overall University and Community College Master Plan development. The mission and planned directions for the College are consistent with these previously approved documents. Upon approval, the Maui Community College strategic plan will serve as the guiding force for the College for the period 2003-2010, subject to regular review and revision.

The staffing and resource requirements of the plan are articulated within the planning document.

Regent Kawakami moved to approve in principle the Maui Community College Strategic Plan for the period 2003-2010 and the Maui Community College mission statement with the understanding that implementation details shall comply with applicable policies as presented in Item A-7 of the Board of Regents' agenda dated April 16, 2004. Regent Haynes seconded the motion which was unanimously carried.

## **Hawai'i Community College Long-Range Development Plan Update and Transition Plan**

Director Yokota requested that the Board approve in principle the Hawai'i Community College Long-Range Development Plan (LRDP) Update and Transition Plan.

In the fall of 1990, the Board of Regents approved the separation of Hawai'i Community College (Hawai'i CC) and UH-Hilo into two distinct entities. Although Hawai'i CC continues to share facilities and services with UH-Hilo, plans were announced to relocate Hawai'i CC to a "new" campus on State-owned lands across from the University Park on Komohana Street. The entire parcel on which the new Hawai'i CC campus is to be located is comprised of 326 acres. The new Hawai'i CC campus (Komohana Campus) would be located within a portion of this property.

In 1991, the legislature appropriated funds to prepare long-range development plans for UH-Hilo and for Hawai'i CC. Each of the plans was to be developed to reflect the academic program plans and enrollment projections of the two individual institutions. The planning efforts for the two schools were initiated concurrently, so that issues regarding the transition from a shared campus at UH-Hilo to separated campuses could be addressed in the context of the respective LRDP for each campus. This process was intended to be delineated within a Transition and Implementation Plan which was deferred, due to outstanding policy issues. The LRDP for the two campuses were completed and adopted by the University of Hawai'i Board of Regents in 1996.

In November of 1999, the Board of Regents authorized the University Administration to enter into a lease agreement with the United States Department of Agriculture (USDA) for a proposed Pacific Basin Agricultural Research Center (PBARC) on approximately thirty (30) acres of land within the 326-acre property. The proposed PBARC site occupies a portion of land which was previously earmarked as the site for the new Hawai'i Community College campus. The designation of this site necessitated the delineation of a new site within the 326-acre parcel for Hawai'i Community College and an update of the LRDP.

Space and infrastructure limitations at the current Hawai'i CC Manono Campus restrict the extent of further development on the Manono property. The Manono Campus will continue to serve as the interim campus for Hawai'i CC until the initial phase of the Komohana Campus is constructed. The transition plan was developed to satisfy the short-term space and infrastructure requirements needed to accommodate the growth and development of Hawai'i CC during the interim period.

Regent Hong commented that this is an important first step for Hawai'i Community College in redefining its place in the system and for the people in Hilo and Kona. He hoped that the time line between the first step and the next step would not be too distant.

Regent Kawakami moved to approve in principle the Hawai'i Community College Long Range Development Plan Update and Transition Plan with the understanding that implementation details shall be subject to applicable policies, as

presented in Item A-8 of the Board of Regents' agenda dated April 16, 2004. Regent Hong seconded the motion which was unanimously carried.

**Proposed Reorganization of the Chancellor's Office, University of Hawai'i at M~noa**

Agenda Item A-9, "Proposed Reorganization of the Chancellor's Office, University of Hawai'i at M~noa" was deferred.

**Proposed Reorganization of the Office of Human Resources**

Director Callejo requested that the Board of Regents approve a proposed reorganization of the Office of Human Resources.

The Director of Collective Bargaining and Affiliated Faculty Affairs (CBAFA) is currently a one-position functional unit located in the Office of the Vice President for Administration and Chief Financial Officer and is charged principally with collective bargaining and faculty contract administration. The Office of Human Resources is charged, among other systemwide functions, with contract implementation of all collective bargaining agreements, inclusive of the faculty agreement, staffing the collective bargaining process and contract administration activities, as well as serving as a +significant resource to the Director of CBAFA. It is more effective and efficient to combine the two functional entities to provide a comprehensive human resources management service to the University.

In accordance with Board policies, the President, in consultation with the Board, has the authority to reorganize, reassign or relocate established organizational units where such actions do not impact on Board policy and/or laws, incur additional expenses, and/or significantly affect students and other clientele of the University and to establish administrative support units under the Vice Presidents and Chancellors provided additional resources are not required. The proposed reorganization does not change or delete functions for which the affected units and the Vice Presidents are responsible. While it does not directly impact Board policy and/or laws, the organizational structure and respective directorships do affect the Board's relationships with these two entities relative to policy implementation.

There is some impact to clientele of the University. The impact would be positive within the University, as there would be one authoritative source of counsel whereas administrators currently must work with two offices to ascertain the totality of certain complex issues. There is no adverse impact to affected external clients, who are primarily the State Office of Collective Bargaining and the respective unions who will continue to deal with the Director of CBAFA and the staff of OHR on a business as usual and improved one-stop basis. The Hawai'i Government Employees Association and the University of Hawai'i Professional Assembly, which negotiate with the Director of CBAFA and work with OHR on implementation of negotiated agreements, have been consulted and have expressed no objections to the proposed reorganization. The United Public Workers, which does not normally interact with the Director of CBAFA will continue to work with the staff of OHR and will not be affected by this reorganization.

A committee was convened in 2003 to assess the level of human resources service delivery on a systemwide basis. The Human Resources Service Analysis

Committee recommended that the two offices be integrated in order to provide a comprehensive one-stop shop. This proposal implements the recommended action.

Regent Lagareta moved to approve the reorganization of the Office of Human Resources to incorporate the position of Director of Collective Bargaining and Affiliated Faculty Affairs as reflected in the organizational charts as presented in Item A-10 of the Board of Regents' agenda dated April 16, 2004. Regent Nunokawa seconded the motion which was unanimously carried.

### **Proposed Reorganization and Redistribution of Funds to Reflect the Land-Grant Status of the University of Hawai'i**

Agenda Item A-11, "Proposed Reorganization and Redistribution of Funds to Reflect the Land-Grant Status of the University of Hawai'i" was deferred until the next Board meeting in Hilo.

### **Establishment of Dean, College of Business and Economics, University of Hawai'i at Hilo**

Chancellor Tseng requested that the Board of Regents approve the establishment of the position of Dean, College of Business and Economics, at the University of Hawai'i at Hilo.

At its October 17, 2003 meeting, the Board of Regents approved the establishment of the College of Business and Economics at the University of Hawai'i at Hilo, effective January, 2004. The approval required that no executive/managerial positions were to be authorized for the new unit without prior Board approval. At that meeting, the Board of Regents recognized that an autonomous College of Business and Economics, separate from the College of Arts and Sciences, would allow for sharper focus on the different missions of the professional business programs and liberal arts programs, be a positive statement of institutional support for the business program's American Association of Colleges and Schools of Business (AACSB) accreditation initiative, benefit students and the community through a dean who could give more active focus to needed entrepreneurship and small business development education, and support the Strategic Plan of the University of Hawai'i System and the University of Hawai'i at Hilo.

Programs, faculty and budget administered by the School of Business would be transferred from the College of Arts and Sciences to the College of Business and Economics.

This action to authorize the establishment of the position of Dean will allow the College of Business and Economics to retain an Interim Dean who will be responsible for executing the duties and responsibilities of the Dean.

Regent Lagareta moved to establish the position of Dean, College of Business and Economics, at the University of Hawai'i at Hilo subject to applicable policies, as presented in Item A-12 of the Board of Regents' agenda dated April 16, 2004. Regent Hong seconded the motion which was unanimously carried.

**Windward Community College Mission Statement and Strategic Plan**

Chancellor Meixell requested that the Board approve in principle the Windward Community College Strategic Plan, 2002-2008, and the Windward Community College Mission Statement. Board of Regents’ policies establish the Board of Regents as the approving authority for the University of Hawai’i Strategic Plan.

The current University of Hawai’i Strategic Plan was approved by the Board of Regents on June 21, 2002, and the Community Colleges Strategic Plan was approved on November 22, 2002. The current community college mission statement was adopted by the Board of Regents in 1996, and reaffirmed as part of the 2002 strategic planning process.

In Fall 2003, the Accrediting Commission for Community and Junior Colleges (ACCJC) communicated to the University the expectation that individual community college mission statements and strategic plans would receive Board of Regents’ approval since each college is accredited separately. Therefore, Windward Community College is requesting approval of its mission statement and Strategic Plan by the Board of Regents.

The Windward Community College Mission Statement and the Windward Community College Strategic Plan, 2002-2008, were developed through comprehensive inclusive campus processes as part of the overall strategic planning processes of the University. The mission and strategic plans are consistent with the previously approved documents. Upon approval, the Windward Community College Strategic Plan will serve as the planning guide for the college for the period, 2002-2008, subject to regular review and revision.

Regent Kawakami moved to approve in principle the Windward Community College Mission Statement and Strategic Plan 2002-2008 with the understanding that implementation details shall be subject to applicable policies as presented in Item A-13 of the Board of Regents’ agenda dated April 16, 2004. Regent Kakuda seconded the motion which was unanimously carried.

**University of Hawai’i Endowment Asset Allocation**

The University Endowment Fund’s third party monitor, in consultation and with concurrence from the administration recommended the following changes to the current money manager structure for the University of Hawai’i Endowment Fund:

		<u>Current Structure</u>	<u>Recommended Structure</u>
Growth Stocks:	Bank of Hawai’i	27%	24%
Value Stocks:	NWQ	26%	33%
Core Stocks:	Bishop Street	29%	25%
International Stocks:	Brandes Large Cap Intl	10%	10%
Ultra Short Fixed Income:	Bank of Hawai’i	8%	8%

The objective of this change is to increase the allocation to value stocks which is currently managed by NWQ Investment Management. Over time, value stocks have achieved higher returns than growth stocks and with lower volatility. For this reason,

the raising of the allocation to value stocks could enhance the Fund's total return and lower its volatility.

A full discussion with the Board's Committee on Finance and Facilities and the Wachovia Securities, the Board's third party monitor did take place. Wachovia and the administration assured that the recommendation is in keeping with the Board's fiduciary responsibility.

Regent Haynes moved to authorize the administration to execute the recommended University Endowment Fund asset allocation change, as presented in Item A-14 of the Board of Regents' agenda dated April 16, 2004. Regent Kakuda seconded the motion which was unanimously carried.

#### **IV. GIFTS, GRANTS AND CONTRACTS**

Interim Vice President Gaines reported that during the period February 16, 2004 through March 15, 2004, the University of Hawai'i system received a total of \$24,141,106. The University of Hawai'i at Hilo received a total of \$50,000 during the same period. He said that he would provide the Regents with an informational briefing on the research enterprise at the University at either the next meeting or the following month.

Regent Haynes moved to accept with thanks the gifts and grants and ratify the actions of the administration in executing the necessary contracts as presented in Attachment #1 of the Board of Regents' agenda dated April 16, 2004. Regent Kakuda seconded the motion which was unanimously carried.

#### **V. 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**

President Dobbelle recommended 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, and pricing as follows:

##### **UNIVERSITY OF HAWAI'I AT M} NOA**

##### **Managerial**

LEE, CHIN NYEAN  
Interim County Administrator, O'ahu County  
College of Tropical Ag & Human Resources  
March 1, 2004 - February 28, 2005

Professor or equivalent

DUNLAP, MARILYN  
Specialist  
Pacific Biomedical Research Center  
Continuation of Designation as Interim  
Associate Director, PBRC  
April 21, 2004 - April 20, 2005, unless  
sooner relieved

COMMUNITY COLLEGES

Managerial

KAWAHARADA, DENNIS  
Interim Assistant Dean (CC)  
Honolulu Community College  
May 1, 2004 - April 30, 2005, or until  
a permanent Assistant Dean is appointed,  
whichever occurs first

LEIALOHA, MICHAEL N.  
Institutional Support (Administrative Officer)  
Hawai'i Community College  
Designation as Interim Director of Administrative  
Services (CC)  
March 22, 2004 - September 30, 2004 or until  
the position is filled on a regular basis,  
whichever is sooner

Regent Lagareta moved to approve the personnel actions as recommended in Attachment 2 of the Board of Regents' agenda dated April 16, 2004. Regent Nunokawa seconded the motion which was unanimously carried.

**Resignations and Retirements of Board of Regents' Appointees**

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 Attachment #2 of the Board of Regents' agenda dated April 16, 2004.)

**VI. NEW OR OTHER BUSINESS**

**Process to Select a Graphic Designer or Design Firm to Develop a New Logo for the University of Hawai'i System**

Regent Lagareta reported that at the Board's previous meeting on March 19, 2004, the Task Group on Graphic Identity for the University of Hawai'i recommended that the following selection process be approved by the Board:

1. Interested graphic designers and design firms will be requested to submit their graphic design qualifications for consideration by a special 15-member evaluation and advisory panel made up of respected residents of Hawai'i who are knowledgeable in the arts; University of Hawai'i students, faculty and staff; and representatives of the business community with experience in identity marketing and merchandising. The panel as a whole will represent the University of Hawai'i system and the major islands of the State and will reflect the ethnic, gender, and cultural diversity of Hawai'i.
2. The panel will select three (3) professional designers and/or firms from the graphic design qualifications submitted. Each professional designer and/or firm selected will be paid the sum of FIVE THOUSAND DOLLARS (\$5,000.00) including tax to create and submit a design concept(s) to the University.
3. Of the three professional designers and/or firms selected to create and submit a design concept(s) in phase two, the panel will then select a winning design and will be authorized to pay the successful professional designer or firm an additional \$5,000.00 including tax to complete the final design, assuming there is a design that is acceptable.

During the discussion it was pointed out that should the Board approve this process it would be granting an exception to its policy on consultant contracts. In essence, Board policy requires all consultant contracts having a systemwide impact to be approved by the Board. Members of the Board felt that it would be best that the design consultant identified by the panel be approved by the Board in accordance with policy. The Task Group, therefore, had recommended that the selection process, as modified, be approved by the Board. The designer and final design would be brought to the Board for approval as prescribed by policy.

In accordance with Chapter 92, Hawai'i Revised Statutes, Regent Lagareta moved that the Board approve the graphic design/designer selection process as described. Regent Nunokawa seconded the motion which was unanimously carried.

### **Task Group Report on M~noa Student Housing Issues**

The Task Group Report on M~noa Student Housing Issues was deferred.

### **Task Group Report on Kaka'ako Biomedical Complex**

Regent Tanaka reported that the Task Group started in February of this year and has conducted in excess of 40 interviews with the various stakeholders. Interviews will continue to be made through June. In addition, the task group made site visits to the West Coast medical schools and various institutions on the East Coast and obtained such information as the academic relationships among the units and departments, the revenues and cost streams, and the technology transfer of commercialization. The task group noted that each place they visited was unique and aligned to the surrounding economic and political context. There will also be a site visit in Asia. A final report to the Board will hopefully be completed in August.

### **Task Group Report on the President's Evaluation**

Regent Lagareta reported that the Task Group obtained counsel from the Association of Governing Boards on the process for the President's third-year evaluation and decided to hire a consultant to assist in the process. Interviews were conducted and Mr. Robert Atwell was selected. Mr. Atwell is President Emeritus of the American Council of Education and has published several documents for the Association of Governing Boards. He is very highly regarded for his academic and managerial experience in colleges and universities.

President Dobbelle has been asked to submit names of people for Mr. Atwell to interview. The Task Group will be providing names as well. President Dobbelle thanked the Board for its commitment to an open and non-confidential process.

### **Report from General Counsel on the Status of the Board of Regents' Policy on Conflict of Interest**

Associate General Counsel Presley Pang reported that background information has been gathered on the issue of conflict of interest, but he said that it would be helpful if the Board appointed a task group to investigate, analyze and recommend to the full Board possible amendments to the Board of Regents' policy regarding conflict of interest. He said that this task group could meet with or gather information with the State Ethics Commission, the University General Counsel, State and/or Federal officials.

Regent Kakuda moved to establish a task group on the issue of conflict of interest. Regent Nunokawa seconded the motion. President Dobbelle asked if two or more Regents could sit on the task group and discuss University business in closed sessions. Associate General Counsel Pang confirmed that this was allowable as long as it was less than a quorum. Regent Kakuda reiterated that public reports, briefings, and deliberations will be held in public. The motion was carried by majority vote. Regent Hong voted against the motion.

Chairperson Lee appointed the following Regents to the task group: Regent Haynes, chair, and Regents Kakuda, Hong and Lagareta. Regent Kakuda emphasized that the goal of the task force will be to make their reports as public as possible.

### **Board of Regents' Policy on Political Activity**

General Counsel Kirimitsu stated that the team from the Western Association of Schools and Colleges (WASC) recommended that the Regents' policy on political activity be clarified. He introduced Associate General Counsel Elise Tsugawa who stated that perhaps a stronger policy on permissible political participation on endorsements, especially the appearance of partisanship on behalf of the University needs to be clarified. She said that the current policy only addresses when employees at the University would like to run for office and the steps needed to make the University aware that they are going to be running for office.

In response to Regent Hong's question as to whether there was a difference in the law in how public employees are handled in a state university versus employees at a private institution, Ms. Tsugawa responded that there is a slight difference but the key thing to remember is that the person still retains his/her first amendment rights - his/her free speech rights.

Regent Lagareta stated that she thought that the concern by the WASC team was that if an employee is at a certain level at an institution, the political activity may interfere with that person's job responsibility.

General Counsel Kirimitsu suggested that inasmuch as a task group was established for the purpose of analyzing and investigating the conflict of interest policy, perhaps this task group's scope could be expanded to cover political activity as well. Chairperson Lee announced that the task group that was appointed earlier would address both conflict of interest and political activity.

President Dobbelle said that he assumed that Legal Counsel will make sure that these task groups in no way violate, if not the letter of the law, the spirit of the Sunshine Law.

## **VII. REPORT OF EXECUTIVE OFFICER**

President Dobbelle announced that Interim Vice President Gaines would head a task force to look into the concerns that were raised regarding Lyon Arboretum. The task force would include representatives from offices of the University General Counsel and Risk Management

Vice President McClain announced the passing of Dr. Lane Kelley, Professor of Management at the College of Business. Chairperson Lee conveyed the Board's condolences to the family of Dr. Kelley.

Regent Nunokawa questioned President Dobbelle's statement about the "open process." President Dobbelle responded that he was just reacting to the fact that it was determined that his evaluation process would be open and that it was not going to be secret. Regent Lagareta expressed that there is a clear distinction between a secret meeting and a closed meeting allowed by law and that every meeting that the Board has had was properly noticed. She further stated that the process suggested by the Association of Governing Board allows for the Board's consultant to interview people on President Dobbelle's list and the Board's list. No Regents would be involved in this process. President Dobbelle remarked that he had no problem with the consultant conducting interviews as long as everyone knows who is being interviewed. He also requested a written report and suggested that this report be made public.

Responding to President Dobbelle's earlier comments, Regent Lagareta explained that President Dobbelle had been offered the opportunity to make a redacted version of the minutes from this evaluation public and he did not take the option. This remedied the only concern from the Office of Information Practices (OIP) which validated the Board's evaluation process, contrary to what President Dobbelle had stated.

Chairperson Lee expressed the Board's gratitude to Mr. Les Kondo of the OIP who guided and advised the Board on the Presidential evaluation process.

### **VIII. ANNOUNCEMENT**

Chairperson Lee announced that Regent Hong's interim appointment would be ending on May 6th. Regent Hong stated that serving on the Board had been one of the most rewarding times of his life. He expressed appreciation to his fellow Regents, members of the Board staff and the University community.

### **Next Meeting**

Chairperson Lee announced that the next monthly meeting of the Board of Regents would be held on May 21, 2004 at 8:30 a.m. at the University of Hawai'i at M~noa. She thanked Chancellor Meixell and the faculty, staff and students of Windward Community College for their hospitality and the excellent breakfast.

### **IX. ADJOURNMENT**

There being no further business before the Board, the meeting was adjourned at 10:50 a.m.

Respectfully submitted,

David Iha, Executive Administrator  
and Secretary of the Board