MINUTES
UNIVERSITY OF HAWAI'I BOARD OF REGENTS'
MEETING OF
April 21-22, 2005

I. CALL TO ORDER

The meeting was called to order by Chairperson Patricia Y. Lee on Thursday, April 21, 2005, at 10:10 a.m. in Hale 'Ākoakoa, Rooms 105, Windward Community College.

Attendance

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

Also present were Mr. Walter Kirimitsu, University General Counsel; Mr. Sam Callejo, Vice President for Administration; Dr. Doris Ching, Vice President for Student Affairs; Dr. James Gaines, Interim Vice President for Research; Dr. Linda Johnsrud, Interim Vice President for Academic Planning and Policy; Ms. Carolyn Tanaka, Associate Vice President for External Affairs and University Relations; Dr. Gene Awakuni, Chancellor, University of Hawai‘i at West O‘ahu (UH-West O‘ahu); Ms. Peggy Cha, Chancellor, Ka‘u‘i Community College; Dr. Peter Englert, Chancellor, University of Hawai‘i at Mānoa (UH-Mānoa); Dr. Rockne Freitas, Chancellor, Hawai‘i Community College; 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. Donna Vuchinich, President, and Mr. William King, Vice President, University of Hawai‘i Foundation; Dr. Mary Tiles, University of Hawai‘i Professional Assembly (UHPA); Mr. Walter Niemczura, President, Administrative, Professional and Technical (APT); and others.

II. APPROVAL OF MINUTES

Upon motion by Regent Lagareta and second by Regent de la Peña, the Board unanimously approved the minutes of the March 17-18, 2005 meeting, as circulated. Regent Albano asked that the minutes of the special meeting of March 30, 2005 indicate that, based on his experience, Mr. Townsend assured that the Cancer Research Center project can be financed only by private sources. He then moved for approval of the minutes of March 30, 2005, with the additions. Regent Haynes seconded the motion which was unanimously carried.
III. PUBLIC COMMENT PERIOD

The following testified on Agenda Item #4, Tuition and Fee Informational Update:

1. Mr. Kris Kaupalolo, and Mr. Kawika Baker, of the University of Hawai‘i Student Caucus, made a power point presentation enunciating the Caucus’ questions and concerns relative to the Administration’s proposed tuition increase. The Caucus is fundamentally opposed to the current proposal which would increase tuition by 128% over the next 5 years. The Caucus also questioned the propriety of the proposed technology fee of $10 per credit. They asked that the Regents not make a decision on tuition until students return in Fall. He said that students should have a right to be present at the meeting when a decision on their tuition is made.

2. Mr. Michael Hewitt, representative from Kapi‘olani Community College Student Caucus and Committee Chair for Legislative Issues, asked that the Board consider the impact of the tuition proposal on non-traditional students who may not qualify for financial aid under Federal guidelines.

Mr. Hewitt also provided testimony on behalf of Mr. Simeon Bourim and Ms. Maile Chong who were not able to be in attendance but also asked that the Board reconsider the plan and work with student governments on this issue. They felt that many students will choose to go elsewhere once the costs nears that of private colleges.

3. Mr. Edward Johns, student from UH-Hilo, expressed that the middle class students would be the most affected by a tuition increase because they will still not be eligible for financial aid. He understood the need for an increase but students need to understand how they would benefit from an increase.

4. Ms. Kathy Rodrigues and Ms. Arlene Keala Pihana distributed copies of a petition from Hawai‘i Community College students opposing a tuition increase. Ms. Pihana expressed that Hawai‘i CC students support the Student Caucus’ testimony opposing the proposed plan.

5. Ms. Antoinette Wilson, student and parent, expressed that the increase would make it difficult for students like herself to continue their education while caring for a family. Tuition needs to be affordable so that Hawai‘i residents can better their lives.

6. Mr. Ryan Deluccio, student, opposed a tuition increase. He felt that the University needs to receive more resources from the Legislature in order to keep tuition affordable.

7. Ms. Jade Davis, student and parent, expressed that should the increase be adopted she will be forced to terminate her education because she will not be able to afford the higher tuition.

8. Ms. Ashley Cooper, student, expressed that the increase is excessive.
9. Ms. Stephanie Bukoski, student, expressed that the increase is too excessive over too short a period.

10. Ms. Crystal Cruz, student, expressed that the increase would force her to drop out of school since she cannot qualify for financial aid and would not be able to afford the tuition.

11. Mr. Jeremiah Figaroa, expressed that the higher tuition would be unaffordable.

12. Ms. Malialani Marrotte, student, expressed that she would not be able to afford the increased tuition.

13. Ms. Amanda Schone, student, expressed that as an independent student she does not receive support from parents. She would not be able to afford the tuition increase.

14. Mr. George Thronas, Jr., President, ASUH, Kauai, expressed that the Board and administration needs to look at other ways to operate the University besides a steady increase in tuition such as lowering expenses.

15. Ms. Ginger Takeshita, President, ASUH, Hilo, informed the Board that UH-Hilo’s student government did not take a stand on the issue due to many unanswered questions. Instead the administration needs to examine other options such as cutting costs.

16. Ms. Rachel Fulton, student, testified that the increase would make it very difficult for many Maui residents to attend MCC, reserving higher education on Maui only for the elite.

17. Ms. Deborah Cohn, student, questioned the accuracy and rationale behind the administration’s justification for a tuition increase.

18. Palika Cockett, testified that low income families would have difficulty paying the tuition despite financial aid. In addition, the technology fee was not clearly justified.

19. Ms. Mary Tyra, student, testified against the increase and technology fee.

20. Ms. Eileen McKee, student, expressed opposition to the increase and technology fee. She suggested that the residency criteria be changed to prevent nonresidents from qualifying for resident tuition after one year in Hawai‘i.

21. Ms. Jennifer Yoshioka, student, expressed that Maui CC students were against the increase and questioned the legitimacy of the technology fee. She suggested that each campus determine the need and amount for such a fee.

22. Ms. Trisha Nekaifes, testified against the proposed increase.
23. Kealoha Finneran-Swatek, student, asked that the Board consider spreading the increase over a longer period of time to lessen the impact on low income students.

24. Ms. Shayna Lum, student, expressed opposition to an increase.

25. Mr. Gary Sugiyama, student, asked that the Board consider smaller increases over a longer period.

26. Mr. Grant Teichman, President-elect, ASUH-Mānoa, expressed opposition to an increase in tuition.

27. Mr. Dylan Nonaka, VP-elect, ASUH-Hilo, expressed that he would not like to pay a higher tuition. However, if the Board felt that there would be no significant increase in legislative appropriations, that a tuition increase may have to be considered in order to protect programs and assure for access to higher education for residents.

Chairperson Lee thanked those who took the time to present testimony on this issue. She assured them that the Board would take their comments into consideration.

The following individuals testified on Agenda Item #7, Establishment of a Masters of Arts in Hawaiian, Department of Hawaiian and Indo-Pacific Languages and Literature, Linguistics and Literature, University of Hawai‘i at Mānoa, and Agenda Item #8, Establishment of a Masters of Arts in Hawaiian Studies, School of Hawaiian, Asian and Pacific Studies, University of Hawai‘i at Mānoa:

1. Dr. Jon Osorio, Director, Kamakahōkūokalani Center for Hawaiian Studies, UHM, testified in support of the two programs, emphasizing that they could be offered at no additional cost.

2. Kamana Beamer, expressed support for the programs.

3. Kaliko Baker, expressed support for the programs due to the great student interest for such offerings.

4. Kalehua Krug, expressed support for the programs.

The meeting was recessed at 12:35 p.m. and reconvened at 1:20 p.m.

5. Ms. Maya Saffery, testified in support of the programs.

6. Ms. Leilani Basham, Coordinator, Hawaiian Language Department, UHM, expressed that these programs are needed for future generations of Hawaiian students who wish to not only major in these areas but learn more about their culture.

7. Dr. Noeau Warner, faculty, Hawaiian Language Department, expressed that more Hawaiian scholars are needed to conduct research and these programs would be a step in that direction.

8. Dr. Carlos Andrade, Hui Konohiki Project, expressed the need for the programs in order to advance the Hawaiian culture and perpetuate the language.
9. Dr. Margie Maaka, Kualii Council, expressed that such programs are critical to educating Hawaiian children about their culture.

10. Dr. Manu Kaiama, Kualii Council, expressed that despite the apparent duplication with UH-Hilo’s program, the proposed programs afford further access to students interested in this discipline.

11. Dr. Noenoe Silva, Kualii Council, expressed the need for more Native Hawaiians with PhD’s.

12. Kalaeka Akioka, graduate student, expressed the need for such graduate programs on Oahu.

13. Brandon Bunag, graduate student, expressed a need for such programs at both UHM and UH-Hilo.

14. Mehana Hind, graduate student, expressed support for the two programs in view of the human resources available at UHM.

15. Kealoha Kaliko, expressed support for the establishment of the two programs at UHM.

16. Kealii Gora, expressed support for the programs.

17. Scott Kikiloi, graduate student, expressed that Native Hawaiian students who wish to join the faculty currently have to pursue a doctorate in a discipline aside from Hawaiian. These programs will help such students obtain advanced degrees without having to go outside of their desired discipline.

18. Uala Lenta, expressed support for the programs.

19. Dr. Lilikala Kameeleihiwa, Center for Hawaiian Studies, UHM, expressed that the programs are needed at the Mānoa Campus. There is great interest among students on Oahu and having a similar program to UH-Hilo’s will address the growing need and increase access to such programs.

20. Kaleo Wong, expressed support for the programs.

21. Puakea Nogelmeier, expressed a need for master’s and doctoral programs in Hawaiian so that Native Hawaiian do not have to pursue a doctorate in another discipline.

22. Kahikina de Silva, expressed support for the programs.

23. Emily Hawkins, expressed a need for the two programs.

24. Laiana Wong, expressed support for the programs.

25. Kapa Oliveira, expressed support for the programs.

26. Naomi Losch, expressed support for the programs.
27. Dr. Joseph O’Mealy, Dean, College of LLL, UHM, expressed that the programs had gone through faculty review and he was therefore confident in their scholarly merits.

28. Kristy Perez-Kaiwi, expressed support for the programs which will provide opportunities for future generations of Hawaiian students to obtain a graduate degree without going outside their discipline.

29. Kealalokahi Losch, KCC student, expressed support for the programs.

30. Larry Kimura, faculty, Ka Haka Ula O Keelikolani, UH-Hilo, expressed support for the work done by his Mānoa colleagues but questioned why input from the UH-Hilo faculty was not required when Hilo was required to do so for their program. He also expressed a need to strengthen the academic rigor in the proposed language program.

31. Pelehonuamea Harman, faculty, Ka Haka Ula O Keelikolani, UH-Hilo, expressed that the language requirements for the proposed program needed strengthening, citing the differences between the Hilo and proposed program.

Regent Lagareta moved to take out of order items #7, #8 on the agenda and if time permitted, #2. The motion was seconded by Regent Tanaka and unanimously carried.

**IV. AGENDA ITEMS**

_Establishment of a Master of Arts in Hawaiian, Department of Hawaiian and Indo-Pacific Languages and Literatures, College of Languages, Linguistics and Literature, Mānoa Campus_

Vice Chancellor Smatresk requested that the Board approve the establishment of a Master of Arts (MA) degree program in Hawaiian in the Department of Hawaiian and Indo-Pacific Languages and Literatures, College of Languages, Linguistics and Literature (LLL), at the Mānoa campus.

Three new assistant professor positions were filled by the Department of Hawaiian and Indo-Pacific Languages and Literatures in Fall 2004. These new hires will assist in offering courses for the existing BA and the new graduate program. In addition, it is projected that lecturers will need to be hired to offer 11 courses each semester. The College of Languages, Linguistics and Literature will provide funding for those lecturers from its existing budget.

The master’s degree in Hawaiian will provide a broad, in-depth education in Hawaiian language, culture, and literature as an integral part of the efforts to revitalize Hawaiian as a living language. The proposed graduate program will: (1) provide the necessary faculty expertise and methodology with the appropriate venue for conducting research in Hawaiian; (2) create scholarship in Hawaiian in new domains, including advanced study of literature; (3) strengthen and expand the understanding and use of various styles of Hawaiian; (4) develop curriculum and resources and teacher training for Hawaiian medium schools; (5) provide support to graduate students in related fields; (6) create new literature in Hawaiian; and (7) integrate and utilize new technology in the curricula of the program.
The proposal was reviewed and endorsed by the Graduate Council and the Mānoa Faculty Senate.

The Constitution of the State of Hawai‘i states that English and Hawaiian shall be the official languages of Hawai‘i and that the State shall provide for a Hawaiian education program in the public schools. Both the University of Hawai‘i and the Mānoa strategic plans support the study of the Hawaiian language and culture. Presently, the study of the language at UH-Mānoa is limited to the BA in Hawaiian. Students who wish to continue their study of the Hawaiian language beyond the BA have few options: the MA in Hilo, which for most students is not economically feasible; the MA in Linguistics or Polynesian religions, which are only tangentially related; or graduate study in an unrelated field, while attempting to continue study of Hawaiian on their own. The establishment of a graduate program in Hawaiian will meet the needs of these students and support the goals of the State and the University.

Further, the establishment of the program will foster advanced research needed to expand the Hawaiian language into new domains that have emerged since the language was suppressed in 1896. Advanced research and new literary works are vital components of the re-establishment of Hawaiian as a language. In addition, the program will meet a community need for trained individuals with expertise in Hawaiian language and support other graduate programs on the Mānoa campus.

The Mānoa campus is an appropriate academic venue to support the continuation and growth of Hawai‘i’s indigenous language. The necessary resources are located on campus or nearby. The program will have immediate access to the specialized, comprehensive Hawaiian collection at Hamilton Library, the Hawai‘i State Archives, the Bishop Museum Library and archives, the Hawaiian Historical Society archives, and the Hawaiian Mission Children’s Society archives and library, all of which contain extensive collections of Hawaiian language materials. In addition, the Hawaiian language audio and visual material in the University’s Language Learning Center and the Wong Audio Visual Center at Sinclair Library will be available to the program. Further, UHM has the greatest concentration of graduate research-oriented faculty available to support the program. The recently established Mary Kawena Pukui Hale: Center for the Survival and Promotion of Hawaiian is available to support and disseminate the research produced by the proposed master’s degree.

The program anticipates an initial enrollment of 10 to 15 students. Each year thereafter, another set of students will be admitted. Students for the program will be drawn from current and past Hawaiian language and Hawaiian studies majors; from scholars in the field of Hawaiian language; and non-traditional students interested in furthering their understanding of Hawaiian.

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. Since this is a master’s program, the first degrees should be awarded in 2007. The required review will be conducted during the 2007–2008 academic year.

In view of the testimonies expressing concern over the academic rigor of the program, Regent Lagareta asked for a clarification on the matter. Professor Kimura explained that when other languages degrees in LLL were established, they required a certain number of courses to gain proficiency. The Hawaiian Language programs
at UH-Hilo have more pre-requisites and require more courses in language than the proposed program. He stated that he was merely asking that standards of quality and how programs are reviewed for establishment be administered equally and evenly throughout the System. He added that the Hawaiian language program at UH-Hilo is still awaiting full funding as promised by the previous President.

Vice President Johnsrud explained that the review process was no different than for any advanced degree proposal. The 2 programs were subjected to the review process and the Mānoa faculty felt that they were scholarly programs, deserving of establishment. Ms. Basham of the Hawaiian Language Department added that following the review that they were told to reduce the required courses. Dr. Kame‘eleihiwa reiterated that the proposals did reflect scholarly rigor at the graduate level.

Regent Tanaka inquired about funding for the proposed programs. Vice Chancellor Smatresk assured that funds would be made available.

Regent Lagareta stated that the review process for new academic programs had been followed and with only a small percentage of Native Hawaiians being able to fluently speak the language there should be more such programs throughout the University in order to afford greater accessibility. She then moved to approve the establishment of a Masters of Arts program in Hawaiian in the Department of Hawaiian and Indo-Pacific Languages and Literatures, College of Languages, Linguistics and Literature, on the Mānoa campus, effective Fall 2005, subject to the Regents’ policy on provisional academic programs. Regent Tanaka seconded the motion which was unanimously carried.

Establishment of a Master of Arts in Hawaiian Studies, School of Hawaiian, Asian and Pacific Studies, Mānoa Campus

Vice Chancellor Smatresk requested that the Board approve the establishment of a Master of Arts (MA) degree program in Hawaiian Studies in the Kamakakūokalani Center for Hawaiian Studies, School of Hawaiian, Asian and Pacific Studies, on the Mānoa campus.

The Kamakakūokalani Center for Hawaiian Studies currently has eight full-time faculty members; seven of whom will be participating in the new master’s degree program. In addition, more than 30 faculty from other UH-Mānoa colleges have indicated an interest in serving as cooperating or affiliated graduate faculty. It is anticipated that three additional faculty will be required to provide the courses required for the current Bachelor of Arts (BA) program in Hawaiian Studies as well as the proposed new Master of Arts (MA) program. The School has submitted a request for 2.5 FTE to strengthen the proposed new graduate program.

The proposed program will offer five specializations: Envisioning the Nation, Native History and Literature, Living in Harmony with the Land Resource Management, Visual and Performing Arts, and Comparative Polynesian and Indigenous Studies. Initially, the first three specializations will be offered; the last two specializations will be offered as resources become available.

The Center plans to offer twelve graduate assistantships annually. The teaching assistants would be assigned to teach introductory Hawaiian Studies courses that are now offered by lecturers. The Center anticipates securing extramural funding for graduate assistant positions from agencies such as the Native Hawaiian Leadership Program, Kamehameha Schools, and the Office of
Hawaiian Affairs. In addition, the Mānoa Chancellor’s Hawaiian Studies initiative this year provided eight teaching assistantships to the Center.

The master’s degree in Hawaiian Studies will meet a number of international, national, state, community, and university interests. It will be the first master’s degree at a major research university that focuses on Hawaiian culture, history, politics, and resource management. The creation of the graduate program will encourage both students and faculty to expand the world’s knowledge of ancient and recent history in Hawai‘i using native sources and native literature. The program will set the standard for the burgeoning field of indigenous studies worldwide. Further, as it is expected that some of the students in the program will be, or will become, elementary, secondary, or community college instructors, the proposed graduate program meets a state need to increase the quality and depth of Hawaiian Studies instruction.

In accordance with Board of Regents Policy 5-1(a), Board approval for the establishment of the new graduate program is requested. The proposal has been reviewed and endorsed by the Graduate Council and the Mānoa Faculty Senate.

Enrollment of at least thirty students over the next four years is anticipated. Graduates of Mānoa’s BA in Hawaiian Studies, interested in graduate study, have consistently expressed interest in attending a Mānoa graduate program in Hawaiian Studies. The proposed degree program is intended to meet the needs of these students. In addition, graduates from other baccalaureate programs who intend to enter professions serving Native Hawaiians, such as social services or education, or professionals that address Native Hawaiian issues or require expertise in Hawaiian culture will be interested in the program. Additionally, professionals in Hawaiian-serving institutions, such as the Office of Hawaiian Affairs, Department of Hawaiian Home Lands, Queen Lili‘uokalani Children’s Center, Alu Like Inc., Kamehameha Schools, etc., will enter the program to deepen their expertise in Hawaiian culture.

The proposed degree program supports the Mānoa strategic plan to promote the study of Hawaiian language, culture, and education. In addition, resources to support this program are unparalleled. High-quality archival resources in things Hawaiian are conveniently located in Honolulu, near the Mānoa campus. They include the Bishop Museum, the Hawai‘i State Archives, the Mission Houses Museum, the State Department of Land and Natural Resources, the State Department of Hawaiian Homes Land, etc. On the Mānoa campus, Hamilton Library houses the Hawai‘i-Pacific Collection, the largest repository of Polynesian materials in the world. UH-Mānoa’s geographic location offers an unparalleled diversity of endemic bird and insect species, microclimates, habitats, and natural resources to study. This location also offers unique human and social resources. With access to the traditions and knowledge of so many cultures, the proposed interdisciplinary program will enjoy a depth of resources unmatched in the world.

The proposed MA program will enhance other graduate programs at UH-Mānoa. The MA in Hawaiian Studies will provide graduate courses needed to create nationally competitive doctoral programs with Hawai‘i and Pacific emphases in fields such as Anthropology, Botany, Biology, Education, Social Work, etc. In partnership with the departments of Botany, Biology, Zoology, the College of Engineering, and the School of Ocean and Earth Science and Technology, the Hawaiian Studies MA will enable students to explore Hawaiian science and traditional concepts such as mālama ʻāina, mālama kai, kīlī ʻāina and kīlī kai, that is, the methods of caring
for and guarding the resources of the land and sea. In conjunction with the art and
music departments, the Hawaiian Studies MA will allow students to explore
traditional native art forms and music from a native point of view in order to
perpetuate those aspects of Hawaiian culture.

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. Since this is a
Masters program, the first degrees should be awarded in 2007. The required review
will be conducted during the 2007–08 academic year.

Regent Tatibouet commented that it was not clear from the proposal as to
whether a bachelor’s degree would be a pre-requisite for admission to the program.
Dr. Kame’eleihiwa assured that as with all other graduate programs, a bachelor’s
would be required.

Regent de la Peña moved to approve the establishment of a Masters of Arts
program in Hawaiian Studies in the Kamakakūokalani Center for Hawaiian Studies,
School of Hawaiian, Asian and Pacific Studies, on the Mānoa campus, effective Fall
2005. Regent Yamasato seconded the motion which was unanimously carried.

A short recess was declared at 4:00 p.m. and the meeting reconvened at
4:10 p.m.

Update on GEO China - U.S. Center

Chancellor Tseng informed that the primary scope of the proposed project is
to create a college town called the China-US Center that encompasses general
academic programming, student housing, a campus related commercial plaza, and
conferencing. The educational purposes of the complex are to foster continuing
education in general education and business and to encourage cultural exchanges
between Hawai’i, U.S. mainland, and China. Although relative to scale, this center
could model at UH-Hilo what the East-West Center has done for UH-Mānoa and the
international community. The proposed center will consist of five main programmatic
elements: student housing, a campus related commercial plaza, a conference
center, a university inn, and a culturally landscaped garden park. This proposed
center will complement the facilities at the University of Hawai’i at Hilo to reach an
enrollment of 5,000 students.

The 1981 Long Range Development Plan for the University of Hawai’i at Hilo
acknowledges, “the success of the Hilo complex as a viable academic community
with a high percentage of residential students will depend on the proximity of
commercial amenities. While the University is not in the position to plan for this
commercial development, it should encourage the development of some commercial
use adjacent to the campus.”

In addition, a housing feasibility study prepared for the University in 1985 by
Wilson Okamoto & Associates, Inc. on the 33.066 acres of state land for this project
(since conveyed on January 12, 1999 to the University by Executive Order No.
3752), was identified as a suitable area for the development of additional student
housing, along with a controlled mix of university-allied and commercial operations
catering to the needs of students and the community at large.

The UH-Hilo Strategic Plan for 1997-2007 states that UH-Hilo should,
“Encourage the development of a college town atmosphere surrounding the core
Thus, UH-Hilo’s interest in plans to establish this kind of development to improve campus life has been long sought. And, this opportunity to develop a formal partnership with the private sector will allow the University to more effectively pursue goals that will complement the interests of the University as well as be entrepreneurial.

Historically, there have been three conceptual proposals for development of land adjacent to the University. In the year 2000, after two earlier start-ups that never materialized, Mr. George Tai-Ping Huang, Chair, Crown Asia Construction Co., Ltd. and President of the Chinese Construction Development Association, introduced a development proposal; a group of investors registered to do business in Hawai’i was formed and called GEO International Explorer, Inc. (GEO). Following the organization, GEO began to actively discuss development ideas and conditions that would be mutually beneficial to the University, Hilo, and State. These efforts culminated in a ground lease signed in March 2003 between GEO and the University.

In terms of GEO’s development team, Steven Cheng and Kevin Cheng serve on GEO’s Board of Directors, Steven as Vice President and Kevin as Director. Academically and/or professionally, Steven is a graduate of Kansas State University, a structural engineer, MS; Kevin is a graduate of University of Pennsylvania, with an MBA. Both are U.S. citizens and are guarantors for the project. Since 1975, they have had extensive experience in development in Taiwan, China, and the United States and are actively involved in project financing for the China-U.S. Center.

Following the March 3, 2003 signing of a lease between GEO and the University for a private/public partnership, GEO hired Mr. Bob Bjerke, an experienced consultant to do a planning study. Bob Bjerke is a seasoned professional who developed Hilo’s Prince Kuhio Plaza. His study provided GEO with a land use and allocation plan. Following the Bjerke study, GEO hired Okahara and Associates to address infrastructure issues with Hawai’i County before starting the design work on student housing.

In May of 2004, Jimmy Liu arrived in Hilo. He was hired by GEO as their Hawai’i project manager. Mr. Liu is a graduate of Cornell University in Real Estate Development and has had extensive project management experience in Taiwan, China, and Malaysia. He has been hired to coordinate design, permitting, financing, and construction coordination. In the ten months that Mr. Liu has been working on this project, it has moved from that of being a conference room discussion to an implementation phase with many milestones being accomplished and approved.

Notably, after an inordinate time spent with UH-Hilo students and staff on the design of student housing, GEO through Jimmy Liu and their team of architects Kupono Consultants, Villy Nigre and John Weitz, submitted its permit application in September of 2004. After a seven-month period of review, the County approved the plans for GEO to proceed with Phase I Student Housing of the project to include at least 200 bed spaces.

Mr. Liu, GEO Project Manager, provided a brief update on efforts to secure financing for the project. He reported that GEO had already spent $2 million of its...
own money to come up with working designs. He explained that GEO's interest is to also make Hilo a destination so they were not just interested in dorms.

Regent Albano inquired if GEO had any experience with projects in the United States. Mr. Liu stated that this would be GEO's first major venture in the U.S.

In response to Regent Bender regarding terms of the land lease, Mr. Tsukazaki, counsel for UH-Hilo, responded that the land dedicated for UH-Hilo would be at the annual base rent of $1 per year. For revenue-generating components of the project, the rent would be no cost per acre per year or $1 per year until there is a recruitment of investment. The fee would then be set at 5% of gross rents received for any space that is leased. General Counsel Kirimitsu added that March 1, 2003 was the stated deadline for obtaining the necessary building permits. This was not achieved until September 2003. A November 10, 2003 letter from Chancellor Tseng amounted to a modification. The Office of the General Counsel determined that the timetable as modified should be followed. In addition the ground lease does provide the ability to collateralize and may require reasonable consent. He said that his recollection was that in order to collateralize leasehold interests requires reasonable consent from the General Counsel's Office.

Regent Haynes expressed concern that the partnership seemed loosely structured. Regent Lagareta concurred, expressing that like Regents Haynes and Albano, she was concerned that despite the lapse of some 2 years, there were still no firm plans in place, no clear explanation of how the partnership will work and no written assurance of funding. Regent Haynes added that there needs to be a clear showing that this project and partnership can be carried out. Mr. Liu assured that he would be able to provide further information on funding in May.

Regent Albano asked if the project had been put out on bid or RFP. Mr. Tsukazaki informed that a public invitation had been issued and three groups had expressed an interest. Regent Albano asserted that it did not matter to the Board if GEO, in the end, makes money by this partnership but that everything in the process must be done openly.

Regent Lagareta moved to direct UH-Hilo to coordinate with the administration and General Counsel in order to bring back to the Board at its July meeting a clear explanation of this project to include financial and operating plans that are in accordance with normal CIP standards acceptable to the administration. Regent Haynes seconded the motion which was unanimously carried.

The meeting was recessed at 5:25 p.m. and reconvened at 9:15 a.m., Friday April 22, 2005 in the same location.

**Friday, April 22, 2005, Reconvening of Board of Regents’ Meeting**

**IX. NEW OR OTHER BUSINESS**

(Note: This portion of the agenda was taken out of order to accommodate Ms. Huang's class schedule.)

Chairperson Lee presented a certificate of recognition from the Board to Ms. QiongJie Huang who recently won the NCAA championship in the 1-meter springboard event at the 2005 NCAA Women's Swimming and Diving
Championships. Also introduced and congratulated were Head Diving Coach Mike Brown and Assistant Coach Anita Rossing.

**VIII. REPORT OF THE EXECUTIVE OFFICER**

(Note: This portion of the agenda was taken out of order to accommodate the Windward Community College faculty and students)

**Windward Community College Presentation**

Chancellor Meixell introduced Professor Ben Moffat of the Drama Department who informed about the theater and drama program at WCC. He then introduced Ms. Melissa Stevens, a WCC student who is currently directing a skit written by another WCC student.

Professor Moffat said that when Paliku Theater opened, the theater program at WCC was re-visionsed. He explained that in terms of employment opportunities in the State for theater, there is work for technicians. Most of the actors making a living on the island of O'ahu are in children's theater. WCC is the only college and university in the State to have a resident theater company. Ohia Productions was co-founded by University of Hawai'i alumnus, Lisa Matsumoto and best known for its pidgin musicals. Ohia's education director, Michael Paekukui, a former student of Professor Moffat, gave a brief summary of the program which includes a summer program on campus for grades K-6.

The community has also embraced the Paliku Theater. The Windward Arts Council has adopted the Paliku Theater and provides an excellent team of volunteer ushers. What has really helped Paliku gain the public's attention has been the college/community musicals. Professor Moffat said that Director Ron Bright of Castle High School's Castle Performing Learning Arts Center is one of the supporters from the community.

Mr. Bright stated that Castle's Performing Learning Arts Center has brought theater into the elementary schools. Paliku Theater affords an exciting continuum for those who wish to pursue drama after high school. Chairperson Lee thanked Professor Moffat for his presentation, adding that Ron Bright is a living treasure for the community. Members of the theater program then engaged the Board with a brief performance.

**Earth Day**

President McClain announced that Earth Day would be celebrated at the Sustainability Courtyard on the Mānoa campus on April 21st. The first annual University of Hawai'i system strategic plan specifically recognizes the commitment of the concept of sustainability. The first annual sustainability awards program will celebrate the University’s commitment to the conservation, sustainable use and the enhancement of the regional and global environment for the present and future.

**IX. AGENDA ITEMS (CONTINUED)**

1. **University of Hawai‘i Endowment Fund, Quarter Ending December 31, 2004**

   This item was deferred to the Board’s May meeting.
3. Audit Reports

1. **OMB Circular A-133 Audit Report, June 30, 2004**

   Mr. Jim Hasselman, PricewaterhouseCoopers (PwC), reported that this was the third component of a group of reports related to the general financial statement audit of the University. He had earlier provided reports on the financial statements and the report on internal controls and business issues at a prior meeting. He pointed out that one of the reportable conditions was the time lag in reconciling cash. He said that part of the problem was due to a new control system.

   Another high risk finding was the late FTE certifications which had to do with research administration. Mr. Hasselman explained that the Federal Government is very particular about effort reporting and a process to certify that those who charge their time to federal contracts indeed performed the hours and that someone certifies to that fact. There were late certifications in many departments throughout the University.

   In response to Regent Tanaka, Mr. Hasselman informed that the average lag was around 10 months for cash reconciliation. Regent Tanaka followed if there was any misappropriation. Mr. Hasselman said that misappropriations can occur but the reconciliation was eventually caught up and no misappropriation of funds was found. Vice President Callejo said a written report on cash reconciliation would be sent to the Board. Regent Lagareta stated that the Board had already expressed its concerns over repeat findings. She added that the delays in reporting from the programs also concerned her.

   In response to Regent de la Peña, Mr. Hasselman clarified that the lag in reconciliation was centralized at one office but the late FTE certifications were occurring at several departments.

   Chairperson Lee deferred further discussion on this item until later in the agenda.

2. **University of Hawai‘i at Mānoa Intercollegiate Athletics**

   Mr. Hasselman said that PwC’s last report had warned the Board about the bad financial condition of the University of Hawai‘i at Mānoa Intercollegiate Athletics Program. They have had two years of serious losses and while their losses in 2004 were not as severe, the Department, nevertheless had a deficit of $500,000. This brings their negative balance to nearly $4.5 million in deficit. In addition, the Athletic Department has depleted its reserves.

   A material weakness was also issued on the control breakdown in the Ticket Office. Basically, the Business Office was to insure that the Ticket Office was depositing its cash and that there were clearer separation of duties when it came to handling cash. That was still not happening in 2004 and therefore the auditor recommended that the new fiscal officer spend some time correcting this material weakness.

   Many of the individual sports continue to lose money and the Department continues to borrow from the administration to fund its cash flow. The loan is up to $3.4 million as of June 30, 2004. Some of the sports shared improved profitability but the Department’s financial situation, according to Mr. Hasselman, is still very fragile.
Mr. Hasselman pointed out that the auditors included a management discussion and analysis (MD&A) section which provides a sense of the entire financial picture. In men’s football in 2004, the net income was $3 million whereas in 2003, it was $2.3 million. In men’s basketball, it was $700,000 versus breaking even in 2003 and women’s volleyball, a million dollars versus $700,000 in 2003. In the internal control and business issues report plans are laid out for a fiscal recovery plan.

Regent Tanaka asked where was the money taken from to loan the Athletic Department. Mr. Hasselman explained that there was no formal written loan. The loan merely is reflected as negative cash. There was no clear source of where the loan comes from. Chairperson Lee asked if any units were impacted by the loans to the Athletic Department. Mr. Hasselman explained that the real impact would be lost interest income and this is where it would be an impact on the system as a whole.

Regent Lagareta asked if, like all other departments, there was a budget as to how much is allotted to Athletics and why they were allowed to continuously exceed their budget. Mr. Hasselman explained that unlike most departments, the Athletics Department is not exclusively funded by general funds. Most of it is revolving, special funds, and with a little general funds. Therefore they do not have a budget but determine their spending on projected revenues. Regent Lagareta responded that it still means the Athletic Department is spending more money than it has and that is not sound financial management.

Director Frazier said his department continues to be aggressive in trying to generate additional revenue. A television bid will be due on May 6. When that television bid comes back, 99% of the new generated funds have been plugged in the document that will be presented in the new five-year plan going forward from 2006-09. He projected that Athletics would lose another $1.2 million this year. The Athletics Department has also continued to work with the Chancellor’s office in order to deal with the bad debt that has accumulated.

In response to Regent Tanaka’s question as to whether other teams in the Western Athletic Conference (WAC) pay stadium rents, Assistant Athletic Director Tom Sadler responded that he was not aware of any other school/department in the WAC that pays what the University pays in terms of rent to play football. He said that the University pays all of its expenses and receives no revenues from playing at Aloha Stadium other than ticket revenues. Regent Haynes asked how the Stadium Authority is organized. Vice President Callejo informed that the Stadium Authority is similar to the Board of Regents with members appointed by the Governor. The Authority is currently attached to the Department of Accounting and General Services for administrative purposes.

Regent Haynes moved to receive the University of Hawai’i at Mānoa Intercollegiate Athletics Financial Reports for the period ending June 30, 2004, as performed by PwC. Regent de la Peña seconded the motion which was unanimously carried.

**Tuition and Fee Informational Update on Public Meetings**

Interim Vice President Johnsrud reported on the public meetings held on the administration’s tuition increase proposal. She informed that she had conducted 28 briefings, systemwide. The public meetings were advertised in statewide newspapers and at all campuses. Members of the Board of Regents were at every
meeting. At the request of Maui Community College’s student government, a seventh meeting was added and conducted via Hawai‘i Interactive Television System. Meetings were also conducted for student government groups on all ten campuses as well as sessions for the Law School at Mānoa and a session on HITS for West Hawai‘i. Vice President Johnsrud said that there were another eight briefings that were conducted upon request for Administration staff, the University of Hawai‘i Foundation, and the Hawai‘i State House leadership. In summary, seven public meetings were conducted at which formal testimonies were taken, 13 meetings for student organizations system wide, eight requested briefings, and a community meeting in Hilo. Approximately, 889 people were in attendance and oral testimonies were taken from 129 individuals which includes the community meeting in Hilo. All of these testimonies are being compiled, summarized and will be available to the Board of Regents and 40 people submitted written testimony either on site or by the e-mail address that was set up for this purpose. A petition was also received from Moloka‘i with 305 signatures and a briefing was done to Moloka‘i over HITS as well.

Vice President Johnsrud reported that the majority of testimonies were in opposition to the tuition proposal. The areas of concern were:

1. Impact on access and enrollment which is primarily access for low income students but there has also been concern about under-represented minorities.

2. There is concern as to the University’s need for the revenues and how students will benefit.

3. The amount of the information technology fee has been a concern as well as the administration of that fee.

4. Cost of living differential in Hawai‘i.

5. Questions about cost savings measures - What the University is doing to become more efficient so that tuition does not have to be raised.

Regent Tanaka questioned whether the technology fee should be a separate issue and not taken in conjunction with a tuition proposal. Regent Kakuda agreed, asking whether technology needs were the same on each campus and whether such a fee should be the same on each campus.

Vice President Johnsrud added that there were minority testimonies who seemed to understand the need to increase tuition but they too felt that it was too much, too fast. They also wanted to know what the University would do to increase services and the quality of education. One student said after he learned how much higher education is subsidized by the State and the taxpayers, that he was willing to pay his fair share.

The points suggested in testimony were:

1. The rate of the proposed increased.

2. The amount of the proposed information technology fee and whether the fee would be the same as the four-year campuses and the two-year campuses and very importantly, how that fee would be administered on the campuses.
3. The relevance of the cost of living differential. The cost of living impacts both the taxpayers and the students. It should be considered the relevance to students alone.

4. Need-based aid. A number of students talked about being in this gap group where they don’t qualify for federal financial aid by federal financial aid guidelines and one of the things should be considered is whether the University can address that group.

5. Looking at tuition revenues as part of an integrated financial plan and decisions around the amount of tuition revenues has to be taken into account as the State appropriations are looked at for the biennium.

Vice President Johnsrud said that discussions are being continued with the biennium budget committee and that the proposed tuition schedule will be revised as appropriate with these considerations and intends to bring a recommendation as well as all of the testimonies to the Board of Regents for the May meeting.

Chairperson Lee asked whether this proposal would be presented to the students before being presented to the Board of Regents. Vice President Johnsrud said that discussions will be held with representatives of the biennium budget committee but probably not students at-large. She said that a rationale will be presented for the final proposal. Regent Tatibouet asked for comparative national data on the total cost of education to include tuition and all applicable fees. Regent Bender echoed her remarks. Vice Chancellor Smatresk informed that a national study placed Mānoa second from the bottom only to UNLV and Reno in terms of tuition and fees.

Regent Kai commented that he hoped that the exhaustive process that the University team has gone through will result in some sort of compromise or re-shaping of the proposal so that everyone involved feel that this was a fair process. Regent Lagareta added that there seemed to be different information in the testimonies. She noted that the University needs to become more active at the Legislature because once the budget gets to the Legislature the University’s priorities are altered. Rather than a lump sum appropriation, the Legislature, in her opinion, is setting priorities for each campus. Therefore the feeling from students that they should get more involved with the Legislature is important and Regent Lagareta encouraged students to do so.

Chancellor Englert said there are over 30 different fees in various places across the University of Hawai‘i at Mānoa. He said that he has actually stopped increases of these fees and has since allowed only the professional fee at Architecture to be presented to the Regents. He said that he wanted to reconsider the structure of these fees in light of the tuition increase. He said that one of the things that he is intending to do is to abolish a majority of the fees with the exception for laboratories and other high cost areas.

Chairperson Lee said that it was important that a revised proposal to address the students’ concerns be presented to the Board prior to the next meeting.

Regent Haynes inquired about the access to student and educational loans. Vice President Johnsrud said that it was her understanding that loans fall into either subsidized or un-subsidized categories and backed by the Federal government. Accessibility to subsidized loans is through financial aid eligibility. Unsubsidized loans are available and not subject to Federal financial need criteria.
Audit Reports - (Continued)

University of Hawai‘i, A-133 Audit Report, June 30, 2004

Regent Lagareta inquired about the progress being made to correct the repeat findings. Mr. Russell Miyake, Director of Financial Management, responded that personnel vacancies and problems with the banner system led to the lag in cash reconciliation. The vacancy issue was recently addressed. Computer programs were developed to assist with the reconciliation. A program was developed to match deposits. The result is that the reconciliations have been caught up and currently all of the reconciliations are being completed no later than two weeks after receipt of the bank statement.

Vice President Ching, responding for the repeat findings in financial aid, cited the lack of staffing in financial aid offices particularly at the Mānoa Campus. The lack of automation relative to the banner as it was developed is another reason along with the lack of coordination between financial aid offices, fiscal offices, enrollment, registration, and other administrative support offices. She informed that President McClain supported the request to the Legislature for additional staffing for financial aid offices across the system. With the banner system still in its developmental stage, there is a systemwide committee comprised of representatives from fiscal, registration, admissions, and financial aid that will try to resolve the problems.

Responding to Chairperson Lee, Mr. Hasselman explained that much of the findings in student financial aid were administrative and therefore viewed as low risk. The U.S. Department of Education is one of the more active agencies in terms of reviewing audit reports and while they are tough on repeat findings he did not think the U.S. Department of Education would terminate funding. When it came to research grants the Federal Government could disallow payroll charges and other expenditures charged to the Federal grant. Chairperson Lee instructed that a message be sent to the various entities of the importance and consequence of these audits. Vice President Gaines informed that the Office of Research Services (ORS) was taking the auditor’s suggestions very seriously. Regent Haynes asked for a progress report by the Board’s next meeting.

Regent Lagareta moved to receive the University of Hawai‘i OMB Circular A-133 Audit Report dated June 30, 2004 and the Internal Control and Business Issues Report dated June 30, 2004 as submitted by PricewaterhouseCoopers. Regent Haynes seconded the motion which was unanimously carried.

Amendments to the Board of Regents’ Approved Student Housing Rental Rates, Maui Community College

Chancellor Sakamoto requested that the Board approve increases to the housing rates at Maui Community College. The proposal would increase student housing rental rates for Fall of 2005 by 40%, Fall of 2006 by 15%, and Fall of 2007 by 15%.

This proposal was presented at a meeting of student housing residents on Wednesday, February 2, 2005, 7:00 p.m., at the Student Housing Lounge. Of the twelve students who attended the meeting, there were no objections to the proposal. Students commented that the proposed increases were justifiable and reasonable. The Student Housing Manager contacted all other student housing residents and received similar feedback. The proposal was also presented to the Associated
Students of Maui Community College (ASMCC) at their meeting on Thursday, February 3, 2005, 5:00 p.m. at the ASMCC office. ASMCC leaders were also very supportive.

Maui Community College Student Housing revenues are deposited into a revolving account which is authorized under HRS 306 -10, University Revenue-Undertakings Fund, and HRS 304 – 4.6, Special and Revolving Fund Fees and Charges.

1. The Student Housing Office at Maui Community College (MCC) was established as a self-supporting program. It is different in some respects from other university housing projects in that its operation sits on property that is leased from the County of Maui.

2. The housing project is near the ocean affected by salt breeze and subject to accelerated deterioration problems.

3. The Housing Office was designed as a small operation overseeing 11 two-bedroom apartments with 55 residents or five students sharing an apartment. Overcrowding became an issue, and in the fall of 1999 the number of bed spaces was downsized from 55 to 44, or four students sharing an apartment. The reduction in rental bed spaces and the subsequent loss of revenue is the primary factor for the deficit year ending balance.

4. The residence hall lies on the outskirts of the campus making it difficult for the residence hall staff to prevent non-residents from entering the hall after visitation hours. Consequently, the Housing Office hired additional security to deal with non-residents. The hiring of special security to ensure the safety of residents is the second item contributing to a negative year ending balance.

MCC’s student housing is no different from other institutions facing rising operational costs, lack of personnel, an aging physical plant, lack of financial resources, and more. However, the college is committed to making student housing available to residents seeking higher education. In the past decade, there have been many significant improvements and upgrades to the residence hall in addressing our deferred maintenance schedule.

The program needs additional financial resources to hire additional resident advisors who can facilitate many of the education, wellness, and social programs that are needed in the halls to achieve student-learning outcomes. Repairs and maintenance rest on the half-time janitor, resident manager, and volunteer workers. Furniture replacement projects have been placed on hold due to the lack of additional funds. The staff has been very resourceful and diligent in handling the repair projects as they are reported. Examination of the data will indicate that there has been minimal spending for repairs and maintenance.

In Academic Year 1999, the Student Housing Office made a commitment to students that rate increases would only occur upon the completion of a list of specified improvements as listed above. The improvements were finally completed in Fall 2004. Though the College expected to complete the improvements sooner, periods of staff vacancies limited the College’s ability to complete the renovations in a timelier manner. Due to the age of the facility, the College will continue to implement improvements that will necessitate the closing of one apartment unit at a time and limit occupancy to forty beds at various times of the year.
For these reasons, Maui Community College’s Student Housing Program is seeking an increase in the housing rates effective Fall 2005. The Student Housing Office is fully aware that its residents and their families are the ones most affected by this rate increase proposal. The Housing Office has used diligence and care to keep the rate increases low to students but sufficient enough to upgrade and maintain the residence at the level of quality and self-sufficiency desired. Housing costs will remain at the level of most comparable institutions.

The Student Housing Office at Maui Community College has completed Public Information Meetings as required by the Board of Regents. Alvin Tagomori, Dean of Student Services, conducted the informational sessions with the student housing residents and student government members. All comments and reactions were supportive of the proposed increase. They felt, according to Chancellor Sakamoto, that in comparison to the community setting Maui Community College’s housing is a tremendous value.

Regent Lagareta moved to approve the requested housing increases at Maui Community College as presented and taken to public meetings. Regent Tatibouet seconded the motion followed by discussion.

Regent Tanaka commented that in the breakdown of costs, it appeared that there was not enough personnel. Chancellor Sakamoto responded that Maui CC’s housing has been using financial aid college work study students. He added that they will be able to manage with the resident manager and student resident advisors. Upon call the motion was unanimously carried.

Establishment of Professional Fee at the School of Architecture, University of Hawai‘i at Mānoa

Vice Chancellor Smatresk requested that a professional fee of $125 per semester be established with no fee for summer session, for students registered at Mānoa’s School of Architecture effective Fall 2005. He explained that the purpose of the fee would be to support the operational costs of the architecture computer graphics lab, particularly in non-revenue producing activities such as the purchase and upgrade of high-end graphic computer systems, software, and providing extended access to the computer lab.

The School operates a high-end computer graphics lab to equip our students with the latest computational design skills needed to enter their profession. This computer graphics lab requires resources beyond the usual computer labs on campus to maintain its effectiveness.

In 2001, the NAAB accreditation report cited a deficiency in program support particularly related to the area of computer support. The report states “the School is slipping in ways that impact the quality of education for students. The School must do more to provide common or shared resources such as accessible computers, plotters, printing resources and software.”

In response to this report, the School has undertaken extensive consultation and although initial reaction to question 8 of the student survey was negative, subsequent discussions resulted in concurrence through the students to implement a professional fee. This fee is essential to maintaining the current support for students in the computer application area and would be used to upgrade high-end graphic computer systems in addition to providing extended access to the computer
lab. It will also help to recover more than $200,000 already spent on the implementation and maintenance of the lab over the past three years.

In response to Chairperson Lee, Vice Chancellor Smatresk said he did not know what the impact of the campus-wide technology fee would be on this fee. He said that he was not clear on the system versus Mānoa or a program-specific output of that fee but what Mānoa would do is consider lessening the fee if a portion of the technology fee breaks out along departmental lines.

Regent Tatibouet moved to establish a professional fee of $125 per semester excluding summer, for students registered at the University of Hawai‘i at Mānoa, School of Architecture, effective Fall 2005. Regent Kakuda seconded the motion which was unanimously carried.

**Enter Into Exclusive Negotiations with a Developer for the On-Campus Student Housing Project at the University of Hawai‘i at Mānoa**

This item was deferred at the request of the Administration.

**Amendments to Board of Regents’ Policies, Chapter 9-17, Related to Excluded Administrative, Professional and Technical Employees’ Personnel Policies**

Edward Yuen, Director of the Office of Human Resources, requested that the Board approve changes to its policy on Excluded Administrative, Professional and Technical (APT) Employees.

A review of Board of Regents’ Policies, Chapter 9-17, is required by Part I.C. of the policy and is necessary to ensure that the policies which govern the personnel system for excluded APT employees remain current. Board of Regents’ Policies, Chapter 9-17, Part I.C., requires that the Excluded Administrative, Professional and Technical Employees’ Personnel Policies be “reviewed coincident with the review of the BU 8 agreement, by a committee of excluded APT personnel appointed by the President or his/her designee,” and that appropriate recommendations be approved by the Board.

A committee of five excluded APT employees representing different parts of the University was appointed by President McClain to review the policy and submit any recommended changes. The committee has completed its review and their recommended changes are summarized and highlighted below:

- The *Hawai‘i Revised Statutes* reference was corrected to reflect the appropriate section that covers employees excluded from the appropriate collective bargaining unit due to responsibilities concerning confidential matters affecting employee-employer relations.
- Significant changes were made to the Employment Rights section. Language was amended to afford excluded APT employees employment preference to other excluded APT positions at any pay band level. The description of each priority preference was either clarified or expanded to provide more details. In addition, new language was added to address employees with re-employment rights and the probationary status of employees when hired/rehired in a new position. The majority of changes and additions to this section are consistent with the language in the unit 08 collective bargaining agreement which covers included APT employees.

- All terminology referred to in the old APT classification system was updated to reflect terminology used in the current APT Broadbanding system.

- In the Layoffs section, language was added to clarify that when employees are referred for placement in vacant or filled positions, referral will be made to positions at the same or lower pay band. Language was also added to specify the number of offers the employee will be allowed when referred for placement in a position. This language is also consistent with that of the unit 08 collective bargaining agreement.

- In the Grievance Procedure section, the titles of individuals who serve at the decision maker levels were revised to reflect the current organizational structure. Minor revisions were also made to clarify the time limitations at or between the various steps of the grievance procedure. The time limits for responding to grievances at each level be increased from ten to fourteen days to be consistent with the time limits in the APT contract.

There would be no additional cost.

Regent de la Peña moved to approve the recommended changes to Board policy related to Excluded Administrative, Professional and Technical (APT) Employees as presented. Regent Bender seconded the motion which was unanimously carried.

**Revisions to Board of Regents’ Policies, Sections 9-1, 9-2, 9-14, and 9-15, Executive/Managerial Personnel Policies**

This item was deferred at the request of the Administration.

**Extension of the Contract with The Implementation Group**

Vice President Gaines requested that the Board approve an extension of the contract with The Implementation Group (TIG) for six months. The contract was awarded to enhance the University of Hawai‘i System opportunities and potential to secure extramural funding through the development of larger scale, nationally competitive, proposals.

Required funds of $150,000.00 are available from the Research, Training and Revolving Fund.

Extending The Implementation Group (TIG) contract will enable the University to identify additional funding opportunities and to secure expertise that will enhance
the likelihood of the University’s renewal proposal for an additional three years of EPSCoR funding at $3 million per year. In addition, TIG has played an important role by providing proposal strategies, constructive criticism, and preparation which resulted in increased funding for UH-Hilo and the seven community colleges.

In 2002, the University was awarded funding to start an Experimental Program to Stimulate Competitive Research (EPSCoR) grant from the National Science Foundation. The initial award was for $9 million over three years; we have just completed the second year of that award period. The purpose of the EPSCoR program is to increase the competitiveness of researchers in securing Federal R&D funding to develop a state research infrastructure and advance the state’s economic growth. We must submit a renewal proposal for an additional three years of funding from NSF by September 2005. UH has already started preparation of its renewal proposal to the NSF working with TIG. TIG’s expertise and assistance will be critical during and after the September 2005 time frame.

TIG is based in Washington D.C. and its focus is to assist education institutions in targeting, capturing and implementing U.S. Government and private sector contracts and grants. TIG services include gathering of information, serving as liaison with the federal agencies, proposal development and project implementation. TIG’s track record includes acquiring funding for a multi-million dollar math and science improvement projects for various university school systems and securing well over $30 million for university based research infrastructure.

In January 2004, The Implementation Group (TIG) was awarded a $149,999.92 contract by the University of Hawai‘i (UH) to assist in the identification and development of proposals from University of Hawai‘i faculty across the system to federal and other funding agencies. Over the contract period ending December 31, 2004, a total of $6.4 million has been awarded to investigators working with TIG resulting in an overall return on investment of over 40:1. Using a conservative indirect cost rate of 20%, the projected amount of returned indirect funds on these grants is $1.28 million.

Over the course of the contract period, TIG conducted two one-week site visits to the University of Hawai‘i System, visiting each of the 10 campuses and meeting with nearly 50 faculty. They provided direct technical assistance to over 15 faculty members across 5 institutions competing in over 15 competitions. In addition to the $6.4M in new awards, TIG assisted in faculty efforts to secure $3.5M in follow-on funding for existing programs. Currently there are 9 projects under development on three campuses that involve over a dozen faculty competing for over $16M in federal funds. This includes a proposal for a $12M NSF Science & Technology Center where TIG supported faculty in arranging productive dress rehearsals for site visits and assisted in responding to NSF-initiated questions about the proposal.

Regent Lagareta commented that it appeared that TIG had delivered on its commitment. Vice President Gaines said that everyone who has worked with them has been very satisfied. Regent Lagareta moved to approve an extension of The Implementation Group contract for one year from June 2005 until July 1, 2006. Regent Tatibouet seconded the motion which was unanimously carried.

Honorary Degree for Dr. Kaoru Kashiwagi

Vice Chancellor Smatresk requested that the Board award the Honorary Doctor of Humane Letters degree to distinguished Japanese attorney Dr. Kaoru Kashiwagi.
The Law School conducts its own graduation ceremony the day after the UH-Mānoa commencement and would like to confer an honorary degree to Dr. Kashiwagi at the May 2005 ceremony, inviting his friends and colleagues from the local community and from Japan, in the context of graduating the Law School’s second LL.M. class of foreign lawyers.

The LL.M. program for foreign lawyers was successfully launched last year. Already this year, the number of students have already doubled, and it has been an extremely positive addition to the Law School’s learning environment. The issuance of an honorary degree to Dr. Kashiwagi will help the Law School highlight the program at home and abroad.

Dr. Kashiwagi’s career achievement in practice and in academic scholarship and his warm and supportive engagement with the State, the legal community, and the Law School constitute the precise circumstances when such extraordinary action is fitting. This request stands appropriately on its own and it may also be beneficial in the future for the University of Hawai‘i Foundation and the Law School.

Dr. Kashiwagi is a well-regarded senior attorney among international lawyers in Tokyo. His firm is among an elite few in Japan involved with international transactions for over 45 years. Moreover, his ties to Hawai‘i are strong. In 1989, he became the first international legal consultant licensed to practice in Hawai‘i. He has professional and personal friendships with many in the Hawai‘i bar. Furthermore, his long-standing support for the Law School includes not only generous financial support that enabled the Law School to establish a program in Japanese law, but also summer and permanent job placements for its students and alumni.

Dr. Kashiwagi’s outstanding career as a practicing lawyer certainly provides a positive model. Remarkably enough, however, he did not “rest on his laurels” and quietly retire. Last year, while continuing his active law practice in Tokyo, Dr. Kashiwagi completed an endeavor that took more than five years and earned a Ph.D. at Tsukuba University, a leading university in Japan. His 350-page thesis on corporate governance in the United Kingdom will be important and influential for Japanese policy makers in their near-term efforts to address critical problems facing the nation’s business milieu.

Regent Kakuda moved to award the Honorary Doctor of Humane Letters degree to Japanese attorney Dr. Kaoru Kashiwagi at the Law School’s May 2005 graduation. Regent Tatibouet seconded the motion which was unanimously carried.

Honorary Degree for Mr. Tommy Lasorda

Vice Chancellor Smatresk requested that the Board award an Honorary Doctor of Humane Letters degree to Mr. Tommy Lasorda, National Baseball League Hall of Fame inductee, Senior Vice President and former manager of the Los Angeles Dodgers. Often called one of the most enthusiastic and successful managers in baseball history, Mr. Lasorda has excelled in his professional life with many notable contributions worthy of this recognition.

Board of Regents’ Policy 5-9(a) states that the Board may confer honorary degrees to individuals with distinguished accomplishments. Mr. Lasorda, one of the most successful, colorful and recognizable managers in major league baseball in the 20th century, embodies the spirit behind the Honorary Doctor of Humane Letters. He is considered by many to be a living legend with a wonderful heart.
Born in Norristown, Pennsylvania in 1927, Mr. Lasorda began his remarkable baseball career as a pitcher for the Schenectady Blue Jays, where he once struck out 25 Amsterdam Rugmakers, setting a record at that time. Mr. Lasorda went on to draw the attention of the Dodgers, who signed him for their Montreal club. After helping Montreal to the International League championship five times, Mr. Lasorda became a scout for the Dodgers in 1961, and a minor league manager in 1965, winning five pennants. It was in 1976 that Mr. Lasorda assumed the position of manager of the Dodgers.

Mr. Lasorda managed the Dodgers for 20 seasons and led them to four National League pennants, seven National League West Division Titles, and two World Series victories. Known for building teams around pitching and defense, his regular lineups have included nine ‘Rookie of the Year’ winners. Mr. Lasorda stepped down as manager in 1996 and is currently a Senior Vice President for the Dodgers.

In 1997, Mr. Lasorda was duly inducted into baseball’s Hall of Fame, and in 2000, he managed the United States baseball team to its first-ever Olympic gold medal in baseball at the Sydney games.

He has received numerous awards throughout his career. He was named Minor League Manager of the Year by The Sporting News (1970), Manager of the Year by United Press International and Associated Press (1977), Manager of the Year by Associated Press (1981), National League Manager of the Year by Baseball America (1988), and Co-Manager of the Year by The Sporting News (1988). He has also received the Association of Professional Baseball Players of America’s inaugural Milton Richman Memorial Award (1987), the Philadelphia Chapter’s Baseball Writers’ Association of America Humanitarian Award (1993), the Los Angeles Junior Chamber of Commerce’s Award of Merit (1997), the Touchdown Club of Columbus’ Baseball Ambassador of the Year (1997), Arete’s Courage in Sports Award (1997) and was even honored by the President of the Dominican Republic for his dedication to the game of baseball throughout his career (1997).

Mr. Lasorda regularly uses his popularity to raise money, awareness and resources for a number of causes and organizations, including the American Heart Association, the United Way, and America Helping Hands. He also became one of the most memorable of University of Hawai’i commencement speakers in December 2004, when he offered his wonderful words of wit and encouragement to the mid-year graduating class.

Through his numerous professional accomplishments and contributions to the community, Mr. Lasorda truly embodies the spirit behind the Honorary Doctor of Humane Letters.

Regent Haynes commented that he was troubled by the standards set for the honorary degree and was not aware of the basis for awarding this honor. President McClain explained the policy for considering a person for an honorary degree. Chairperson Lee explained that the Board had discussed this award during an earlier executive session. Mr. Lasorda’s contributions nationally and internationally and his service to charitable organizations and other universities fits the qualification for this award. He is not only an inspirational speaker but an inspirational person.

Regent Lagareta moved to confer the Honorary Doctor of Humane Letters degree upon Mr. Tommy Lasorda, National Baseball League Hall of Fame inductee,
Senior Vice President and former manager of the Los Angeles Dodgers. Regent Kai seconded the motion which was carried. Regent Haynes and Regent Kakuda expressed that they were aware of the circumstances for this honorary degree and while voting for the individual, nevertheless had reservations about the process.

Selection of External Auditor

Director of Internal Audits, Alex Uyeda requested that the Board approve the selection of Grant Thornton LLP to perform the University of Hawai‘i’s externally-mandated annual audits for three fiscal years, July 1, 2004 through June 30, 2007. The contract will be negotiated and executed upon approval by the Board of Regents.

A public advertisement was placed by the University to inform certified public accounting firms of its plan to contract the services of a qualified firm to conduct the subject audit. The University received proposals from 7 firms.

The proposals were evaluated in a two-step process. A five-member Evaluation Committee conducted the initial evaluation and submitted the top 3 firms with the highest average scores to a Board Task Group. The evaluation committee was comprised of Director of Financial Management and Comptroller, the Director of General Accounting and Loan Collection, the Director of Auxiliary Services at Mānoa, Fiscal Accounting Specialist of the Office of Research Services, and the Director of Internal Audit. On April 8, 2005, representatives from each firm made formal presentations to the Task Force. The evaluation of proposals was conducted comprehensively, fairly, and impartially. Each member independently assessed the technical qualities of each firm with a maximum of 75 points. Cost was an important consideration; therefore, a maximum of 25 points was added to the technical qualifications score.

The members of the Regents’ Task Group included Regents Yamasato, Haynes, and Kai. They individually evaluated the oral presentations and scored each firm within the maximum amount of 150 points. Their average scores were subsequently added with the average scores of the Evaluation Committee to determine the highest overall score.

Regent Lagareta stated that she was uncomfortable with the make-up of the Evaluation Committee inasmuch as they were involved in the audits. Director Uyeda explained that it was important from previous experiences to have those who were familiar with evaluating proposals, methodology, determining hours, and who had some background in accounting or auditing. Regent Lagareta said she still felt uncomfortable and wondered if there should have been a broader group instead of the ones who were involved in the audits. Director Uyeda informed that in this process, the biggest factor was cost.

Regent Kai who was a member of the Task Group expressed that he was comfortable with the process and the manner in which it was conducted. He explained that there were safeguards to insure that the process was above board. Regent Haynes agreed, stating that he was confident the process was fair and objective.

Regent Lagareta commented that she wanted to make sure that there would be no setbacks with the audit when starting a new audit firm. Director Uyeda assured that any of the audit firms would be able to do the job but with Grant
Thornton, the University stands to save a significant amount due to the difference in fees charged.

Regent Kai moved to approve the appointment of Grant Thornton LLP to perform the Financial and Compliance OMB Circular A-133 audit and financial audits of the University of Hawai‘i at Mānoa Intercollegiate Athletics and University Bond System for fiscal years ending June 30, 2005 through June 30, 2007. Regent de la Peña seconded the motion which was carried by majority vote. Regents Lagareta and Tatibouet voted in opposition to the motion.

**Legislative Update**

Director Morihara said the legislative session would end on May 5, 2005. Most of the bills have to be decked and finished by the end of the month. He then provided a summary of the legislative measures affecting the University of Hawai‘i:

- Recodification of Higher Education Statutes, which recodifies the statutes relating to higher education and the University of Hawai‘i, was not moving.

- University Projects for Housing (UOH-04) helps finance the construction and repair of student housing units at the University of Hawai‘i by allowing the University to use sources other than revenues generated through the bond system and authorizing the issuance of revenue bonds to finance university housing units. The House version authorizes $250 million. The Senate version authorizes $25 million and includes another $25 million for Frear Hall in the budget.

- The Fiscal Flexibility Act (UOH-02) extends the June 30, 2005 sunset date of Act 321, Session Laws of Hawai‘i, 1986, to June 30, 2006 is in conference. Both the University of Hawai‘i and the Department of Education are affected. The House version removes the 2005 sunset. The Senate version extends to 2006.

- The Emergency Appropriation for UH Flood Relief is positioned to move. This makes an emergency appropriation for and increases the spending ceiling of the State Risk Management Revolving Fund by $25,000,000 to $35,400,000 and general revenues of the State of Hawai‘i for fiscal year 2004-2005 to pay for unanticipated losses which were incurred by the University of Hawai‘i as a result of the October 30, 2004 flood, that will exceed the current appropriation and spending ceiling. The House version increases the budgetary spending limit of the State risk management revolving fund; raises the ceiling to $25,000,000 of the State risk management revolving fund; and appropriates $22 million to the UH from the general fund. This bill can be accepted and moved on to the Governor for her signature.

- The State budget which provides for operating and capital improvement appropriations and authorizations for agencies in the Executive Branch for the fiscal biennium, 2005-2007, has been in conference. Some of the major issues affecting the State budget are the collective bargaining settlement with the HGEA and the potential for other settlements. On the CIP side, the major difference between the House and the Senate Bill is the Kapolei Judiciary Building which is about $90+ million which will affect the University’s CIP.
Due to a last minute Governor’s message an additional $31 million was being requested in 2006 as well as $28 million in CIP, along with an emergency appropriations bill.

President McClain informed that he had spoken with U.S. Senator Dan Inouye, requesting his assistance in applying for the $23 million from the U.S. Senate for flood relief. President McClain added his concerns that the Legislature might feel that as a result of Senator Inouye’s efforts, they will not have to appropriate more money for the flood. Director Morihara said he would take the message to the Legislature that while the Federal government may provide some flood relief monies, it will not be sufficient to cover the damage sustained in the flood.

There were bills regarding the Board of Regents:

- Proposing a constitutional Amendment to Article X, Section 6, of the Hawai‘i Constitution to Modify the Appointment Process for the Board of Regents amends Article X, Section 6 of the Hawai‘i Constitution to modify the appointment process for the UH Board of Regents. Director Morihara said that this would have to be passed on April 22, 2005, the deadline for constitutional amendments.

The second part to this are statutory amendments, enabling the constitutional amendments. This measure establishes the candidate advisory council to screen and propose candidates for appointment to the Board. This changes BOR membership by decreasing the number of members from twelve to eleven; requires a certain number of BOR members to represent specific geographic areas; establishes two consecutive five-year terms for BOR members. Establishes that at least three months prior to the conclusion of a BOR member’s first five-year term, the Senate will consider the question of whether to reconfirm the member’s position on the Board; clarifies that every BOR member may serve beyond the expiration date of the member’s term until the member’s successor has been appointed, has qualified, and has been confirmed by the Senate.

Chairperson Lee reported on her visits with the Senate and House Higher Education Chairs regarding the 2 bills. She asked if the Board would like to take a position on the bills. Regent Lagareta stated that having recently attended the Association of Governing Boards’ conference, that AGB’s position is that selection committees is an acceptable practice. However, consensus at the conference was that governor-appointed trustees is the best practice. Selection committees to assist governors in coming up with candidates would also be a positive mechanism provided governors are not required to select only from those candidates. Regent Lagareta stated that the 2 bills before the Legislature were extremely regressive bills because of the special interests that would end up on the selection committee. This would add another level of politics to the process and bring politics into the University in an inappropriate way. She added that it was sometimes difficult to keep Regents on for four years and mandating ten-year terms would not produce better results. She said it would be poor policy and therefore moved that the Board and University continue to communicate with the Legislature as to best practices relative to the two Regent-related bills and to authorize the Chair to convey this information to the Legislature. Regent Tatibouet seconded the motion which was unanimously carried.
Chairperson Lee said that in 40 states, the Governor appoints regents. There is also the confirmation process which has historically provided the needed checks and balances. The average term for public university regents is 5.3 years and she thought that would be an acceptable length but not 10 year terms. She added that there should not be any special interest groups on the screening/advisory committee. Director Morihara said he would work with the Board in crafting a message to the Legislature expressing their thoughts on this issue.

Regent Lagareta expressed that in a related matter, when the Board received a request that University staff members be allowed to work at the Legislature, there was no good procedure to consider such requests. She asked that a policy be brought to the Board for its consideration on this matter. Among the issues is that the University President should have some input as to who can best represent the interests of the University at the Legislature. It was critical to determine if by allowing University personnel to work at the Legislature whether the University is providing technical expertise or political service, citing the fact that a number of Regents and administrators had received tickets for a fund-raiser benefitting the Chairman of the Senate Higher Education Committee. The tickets were delivered by a University employee who was allowed to work in the Senator’s office.

Regent Lagareta suggested that a resolution be prepared to the Legislature regarding the issue of how confirmation processes are handled. She said that Regent Kai had served meritoriously as an interim Regent and both he and Regent de la Peña went through a grueling confirmation process. The resolution should state that it is inappropriate for elected officials to treat volunteers who come before them with arrogance and rudeness. She felt that there was a political element to the confirmation hearings that was inappropriate and felt that if the State wants to have citizens who are willing to serve, they need to be treated with respect and dignity. She was incensed by the fund-raising pressure and efforts to politicize the confirmation process. She said it was an embarrassment for the State. Regent de la Peña added that if he had to go through the process again for reappointment that he would not serve beyond one term. Chairperson Lee added that Regent Kai had been an exemplary Regent.

In response to the Board’s concern as to whether the discussion on the confirmation hearings was permissible under the Sunshine Law, General Counsel Kirimitsu affirmed that the confirmation of Regents was on the agenda under “Legislative Update,” and therefore it would be allowed under Chapter 92, HRS.

Regent Tatibouet moved that a resolution be drafted regarding the Regents’ position on the selection process and their concerns over the treatment of individuals going through the confirmation process. Regent Lagareta seconded the motion. Regent Tatibouet said that the resolution should be signed by the Board members. Upon call, the motion was unanimously carried. Regent Kai expressed his appreciation for the Board’s support, adding that he did not want the University to be impacted by any potential retribution.

Chairperson Lee inquired about the status of HB 320, relating to financial disclosures by those serving on boards and commissions. Director Morihara reported that the bill was in conference. He informed that there is currently a disclosure provision that applied to everyone except Regents who have to file their financial interests but it remains confidential. Regent Haynes moved to keep the same provisions and exemption for Regents. Regent Bender seconded the motion which was unanimously carried.
The meeting was recessed at 1:20 p.m. and reconvened in the same location at 2:10 p.m.

V. GIFTS, GRANTS AND CONTRACTS

Vice President Gaines reported that during the period February 1, 2005 through February 28, 2005, the University of Hawai‘i system received a total of $10,104,177 in gifts, grants and contracts. The University of Hawai‘i at Hilo received a total of $9,616 during the same period. Research awards exceeded $153 million through March 2005, which is up by 5% from last year. Training awards for the same period were about $87 million, down from last year. Overall, the University is about 1% below this time last year but will catch up as things recover from the flood.

The indirect cost rate proposal in its final form has been submitted finally. For the Mānoa campus, the provisional rate is 44.6%, the present rate is 36.3%. Vice President Gaines said that with tough negotiations, the University would probably get about 39 - 40%. For Kaka'ako, a rate of 74.6 percent was calculated. However, realistically, the University would probably be doing very well to get between 50% and 60% as a rate. That rate is important and would apply to any programs that are placed on the Kaka'ako campus. These indirect rates for NIH programs, which are predominantly the ones that are being placed at Kaka'ako, are added on after they have made the budget for the actual research work. The negotiations period will start almost immediately.

Regent de la Peña moved to accept with thanks the gifts and grants and ratify the actions of the administration in executing the necessary contracts as presented. Regent Bender seconded the motion which was unanimously carried.

VI. 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

President McClain recommended the following personnel actions:

UNIVERSITY OF HAWAI‘I, SYSTEM

Executive

TSUJIMURA, RUTH
Associate Vice President
Office of VP for Legal Affairs and University General Counsel
Salary Adjustment and Performance Award
July 1, 2004
Managerial

AKAMINE, RYAN
University Associate General Counsel
Office of VP for Legal Affairs and
University General Counsel
Salary Adjustment and Performance Award
December 16, 2004

KIMURA, TRISHA
University Assistant General Counsel
Office of VP for Legal Affairs and
University General Counsel
April 18, 2005 - April 17, 2006

PANG, PRESLEY
University Associate General Counsel
Office of VP for Legal Affairs and
University General Counsel
Salary Adjustment and Performance Award
July 1, 2004

TAMASHIRO, CHRISTINE
University Assistant General Counsel
Office of VP for Legal Affairs and
University General Counsel
April 25, 2005 - April 24, 2006

TSUNO, EVELYN
University Associate General Counsel
Office of VP for Legal Affairs and
University General Counsel
Salary Adjustment and Performance Award
July 1, 2004

COMMUNITY COLLEGES

Executive

LEIALOHA, MICHAEL N.
Interim Vice Chancellor, CC (Admin Services)
Hawai‘i Community College
April 1, 2005 - March 31, 2006, unless
sooner relieved

MASUTANI, CAROL
Interim Vice Chancellor, CC (Admin Services)
Kapi‘olani Community Colleges
Reappointment
February 1, 2005 - January 31, 2006, unless
sooner relieved.
Emeritus

DE LOACH, ROBERT
Professor, C5
Windward Community College
Upon Board Approval

Regent Lagareta moved to approve the personnel actions as recommended. Regent Tanaka seconded the motion. General Counsel Kirimitsu requested that the appointment of Trisha Kimura be effective April 12, 2005 instead of April 18th. Upon call the motion 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 21, 2005.)

VII. UNIVERSITY OF HAWAI’I FOUNDATION REPORT

President Vuchinich reported that at the end of the third quarter, the Foundation closed at $24.5 million in gifts for a total of $71.6 million toward their campaign goal. She said the Foundation is seeing the impact of major gifts and is $5.1 million ahead of last year. She added that the new website was launched for the gift planning office.

Though the end of March, the Foundation had over 60,000 alumni responses to update their data bank. There were orders for 10,400 alumni directories. This continues to do very well and she is looking forward to the closing of the project. The deadline was April 21st but has been extended. The Distinguished Alumni Awards Dinner will be on May 10, 2005.

President Vuchinich said that she will be bringing to the Board the naming of spaces for the new administration in Kaka’ako for consideration by the Board. In line with this, Regent Lagareta reported on her visit to the Cancer Center in San Diego which was built by the same company chosen to build the University’s Cancer Center at Kaka’ako.

VIII. REPORT OF EXECUTIVE OFFICER (CONTINUED)

Community Colleges Reorganization

President McClain explained that he was pleased that ACCJC now believes that the majority of Community College have made progress in the area of program reviews. Nevertheless during the exit interview, ACCJC still had concerns over the way the University is organized to support the Community Colleges. ACCJC felt that it is not fair to the Community Colleges as to how issues of importance get the support they need at the system level.

Based on conversations he had, he knows that there are reservations at the Community College campuses and he understands that the University of Hawai’i Professional Assembly has a resolution that is going to be in opposition.
Nevertheless, President McClain informed that he will be bringing to the Board a proposal for a Vice President for Community Colleges in a month. The Chancellors will report to this Vice President and to him.

Another alternative is to break up the Community College System which will require changes in the law. This would be acceptable to ACCJC. However, if the Community Colleges are structured as a system, they must function as a system which is currently not occurring in the opinion of ACCJC.

Regent Haynes said there would be too many people reporting to the President. He insisted that any reorganization must be good for the University and not just something pushed by accreditation. President McClain said ACCJC has standards about how systems are supposed to support its campuses. He said that there is not enough coherence in how the leadership and management of the Community Colleges are approached in the structure that was put in place by the previous administration. Chairperson Lee said she supported President McClain's intended direction in this matter. She had assured ACCJC that two more members would be appointed to the Board’s Community College Committee for a total of 5 Regents. She also assured that more meetings of the Regents’ Committee on Community Colleges would be held. President McClain said there is some urgency to this because if changes are to be made, they need to be made before next year.

**John A. Burns School of Medicine (JABSOM) Business Plan**

President McClain asked to report on this item at the next Board meeting due to time restraints

**IX. NEW OR OTHER BUSINESS (CONTINUED)**

**Task Group on the Presidential Search**

Chairperson Lee announced that the Board will be initiating a presidential search. She appointed Regents Lagareta, Tanaka, Bender, Yamasato, and a Regent to be named later to this task group to discuss and later present a process for the presidential search. Chairperson Lee will also be on this task group.

**Task Group for the Public/Private Partnership Development Issues**

Chairperson Lee appointed Regents Albano, Haynes, Yamasato and Tatibouet to this task group to look into the development partnerships being considered such as the China-US Center, Cancer Research Center, and at West Oahu.

**Task Group on E/M Personnel**

Chairperson Lee appointed Regents Tanaka, Lagareta, and a Regent to be possibly named later to this task group which will examine the Executive/Managerial personnel system. OHR will be hiring a consultant to assist in this endeavor which will include but not limited to salaries and classification. Chairperson Lee will also be on this task group.
X. ANNOUNCEMENT

Chairperson Lee thanked Chancellor Meixell and the faculty, students, and staff for their hospitality and for providing the lunch and breakfast.

Next Meeting

Chairperson Lee announced that the next meeting of the Board of Regents would be held on Thursday, May 19, 2005 at the University of Hawai‘i at Mānoa.

Regent Tatibouet moved to enter into executive session to consider personnel, legal, and collective bargaining matters and to consult with the Board’s attorney in accordance with Chapter 92, HRS. The motion was seconded by Regent Haynes and unanimously carried. The meeting was recessed at 2:55 p.m. to enter into executive session.

XI. ADJOURNMENT

The meeting was reconvened in open session at 5:29 p.m. in the same location. In the absence of both the Chair and Vice Chair, Regent Kakuda presided, adjourning the meeting at 5:30 p.m. since there was no further business before the Board.

Respectfully submitted,

David Iha, Executive Administrator
and Secretary of the Board