MINUTES
UNIVERSITY OF HAWAI‘I BOARD OF REGENTS’
MEETING OF
November 17-18, 2005

I. CALL TO ORDER

The meeting was called to order by Chairperson Kitty Lagareta on Thursday, November 17, 2005 at 9:54 a.m., Laulima 105, Maui Community College.

Attendance

Present were Regents Andres Albano, Jr., Byron W. Bender, Michael A. Dahilig, Ramón S. de la Peña, James J.C. Haynes II, Allan R. Landon, Ronald K. Migita, 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. Vice Chairperson Alvin A. Tanaka was excused.

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; Mr. Howard Todo, Vice President for Budget and Chief Financial Officer; Ms. Carolyn Tanaka, Associate Vice President for External Affairs and University Relations; Mr. Michael Rota, Associate Vice President for Community Colleges; Dr. Gene Awakuni, Chancellor, University of Hawai‘i at West O‘ahu (UH-West O‘ahu); Dr. Rockne Freitas, Chancellor, Hawai‘i Community College; Dr. Denise Konan, Interim Chancellor, University of Hawai‘i at Mānoa (UH-Mānoa); Dr. Angela Meixell, Chancellor, Windward Community College; Mr. Ramsey Pedersen, Chancellor, Honolulu Community College; Dr. Peter Quigley, Interim Chancellor, Leeward Community College; Dr. Leon Richards, Acting Chancellor, Kapi‘olani Community College; Dr. Clyde Sakamoto, Chancellor, Maui Community College (MCC); Dr. Rose Tseng, Chancellor, University of Hawai‘i at Hilo (UH-Hilo); Dr. Karla Jones, Director, Career and Technical Education; Jan Yokota, Director, Office of Capital Improvements; David Lassner, Office of Information Technology Services; Kathy Nelson, Vice President, University of Hawai‘i Foundation; J. N. Musto, Executive Director, University of Hawai‘i Professional Assembly (UHPA); Dr. Mary Tiles, President, UHPA, Ms. Lei Desha, Field Representative, Hawai‘i Government Employees Association (HGEA); and others.

II. APPROVAL OF MINUTES

Upon motion by Regent Yamasato and second by Regent Migita, the Board unanimously approved the minutes of the October 20-21, 2005 meeting, as circulated.
REPORT OF EXECUTIVE OFFICER

President McClain requested that the following item be taken out of order.

Report by Chancellor Sakamoto, Maui Community College

Chancellor Sakamoto provided an overview of Maui Community College (MCC). He said MCC tries to connect its students with opportunities on Maui and elsewhere. Its University Center has ten bachelor’s degrees, ten master’s degrees, and approximately 200 students. Responding to Chairperson Lagareta, Chancellor Sakamoto explained that there were more students attending MCC on a part-time basis due to the job opportunities on Maui. Students find themselves choosing between investing in higher education and opportunities around them. It continues to be a challenge to retain students when they are hired before they graduate.

MCC also serves over 11,000 non-credit students annually through continuing education programs. The population growth in the county has expanded dramatically over the last two decades. MCC’s challenge in terms of the work force provisions will be exacerbated by the 2.6 unemployment, a situation where the environment is of increasing concern due to the major investment in MCC’s instructional space. He estimated that MCC’s budget will be short by about $650,000 and might approach $785,000 the following year. MCC received $5.8 million in grants since July 1st of this year. The RTRF funds generated will help to address some of MCC’s shortfall. Chancellor Sakamoto said MCC is looking at programs to generate revenues.

Chancellor Sakamoto reported that MCC was visited by a Western Association of Schools and Colleges (WASC) team. He reported that the team recognized the work of the faculty. They said students are satisfied with the quality of education and the faculty.

In the supplemental budget request, electricity tops the list. Also reflected in the supplemental budget is MCC’s assurance to WASC that its outreach areas remain as strong as the on-campus support for assessment. Work force development and the kinds of opportunities for dental hygienists for biotechnicians, early childhood education, are all investments that are crucial to strengthen the future of MCC along with its Hawaiian studies and are included in the budget.

Finally, Chancellor Sakamoto reported on MCC’s student housing project. The hope is to provide housing facilities to accommodate mainland and international students. Maui students will have first priority followed by non-residents. The financial plan is to generate non-resident tuition to a level that will help keep resident tuition as low as possible.

Dean of Students Alvin Tagomori reported on the recruitment initiatives of MCC. MCC participated in college fairs in California, Seattle, Las Vegas, Ohio, Kansas City, Virginia, Boston, and abroad. The United States is losing potential students due to the difficulties in obtaining a visa after 9/11. He personally had a difficult time getting a visa to Brazil, where the visa requirements are similar to the United States. Dean Tagomori added that many colleges understand the need for homeland security and therefore use agents that live in these countries to do followup and prepare students for their visa interview.
In response to Chairperson Lagareta, Dean Tagomori informed that the proportion of international students to domestic students in Hawai‘i and MCC is about six percent which remains below the cap.

Regent Migita inquired about tuition revenues at MCC. Chancellor Sakamoto informed that tuition revenues will amount to $2.6 million depending on enrollment in Spring 2006. He said that although the student population decreased this year, the amount of tuition revenues increased due to the number of non-resident students.

III. PUBLIC COMMENT PERIOD

There were no testimonies.

IV. AGENDA ITEMS

President McClain requested that the following agenda item be taken out of order.

John A. Burns School of Medicine – Kaka’ako Deep-Well Cooling Project with Board of Water Supply

Dean Shomaker requested that the Board authorize the President or his designee to enter into the following agreements with the Board of Water Supply (BWS): (1) Chilled Water Service Agreement pursuant to which the BWS supplies chilled water to the John A. Burns School of Medicine (JABSOM); (2) Space Lease under which the University leases to BWS certain space in the Plant containing the project equipment; (3) Easement(s) to enable this transaction; (4) Equipment Sale and Purchase Agreement and related Bill of Sale to transfer title of equipment to the BWS; and (5) other implementing agreements as may be necessary to implement this project.

JABSOM wishes to implement an innovative project with the Board of Water Supply to use cool seawater pumped from deep wells to assist with the air-conditioning for the new JABSOM Kaka’ako facilities. It is anticipated that this project will reduce the University’s electricity usage and thus save operating costs. This project will also reduce the use of O‘ahu’s limited potable water for air conditioning purposes and demonstrate and promote the use of deep-well seawater cooling systems.

This project envisions using cool seawater pumped from deep wells on site to assist with the air conditioning system, thereby reducing the amount of electricity and potable water that would otherwise have been required. The Project requires the installation of source and injection wells, piping, structures, equipment, and other fixtures. BWS estimates it has expended $9.6 million in capital investment to date.

At the March 17, 2005 meeting, the Board approved the project in concept and authorized the administration to enter into the various implementing agreements structuring the legal relationship and respective obligations between the University and BWS, subject, however, to the conditions that: (1) the final documents be
reviewed as to form by the University’s Office of General Counsel, and (2) the final documents be reviewed by the Board before signing.

Following the March 2005 meeting, JABSOM staff along with the University’s Office of General Counsel negotiated the final documents. At its October 2005 meeting, the BWS approved the essential terms and conditions. Because the execution documents were recently prepared by and received from the BWS, the University General Counsel’s Office has not had the opportunity to complete its review as to form. In addition, several minor housekeeping details, such as notice and contact information and the names and titles of the signatories must be filled in. However, the General Counsel’s office has indicated preliminary approval of the drafts and does not anticipate substantial changes. It concurs with this request for approval which would fulfill the second of two conditions required by the Board last March.

On the JABSOM side, JABSOM and the University are agreeing to pay for chilled water from the BWS at a discounted rate over a twenty-year term and the amount of that discount is fairly substantial; the discounted rate starts at $100/ton and that is a discount of about $250/ton over the standard rate of $350/ton that BWS ordinarily charges. The other advantage in this proposal is that if the Cancer Research Center or JABSOM Phase II are built, this agreement establishes a platform to achieve some further electricity cost savings on those projects.

Regent de la Peña moved to authorize the University President, or his designee(s), upon final review by the Office of General Counsel, to sign various agreements with the Board of Water Supply substantially in the form reflected in the drafts available for review at the Board of Regents’ office. These documents include but are not limited to: (1) Chilled Water Service Agreement pursuant to which JABSOM will purchase chilled water from the Board of Water Supply; (2) Space Lease which the University leases space to the Board of Water Supply in the Central Plant Building that contains the equipment to do this project; (3) Easements which are necessary to enable this transaction; and (4) Equipment sale and purchase agreement relating to the transfer of title of the equipment to the Board of Water Supply and other implementing agreements as may be necessary. Regent Haynes seconded the motion followed by discussion.

Regent de la Peña moved to authorize the University President, or his designee(s), upon final review by the Office of General Counsel, to sign various agreements with the Board of Water Supply substantially in the form reflected in the drafts available for review at the Board of Regents’ office. These documents include but are not limited to: (1) Chilled Water Service Agreement pursuant to which JABSOM will purchase chilled water from the Board of Water Supply; (2) Space Lease which the University leases space to the Board of Water Supply in the Central Plant Building that contains the equipment to do this project; (3) Easements which are necessary to enable this transaction; and (4) Equipment sale and purchase agreement relating to the transfer of title of the equipment to the Board of Water Supply and other implementing agreements as may be necessary. Regent Haynes seconded the motion followed by discussion.

Regent de la Peña moved to authorize the University President, or his designee(s), upon final review by the Office of General Counsel, to sign various agreements with the Board of Water Supply substantially in the form reflected in the drafts available for review at the Board of Regents’ office. These documents include but are not limited to: (1) Chilled Water Service Agreement pursuant to which JABSOM will purchase chilled water from the Board of Water Supply; (2) Space Lease which the University leases space to the Board of Water Supply in the Central Plant Building that contains the equipment to do this project; (3) Easements which are necessary to enable this transaction; and (4) Equipment sale and purchase agreement relating to the transfer of title of the equipment to the Board of Water Supply and other implementing agreements as may be necessary. Regent Haynes seconded the motion followed by discussion.

Regent Haynes inquired about benefits to the Board of Water Supply (BWS). Dean Shomaker explained that BWS views this as an innovative project. They are hoping to utilize this technology in other projects and enhance their public image and hopes the technology will pay dividends down the line. He added that BWS is assuming the risk of operating the system and will be responsible for replacing any equipment that malfunctions or needs maintaining.

Regent Landon asked how the projected $100,000 savings was calculated. JABSOM Chief Financial Officer Robert Nobriga responded that although he did not have the detailed accounting, when the feasibility cost benefit from the University’s perspective was examined, BWS and their consultants developed two operating scenarios. In the end, the net savings was $100,000. Regent Landon followed as to whether JABSOM was comfortable with the arrangement. Chief Financial Officer Nobriga said that he was comfortable with the way this had been laid out. JABSOM is adequately protected and risks have been transferred to BWS. He added that if
the deep sea cooling aspect was not working, there would be a redundant system to provide cooling through traditional means.

Regent Bender asked if the operations could be sustained for three days without cooling. Dean Shomaker assured that the redundant system would allow JABSOM to function in a seamless fashion. It would switch to the traditional system if the deep well system, for whatever reason, malfunctioned.

Regent Albano asked if the heat exchanger belonged to the University. He was informed that the system belongs to BWS.

Chairperson Lagareta asked if the system would be available to other tenants such as the Cancer Center Building or the Research Building II. BWS informed that there was a potential based on the size of the plan and equipment there. The system could accommodate another building such as the Cancer Center Building. For any further levels of service, there would have to be an investment made in the equipment.

Upon call, the motion was unanimously carried.

Establishment of a Certificate in Applied Forensic Anthropology, University of Hawai‘i at West O‘ahu

Chancellor Awakuni requested that the Board approve the establishment of a Certificate in Applied Forensic Anthropology, University of Hawai‘i at West O‘ahu. He explained that this is a new 2+2 program to be offered jointly with Leeward Community College to respond to workforce needs and enhance existing programs at the University of Hawai‘i at West O‘ahu (UH-West O‘ahu) and Leeward Community College (LCC) and would be the first one of its kind in the State of Hawai‘i.

There will be an additional cost of one additional lecturer every other year. Chancellor Awakuni explained that the field of forensics is experiencing a period of tremendous growth. This can be seen in academic course offerings and programs, the development career paths, and in the popular imagination. The American Academy of Forensic Science (AAFS), established nearly 60 years ago, now boasts more than 6,000 members, representing the United States, Canada, and 56 other countries worldwide. Their Forensic Science Education Programs Accreditation Commission (FEPAC) currently accredits 75 undergraduate programs within the United States. These programs range from ten-week training programs, to certificate programs, to a variety of Bachelor’s degrees. They also accredit five doctoral programs in the U.S. In addition, the AAFS also offers membership to students enrolled in forensic sciences programs (general, criminalistics, engineering science, jurisprudence, odontology, pathology/biology, psychiatry and behavioral science, questioned documents, toxicology, and physical anthropology.) Today, more than a dozen of the most popular network television programs and docudramas focus on this field of study. In addition, many of the top-selling mystery writers, novelists, and other writers focus on forensics in their works.

Within the diverse field of forensic science, forensic anthropologists work primarily as “bone detectives.” Or, more formally stated, forensic anthropology is “the application of the science of physical anthropology to the legal process.” The
identification of skeletal, badly decomposed, or otherwise unidentified human remains is important for both legal and humanitarian reasons. Forensic anthropologists apply standard scientific techniques developed in physical anthropology to identify human remains, and to assist in the detection of crime. Forensic anthropologists frequently work in conjunction with forensic pathologists, odontologists, and homicide investigators to identify a decedent, discover evidence of foul play, and/or the postmortem interval. In addition to assisting in locating and recovering suspicious remains, forensic anthropologists work to suggest the age, sex, ancestry, stature, and unique features of a decedent from the skeleton.

For the past six years, a course in forensic anthropology has been offered at University of Hawai‘i - West O‘ahu. It has been taught by Dr. Thomas Holland, Scientific Director of the Central Identification Laboratory (CIL) from nearby Hickam Air Force. As a result of this high level of expertise in forensic anthropology delivered by CIL staff, combined with the current popular interest in the topic, UH-West O‘ahu’s course in Forensic Anthropology has always enjoyed strong enrollment; in recent years enrollment has increased to UH-West O‘ahu’s maximum class size. During the past several years, several UH-West O‘ahu anthropology students have expressed their interest in pursuing careers and graduate education in forensic anthropology, and some have been privileged to undertake their senior culminating practicums at CIL. On the basis of this rather thin training--one course and a practicum in forensic anthropology--several students have already been offered jobs in the local community and/or gone on to graduate education in this or related fields of study.

This proposed Certificate in Applied Forensic Anthropology, to be offered jointly by Leeward Community College and University of Hawai‘i at West O‘ahu, will take advantage of a unique opportunity to provide students with a more substantial background in forensic anthropology and to better prepare them for jobs and/or graduate study locally and nationally. Together, LCC and UH-West O‘ahu will also seek a Memorandum of Understanding that will establish a partnership between these institutions and the Central Identification Lab (CIL). Once the Certificate has been established, we will then seek recognition from the American Board of Forensic Anthropology and eventual accreditation from the American Academy of Forensic Science. This program can bring distinction to Leeward’s campuses and also make their students even more competitive for jobs and graduate education in anthropology, forensics, justice administration, and a wide variety of related fields.

The opportunity to study forensics does exist locally; however, this is limited in either the scope of study or in the numbers of students that are trained. Chaminade University currently offers a Bachelor’s degree in the wider field of forensic science. This private university has a diverse student body; fewer than half are residents of Hawai‘i, most are drawn from the U.S. mainland and internationally. Full-time tuition per semester is high, at $6,925. Furthermore, Chaminade’s forensic science program is offered only during a daytime schedule, and is largely focused on forensic entomology. The UH-Mānoa campus offers a graduate program in anthropology, with a specialization in physical anthropology. Only a small number of those graduate students can further specialize in forensic anthropology.

This proposed Certificate delivered by UH-West O‘ahu and LCC will be the first undergraduate program dedicated to the study of forensic anthropology, with a good introduction to the wider field of forensics, within the entire University of
Hawai‘i system. These institutions draw non-traditional students, mostly from the community they serve: the students are largely local, ethnically diverse, mature, and already working; they also draw students from nearby U.S. military bases. Full-time tuition per semester is very low – $588-$882 at LCC, $1128 at UH-West O‘ahu. Courses in this Certificate will be offered in the late afternoon/evening/weekend schedule, to accommodate students who are already working either part-time or full-time.

Vice Chancellor Mobley added that students who complete the certificate will benefit by being more competitive in applying to careers and further graduate training in forensic science in general and in forensic anthropology in particular. Most of those who are currently working as professional forensic anthropologists hold Ph.D. degrees so further graduate study is highly recommended should they choose that specific field. However, any holder of the certificate who applies for forensic science-related positions would arguably be more likely to secure employment as a result of completing the program.

It is anticipated that there will be a modest complement of students, roughly six at the institution in the first year of the program for a total of twelve in the program. By the third or fourth year, it is expected that there will be a total of 15 to 16 students although this number may very likely increase. Most of the students will be completing the certificate as part of their B.A. program in Social Sciences at UH-West O‘ahu but some may elect to obtain the certificate as a stand-alone. The resources needed to support the certificate are modest as most of the courses to be included are already offered at both of the institutions. One additional class at each institution will be necessary, specifically a course on Human Skeletal Biology at Leeward Community and a course in Advanced Forensic Anthropology at UH-West O‘ahu taught by CIL staff. The latter course will be offered every other year at UH-West O‘ahu and will only require the cost of paying for the lecturer from CIL.

Regent Bender noted that students would be encouraged to complete an A.A. degree and a baccalaureate degree. Vice Chancellor Mobley explained that students with a complement of 55 credits or an A.A. degree can enter into the certificate program in the upper division. They would probably pursue a bachelor’s in anthropology and receive the certificate as an additional credential.

Regent Landon moved to approve the establishment of the certificate in Forensic Anthropology at UH-West O‘ahu effective Spring 2006 subject to the Regents’ policy on new academic programs. Regent Dahilig seconded the motion followed by discussion.

Regents Haynes complimented UH-West O‘ahu in responding to a need in a timely fashion. Regent Landon concurred, adding that the program seemed well planned with a seamless integration of programs between the campuses.

Upon call, the motion was unanimously carried.

**Request to Retain Outside Counsel for University of Hawai‘i, Hawai‘i Community College’s Projects**

Vice President Kirimitsu requested that the Board approve the retention of outside legal counsel for the University of Hawai‘i, Hawai‘i Community College’s Hilo
Komohana Campus and West Hawai’i Campus Center Projects (Projects), including, but not limited to, providing legal services for negotiations toward a Development Agreement for the Project and implementation and completion of same. This request is being made in accordance with the Board of Regents’ Policy, Chapter 8, Section 8-1(c), in consideration of the impact of the retention of outside counsel on programs and operations.

On October 20, 2005, the Board approved the selection of Hawai’i Campus Developers, LLC (HCD) for exclusive negotiations for a comprehensive real estate development agreement with the University for the Projects.

Previously, in anticipation of future development projects of the University, on July 11, 2005 and August 1, 2005, a screening committee sent letters to approximately eleven law firms in the State of Hawai’i who are recognized as having special expertise in real estate development and financing. The committee was composed of: Walter S. Kirimitsu, University General Counsel; Presley Pang, Associate General Counsel; and Jan Yokota, Director of Capital Improvements. These firms were asked to indicate whether they were interested in being retained as outside counsel for University projects. Upon receiving expressions of interest from approximately nine firms, the screening committee conducted personal interviews with the principals of these firms. After the interviews were completed, the committee recommended the law firm of Carlsmith Ball, LLP (Carlsmith) for the Projects herein. Chancellor Freitas has indicated that he is comfortable with this recommended law firm.

The principal attorneys from the Carlsmith firm for the Projects are: Lawrence Okinaga, Esq. and Robert Strand, Esq., Honolulu Office; Steven Lim, Esq., Hilo Office; and Robert Triantos, Esq., Kona Office.

Due to the special legal expertise in real estate development and financing required for the Projects as well as the extreme urgency in retaining these services to negotiate a Development Agreement, a Request for Exemption from Standard Procurement Procedures has been submitted for approval to Interim President David McClain.

Regent Migita moved to retain the Carlsmith firm to provide legal services in connection with the development of the University of Hawai’i, Hawai’i Community College’s Hilo Komohana Campus and West Hawai’i Campus Center Projects, including, but not limited to, assistance in the University’s negotiations with Hawai’i Campus Developers, LLC, for a real estate development agreement. Regent de la Peña seconded the motion which was unanimously carried.

Establishment of the Dan and Maggie Inouye Distinguished Chair in Democratic Ideals

Chancellor Konan requested that the Board approve the establishment and naming of a chair jointly held in the Department of American Studies, College of Arts and Humanities, and the William S. Richardson School of Law, the Dan and Maggie Inouye Distinguished Chair in Democratic Ideals. The endowment, given through the Foundation, would fund a distinguished visiting professor who would promote the understanding of Hawai’i and Asia Pacific as well as democratic processes and the value of public service and it would also recognize distinguished Senator Inouye...
who is greatly beloved and his wife, Maggie, who was a faculty member at UH-Mānoa.

Professor Dennis Ogawa of the Asian Studies Department took the lead in proposing such a chair in the early 1990s, and initial discussion of the practical details for an endowed chair began in earnest in 1996 between UH President Kenneth Mortimer and George Washington University President Stephen Trachtenberg. The initial idea was that each institution would raise $1.5 million for a total endowment of $3 million to fund a rotating chair in American Studies at each University. Conversations continued through December 2000, at which point both Universities sidelined the project.

In September 2003, newly-appointed Dean Aviam Soifer reintroduced the idea of raising funds for a chair to honor both Senator and Mrs. Inouye. In May 2004, Arts & Humanities Dean Judith Hughes and Law School Dean Soifer, agreed that the Daniel K. Inouye Distinguished Chair in Democratic Ideals would be a rotating visiting position jointly appointed and housed by the American Studies Department and the Law School. In July 2004, Dean Soifer confirmed with the interim Dean of the Law School at George Washington University, Roger Trangsrud, that each institution would be responsible for raising funds for a chair on its own.

After further discussions with the Senator, everyone enthusiastically agreed to recognize Senator Inouye’s wife, Margaret Awamura Inouye, as well for her work in education and for the people of Hawai’i. Mrs. Inouye earned her Bachelor’s degree in Education at the University of Hawai’i at Mānoa in 1946 and a Master’s degree from Columbia University the following year. She worked at University of Hawai’i at Mānoa as a speech instructor until 1950, and as an educational instructor from 1953 to 1959. She and the Senator have been married since 1949 and Mrs. Inouye has served with her husband in many capacities, including as co-chair of the “Ready to Learn” program in Hawai’i.

The total fund-raising goal for the Dan and Maggie Inouye Distinguished Chair in Democratic Ideals at the University of Hawai’i at Mānoa is $1.5 million. This goal was agreed upon internally within the University of Hawai’i and externally with the Office of Senator Inouye and campaign leadership volunteers. Under the leadership of President McClain, Walter Dods and Jeff Watanabe, a call was put forward to the community to launch a campaign to raise $1.5 million in support of this fund. A goal was set and pledges currently exceed $2.3 million. There has been a fantastic enthusiasm and support that have been forthcoming from the community. Ideally, at least $3 million will be raised in endowment funds to support this UH chair.

In addition to this endowment fund, annual solicitations will be conducted by the University of Hawai’i Foundation to raise further expendable funds to support the chair, until the endowment has grown to a point where the annual distribution alone is able to support the chair. Recruitment policy and procedures are being drafted in consultation with the UH President, Chancellor of the University of Hawai’i at Mānoa and the Deans.

The Chair will appropriately recognize Senator and Mrs. Inouye’s service to Hawai’i and the nation by serving as a catalyst for promoting democratic ideals.
Chair holders will be distinguished public figures offering courses and seminars for the benefit of students, faculty, alumni and the community throughout the state.

Regent Dahilig moved to establish the Dan and Maggie Inouye Distinguished Chair in Democratic Ideals at the University of Hawai‘i at Mānoa. Regent Migita seconded the motion which was unanimously carried.

**Proposed Amendment to Board of Regents Policy on Honorary Degrees**

President McClain requested that the Board adopt the proposed amendment to Board Policy, Section 5-9a.(1)(c), Honorary Degrees, which needs to be amended to permit the Board of Regents to bestow an honorary degree to an employee who has achieved exceptional national or international distinction for service external to the University of Hawai‘i.

President McClain recommended that the BOR approve the following proposed amendment of BOR Policy Section 5-9a.(1)(c):

(c) Honorary degrees shall not be awarded to members of the Board of Regents or to active employees of the University, nor to former employees of the University of Hawai‘i until at least one year after the date of retirement or separation, except that the Board of Regents may confer an honorary degree to such an employee if the justification for the award is based substantially more for service external to the University of Hawai‘i. (New material is underscored.)

Regent Migita asked if an individual was the reason for this amendment or if it was a needed change. Chairperson Lagareta asked General Counsel Kirimitsu if this item could be deferred to discuss in executive session and take this up again in public session.

General Counsel Kirimitsu said that deferring this agenda item and discussing it in executive session would be practical in order to consult with the Board’s attorney. This will also involve a personnel matter. He said that it was noticed in the executive session agenda so it is proper to defer this item.

Regent Landon moved to defer this agenda item. Regent Haynes seconded the motion which was unanimously carried.

**Capital Improvements Program and Repairs and Maintenance Project Contracts for Fiscal Year 2005-2006**

Director Yokota requested approval to enter into consultant and construction contracts in accordance with Board of Regents’ Policies’ Sections 8-1(b) and 8-1(c). The projects are professional services and construction projects that the University plans to undertake in the third quarter in fiscal year 2005-2006.

There are three professional services contracts for which approval is being requested:

1. Project and construction management for the Komohana Agricultural Complex - Project and Construction Management project located in
Hilo which will support the needs of the College of Tropical Agriculture and Human Services. The project involves the construction of new laboratory and office facilities at the site on Komohana Street as well as the renovation of the existing facility.

2. A second consulting project is for the design of traffic light and related intersection improvements at the main entrance of the Hilo campus to address vehicular and pedestrian safety needs.

3. Design for Phase II of the One Stop Center at Kaua’i Community College. Phase II will include the design and construction of spaces for the Office of Continuing Education and Training and the Book Store.

The construction projects for which approval is being requested include the following projects:

**University of Hawai’i at Mānoa**

1. Replacement of the cooling tower system and the chilled water plant equipment at several buildings on the Mānoa Campus. This includes Watanabe Hall, Kuykendall Hall, Holmes Hall and the Marine Science Building. These equipment are at least 20 to 25 years old and has exceeded the normal life expectancy.

2. Completing the electrical distribution system on the Mānoa Campus, replacing the heating, ventilation and air conditioning equipment at George Hall which is more than 25 years old.

3. Reroofing part of the Campus Center roof and also doing general repairs and painting of the exterior at the Institute for Astronomy on the Mānoa Campus.

**University of Hawai’i at Hilo**

4. Construction of covered walkways, renovating the theater which was constructed in 1969 and renovations to the Library to improve air quality, to reduce humidity, control mold growth, replace the 25-year old original flooring and repaint the facility.

**Honolulu Community College**

5. Repaint the exterior of the Library Building

**Kaua’i Community College**

6. Constructing a second access road to the campus.
Leeward Community College

7. Upgrading the fire hydrant water systems and repairing the fire walls.

Maui Community College

8. General air conditioning repairs to both the Science and Library Buildings and repairing and upgrading the electrical distribution system.

Regent de la Peña moved to authorize the University Administration to enter into professional services consultant and construction contracts for CIP and R&M projects. Regent Bender seconded the motion followed by discussion.

Regent Albano asked to be briefed on the method and processes used to select architects and engineers including any appeal options. He stated that he has received calls from architects and engineers because they are not able to get work from the University of Hawai‘i. He added that he knows the process is fair but thought that if it were more transparent architects and engineers would know why they were not given contracts. Director Yokota explained that according to the State Procurement Code, the University is required to have at least three people with relevant background making such selections. It is typically done by the Facilities Offices at Mānoa, Hilo, and Community Colleges. They go through the list of architects who submit a Form 112, Statement of Qualifications. From that list, three are selected. That list is sent to her ranked and scored. Director Yokota then signs off on the selection. Occasionally, interviews are conducted, consistent with the State Procurement Code and even when the University was not subject to the Code, the procedures followed were nevertheless consistent with the Procurement Code.

Upon call, the motion was carried unanimously.

Telecommunications Services on the University of Hawai‘i at Mānoa Campus

Director Lassner informed that the Administration will enter into four new contracts to provide the following telecommunication services:

Part 1 - Nortel PBX Common Equipment Maintenance, Administration and Related Services (Vendor: Scottel Voice and Data, Inc.);

Part 2 - Nortel Proprietary Digital Telephone Sets (Vendor: Scottel Voice and Data, Inc.);

Part 3 - Telecommunications Cable Plant Installation, Repair and Maintenance (Vendor: Hawaiian Telcom, Inc.); and

Part 4 - Public Switched Telephone Network Trunk Service (PRI) (Vendor: Hawaiian Telcom, Inc.).

He explained that this action was the result of an open and competitive four-part Request for Proposal (RFP) process conducted in accord with the University’s Administrative Procedures on Procurement.
Subsequent to the Board’s authorization, but before the University had entered into the contracts, new information was brought to the University’s attention regarding the accuracy of certain documents provided by the offeror that had been selected for Parts 1 and 2 of the RFP (Scottel). University staff conducted an independent investigation of the matter, which indicated that the documents were inaccurate. In accord with the University’s Administrative Procedures on Procurement, the University notified the offeror of its findings and its intention to disqualify the offeror based on the submission of inaccurate information that was material to the RFP evaluation process. The University’s notification also advised the offeror of the right to file a protest regarding the disqualification. In response to the notice, the offeror requested an opportunity to discuss the matter through a telephone conference call. During that call, the Chief Executive Officer of the company took full responsibility for the inaccurate information submitted, apologized for its actions and confirmed that the company had no intention of filing a formal protest regarding the matter.

Scottel’s offer is therefore considered to be non-responsive based upon its acknowledgment of the inclusion of inaccurate information that was material to the RFP evaluation. Under the University’s procurement process, that vendor is disqualified from consideration.

For Part 1, the University has therefore selected the second-ranked offeror, Hawaiian Telcom, Inc. as the awardee for that portion of the services in accord with the RFP process. In response to President McClain, Director Lassner said that this would not come back to the Board when the second-place vendor is selected.

The University does not plan to award Part 2 of the RFP, as there were no other responsive offers for this section. Devices that would have been procured through a contract for Part 2 of the RFP will instead be acquired through individual competitive procurement in accord with the University’s Administrative Procedures on Procurement.

In response to Regent Migita, Director Lassner said that what was approved in September was the award of the contract for maintaining the PBX and the sale of telephone instruments to Scottel and the Scottel proposal had some incorrect information. As a result, for those two contract awards, the first one for PBX Maintenance would go to the second-ranked vendor which is Hawaiian Telcom. The other contract was a small one for the purchase of telephone instruments. There was no responsive bid for this so a contract would not be entered for this. He said that telephone instruments can easily be acquired as necessary through standard procurement if it is not advantageous to have this kind of blanket agreement. The key is the maintenance of the PBX.

Director Lassner said that there were requirements to understand the technical certifications on the vendor equipment and the vendors were asked to provide copies of certifications of the training of the employees and the certificates that were received were not accurate. Although the employees had other certifications, this was nevertheless material to the evaluation process. As a result, the original vendor was considered non-responsive.

In response to Regent Yamasato, Director Lassner said that the University would actually be saving money. This was an RFP process for best value and
therefore, originally, the lowest bidder was not selected. The University will now consider the lowest cost proposal.

**Delegation of Authority on Public/Private Partnerships**

Regent Landon moved to defer this item pending legal counsel. Regent Haynes seconded the motion which was unanimously carried.

**UNIVERSITY OF HAWAI’I FOUNDATION REPORT**

President McClain requested that the following item be taken out of order. Foundation Vice President Nelson reported that as of this date, the University of Hawai‘i Foundation (UHF) had about $10.7 million in gifts, pledges, and grants. Contacts made by development staff were about 2,418 through the end of October. She said that three new development staff members were hired, one for the Cancer Research Center, one for the Medical School, and one for the College of Engineering. She said that these are key units for the UHF in terms of priorities for the University and for the fund-raising numbers. Also, there is about $66 million in the pipeline of proposals to prospective donors.

The career services module was launched. This allows alumni to share resumes and job placement information.

Chairperson Lagareta said that the Board received a request from UHF to submit monthly written reports for Development and Alumni Relations, but to change the frequency of its oral reports before the Board to quarterly. This would coincide with its current quarterly financial reports. Regent Landon felt it would be acceptable.

In response to Regent Haynes, Vice President Nelson informed that there is a total of 75 employees at the UHF. Chairperson Lagareta suggested a future discussion about extending the campaign. The Board will also look at a new contract for the UHF.

Regent Albano moved to enter into executive session to consider personnel and legal matters and to consult with the Board’s attorney in accordance with Chapter 92, Hawai‘i Revised Statutes. The motion was seconded by Regent Haynes and unanimously carried. The meeting was recessed at 11:37 a.m. to enter into executive session and reconvened in open session at 4:37 p.m. in the same location.

**AGENDA ITEMS (Continued)**

**Proposed Amendment to Board of Regents Policy on Honorary Degrees (Continued)**

President McClain requested that this agenda item be considered at this time. Chairperson Lagareta announced that the Board had consulted with legal counsel on this matter.
Regent Dahilig moved to amend the Board’s policy on honorary degrees to read in section 5-9a(1)(c): “...except that the Board of Regents may confer an honorary degree to such an employee if the justification for the award is based on substantially more for extraordinary achievements clearly external to the individual’s employment at the University of Hawai‘i.” Regent Haynes seconded the motion which was unanimously carried.

**Delegation of Authority on Public/Private Partnerships (Continued)**

President McClain said that there are several public/partnerships that are underway involving UH-West O’ahu, Mānoa Student Housing, and the Cancer Research Center. These require some delegation of authority to the administration.

**UH-West O’ahu**

Chancellor Awakuni explained that he needed the ability to move quickly on issues related to the overall master joint agreement they were trying to establish with a private developer. There are many minor, yet essential, side agreements that have to be determined such as cost sharing of sewer and utility costs. He said that he spoke with the consulting engineers on estimates for all of the off-site infrastructure. They were waiting to enter into an agreement with the Department of Hawaiian Home Lands, and such matters need to be decided on quickly. Chancellor Awakuni said that there are other details that will probably be needed to be acted upon as they continue to go forward with this massive developer agreement.

President McClain asked that at least one representative from the General Counsel’s office be present at these discussions.

Chairperson Lagareta reported that after consulting with legal counsel, it will now be the responsibility of chancellors and the administration to execute the agreements. The sentiment of the Board is to make things move as expeditiously as possible. When there are things they feel the Board should be involved in, they will consult with the President to see if he agrees. He will bring this to the Board Chair and possibly the task group on public/private partnerships and a determination will be made if the matter requires the Board’s approval. Otherwise Chancellors will be allowed to execute agreements relative to the public/partnerships.

Regent de la Peña moved, upon advice of counsel, that the Chancellor of University of Hawai‘i at West O’ahu be delegated the authority to oversee and execute agreements relating to the development of the West O’ahu project under the public/private partnership and that the Chair and Vice Chair, in consultation with the Task Group on Public/Private Partnerships, be delegated the authority to approve or bring to the Board, agreements for projects approved by the Board. This is with the understanding that the President will bring agreements to the attention of the Chair during their weekly meetings. The motion was seconded by Regent Albano and unanimously carried.

**Mānoa Student Housing**

President McClain said that the service agreement may require the full Board’s review and approval. He also asked Director Yokota to confirm that the
Legislature would provide special and general purpose revenue bonds for the purpose of assisting with the construction of the student housing projects on the Mānoa campus. He explained that his intent was to, where appropriate, use that financing, particularly if it allows the University to move forward at a lower cost.

Director Yokota said she intends to come to the Board for approval to issue those revenue bonds. President McClain said his intent is to use a mix of public/private financing and, again, public financing is generally less expensive.

Regent Dahilig moved to have the service agreement mentioned by the President brought to the Board for its consideration and that the administration proceed with planning of the Mānoa student housing project to include full or partial funding using public bonds in order to move the project forward. Regent Haynes seconded the motion which was unanimously carried.

V. GIFTS, GRANTS AND CONTRACTS

Vice President Gaines reported that during the period, September 1, 2005 through September 30, 2005, the University of Hawai‘i system received a total exceeding $87 million. In the same period of time, the University of Hawai‘i at Hilo received a total of $6.3 million. He said that this is the best month that the University has ever had. The unofficial numbers for October were $27 million with $1.9 million for UH-Hilo. In all, through October, the system had booked $211 million which is 60 percent of last year’s total of $350 million.

Regent Haynes moved to accept with thanks the gifts and grants and ratify the actions of the administration in executing the contracts as presented in Attachment #2 of the Board of Regents’ agenda dated November 17, 2005. 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

CHING, DORIS
Vice President for Student Affairs
Office of the VP for Student Affairs
Salary Adjustment
Upon Board Approval
GAINES, JAMES
Interim Vice President for Research
Office of the VP for Research
Performance Incentive Award
Upon Board Approval

JOHNSRUD, LINDA K.
Interim Vice President for Academic Planning and Policy
Office of the VP for Academic Planning and Policy
Salary Adjustment
Performance Incentive Award
Upon Board Approval

YOKOTA, JAN
Dir of Capital Improvements
Office of Capital Improvements
Salary Adjustment
Upon Board Approval

UNIVERSITY OF HAWAI‘I AT MĀNOA

Executive

CUTSHAW, KATHLEEN
Acting Vice Chancellor, UHM
Office of VC for Admin, Finance & Operations
Salary Adjustment
Upon Board Approval

CUTSHAW, KATHLEEN
Interim Vice Chancellor, UHM
Office of VC for Admin, Finance & Operations
January 1, 2006 - December 31, 2006, unless sooner relieved

HITZ, RANDY A.
Dean, UHM
College of Education
Salary Adjustment
Upon Board Approval

HUGHES, JUDITH R.
Dean, UHM
College of Arts & Humanities
Salary Adjustment
Upon Board Approval
PERKINS, FRANK  
Asst VP Research & Graduate Ed  
Office of VC for Research & Graduate Ed  
Salary Adjustment  
Upon Board Approval

PORTER, EDGAR  
Interim Dean, UHM  
School of Hawaiian, Asian & Pacific Studies  
Salary Adjustment  
Upon Board Approval

SAKAGUCHI, RODNEY  
Vice Chancellor, UHM  
Office of the VC for Admin, Finance & Operations  
Salary Adjustment  
Upon Board Approval

SAKAGUCHI, RODNEY  
Vice Chancellor, UHM  
Office of Chancellor, UHM  
January 1, 2006 - December 31, 2007

Professor or equivalent

MCKIMMY, PAUL  
Specialist, S5  
Educational Technology  
College of Education  
Promotion  
August 1, 2005

UNIVERSITY OF HAWAI'I AT HILO

Executive

CHEN, BILL  
Interim Vice Chancellor, UHH (Admin Affairs)  
& Dir of Tech & Dist Lrng  
Office of the Chancellor, UHH  
January 2, 2006 - January 1, 2007,  
unless sooner relieved

COMMUNITY COLLEGES

Executive

LEIALOHA, MICHAEL N.  
Vice Chancellor, CC (Administrative Affairs)  
Hawai'i Community College  
December 1, 2005 - November 30, 2006
Regent Migita moved to approve the personnel actions as recommended in Attachment #3 of the Board of Regents' agenda dated November 17, 2005. Regent Bender seconded the motion which was unanimously carried.

Resignations and Retirements of Board of Regents’ Appointees

The list of resignations and retirements of Board of Regents’ appointees and retirements of Civil Service employees was presented for information. (The list of resignations and retirements is presented in Attachment #3 of the Board of Regents' agenda dated November 17, 2005.)

VII. UNIVERSITY OF HAWAI‘I FOUNDATION REPORT

This agenda item was taken out of order and discussed earlier.

VIII. REPORT OF THE EXECUTIVE OFFICER (Continued)

Search Committee for the Inouye Chair

President McClain announced that the members of the search committee for the Inouye Chair will be:

Chair - Fujio Matsuda, former President of the University of Hawai‘i,
Co-Chair - Walter Dods, former CEO and Chairman of First Hawaiian Bank
Donna Tanoue, Executive Vice Chairman of the Bank of Hawai‘i
Informational Briefing on Tuition Waiver Policy

Interim Vice President Johnsrud presented a proposal to revise the University’s financial assistance program. She said that Vice President Ching and her staff had been working on this for some time. The basic change would be to revise the existing tuition waiver program and the non-residential tuition differential for two reasons:

1. To maximize the financial assistance for Hawai‘i residents enrolled in the University of Hawai‘i system; and
2. To ensure that the revenues made available for financial assistance serve the interests of the University as well as the taxpayers of the State of Hawai‘i.

There is an atypical situation in that Hawai‘i does not have any direct State support of students. The B+ scholarship program that was approved at the October meeting is the beginning of a State scholarship program. There is $500,000 this year and $1 million next year but without really a comprehensive State scholarship, the University has filled the gap with two waiver programs. There are two specific objectives for the proposal for revising:

1. To monitize the existing tuition waiver and non-resident tuition differentials as appropriate; and
2. To increase the amount of assistance available to students based on their need.

Until 1995, all tuition and fees were deposited into the State’s general fund, and the Legislature had the authority over tuition waivers, which represented foregone revenue to the State. In 1996, when the Legislature acted to return the tuition revenues to the University, the Board was granted the authority to grant, modify, or suspend tuition waivers, and then in 1997, the Board acted to continue the tuition waivers and non-residential tuition waivers as they had been granted by the Legislature. There are two different programs that would be affected:

1. Tuition Waiver Program. This addresses need based on Legislature guidelines. It addresses merit as determined by academic programs and it addresses service; for example, participation in the band or athletics and there are certain entitlements that are included such as employees at the University who enroll in courses and can have their tuition waived.
2. Non-Residential Tuition Differential (NRTD). This is based on merit or entitlement such as for military personnel stationed in Hawai‘i.
Vice President Johnsrud said that priority is given to financially-needy students, graduate assistants, and students deemed meritorious. Systemwide, about one out of every six students receives tuition waivers. In 2004-2005, the amount of $20.4 million was waived and 8,840 students received those waivers. Of that $20.4 million, $5.3 million was the award based on need and that assistance went to 3,600 students. While 40 percent of the recipients received need-based aid, they receive only 26 percent of the total dollars. Tuition waivers are awarded to both undergraduate and graduate students. Of the total $20.4 million in tuition waivers, $10.7 million went to graduate students and $9.7 million went to undergraduate students. Twenty percent of the $20.4 million was awarded to undergraduate students based on need; 37.8 percent of the total number of recipients received need-based aid. Of the $9.7 million that went to undergraduates, $3.5 million went to non-residents and $6.2 million went to residents. The largest share going to non-residents and graduates obviously goes to athletes who were awarded 20.8 percent of the $9.7 million. Of the $10.7 million that went to graduates, $7.2 million went to non-residents and $3.5 million went to residents. The largest goes to non-resident graduate students employed as graduate assistants, which is 51.8 percent of the $10.7 million.

Vice President Johnsrud clarified that it is important to understand that the tuition waiver program differs from the non-residential program. She said that for a certain number of the non-resident groups, the University has by policy set their tuition at resident rates. This includes East West Center grantees, faculty and staff and their dependents who have just moved here and haven’t established residency, native Hawaiians who reside outside of the State of Hawai‘i, and the military. The institutional category, $3.3 million, includes those students who reside in Pacific Rim nations without a baccalaureate granting institution and by BOR policy, they are charged the resident rates. The student exchange includes students who come to the University as part of an exchange agreement. The Western Undergraduate Exchange (WUE) is a program that allows students from the western states to attend the University at 150 percent of the resident rate. Only Mānoa and Hilo participate in this program.

The proposal consists of UH opportunity grants, UH achievement grants, UH international student scholarships, and certain tuition exemptions which would remain waivers. The opportunity grants would be need-based grants for Hawai‘i residents only. To receive an opportunity grant would require completion of the Federal Financial Aid Form. These grants could be applied to the difference between the cost of attendance, that is the cost of tuition fees, books, housing, and transportation and the expected family contribution according to federal guidelines; that is, the award could cover more than tuition, obviously depending on how much money the University is able to generate. The intent of the opportunity grant is to protect the access of low income resident students. The amounts would be in keeping with the amounts discussed during tuition briefings. The base line was the $4.8 million that was awarded systemwide in need-based aid in 03-04. The University’s commitment was to double this amount to hold harmless the students who were on financial aid before the tuition would be raised. Because it was anticipated that more students would be qualified for need, the amount was doubled again.
These are estimates based on projected revenues based on project enrollment. The University originally had a five-year schedule, extended it to a six-year schedule, and extended financial aid for that sixth year as well. The financial assistance that is non-need would be called the University of Hawai‘i Achievement Grant which could include awards such as Regents’ and Presidential Scholarships, other merit-based awards, and service-based scholarship awards such as Band and Athletics. Residents of Hawai‘i would receive preference although they could be awarded to non-residents. Criteria and requirements could be increased or expanded based on the mission of campuses and programs.

A third component of the proposed financial assistance program is the University of Hawai‘i Student Scholarships. All full-time classified international students, undergraduate and graduate, would be eligible. The priority would be the same as is now and would be given to students from the Asia-Pacific Region, studying the Asia-Pacific Region, or participating in international exchange agreements that stipulate scholarship opportunities. Currently, the non-residential tuition differential and Pac-Asian Scholarships are a waiver of the non-resident portion of the tuition. This proposal sets the maximum for international student scholarships comparable to the WUE rate. In other words, students would pay 150 percent of resident tuition unless there was another agreement. Some of the exchange agreements stipulate other kinds of arrangements. But scholarships of lesser amounts could also be awarded, depending on the cash available for the department or the program.

Finally, there are certain waivers that will remain. Graduate assistants are exempted from tuition as the function of their employment with the University and this will be continued to be called a waiver. Employees and spouses of the University of Hawai‘i Professional Assembly (UHPA) members are exempted from tuition as established in collective bargaining agreements and, finally, native Hawaiian need-based waivers will continue to be awarded as long as this can be done in conformance with the law.

The advantages of the program include:

• Allows the University to predict and monitor the value of the tuition assistance provided and projected over time;

• Accommodates the University’s student information system which doesn’t deal with full and partial waivers very well;

• Allows greater flexibility in awarding grants and scholarships because rather than a full tuition waiver or partial tuition waiver, somebody can get a $500 or $1,000 scholarship or whatever depending on their need or circumstances;

• Creates the possibility of awarding financial assistance beyond the cost of tuition based on financial need and shift greater amounts to grant aid and have a little less loan as an impact on low-income students; and

• Creates a financial assistance program that is based on need or achievement rather than simply waiving tuition or making education appear free.
Process and Time Line

Vice President Johnsrud said that she is scheduled to meet on November 30th with all of the financial aid officers to talk to them about this. Clearly, the impact of this is greatest at UH-Mānoa. She has discussed this proposal conceptually with Chancellor Konan and Vice Chancellor Smatresk but clearly there will be deans and department chairs who will want to weigh in on this matter. She said that she hopes to do consultation the rest of this year and if possible, she would like to bring a recommended revision to Board policy in January so that this could be implemented in the Spring. She said the financial aid officers need to know the amount of money that they have to award and they start awarding early in the new year. Whether the policy is revised or not, decisions have to be made regarding the amount of money that will be allocated.

President McClain reiterated that the informational briefing was a joint effort by Vice President Johnsrud and Vice President Ching and their respective staff. He announced that there would be an event on January 24, 2006 to raise funds to create the Doris Ching Access Fund.

The meeting was recessed at 5:25 p.m. and reconvened on Friday, November 18, 2005 at 9:20 a.m. at the same location.

**Friday, November 18, 2005**

**REPORT OF THE EXECUTIVE OFFICER (Continued)**

**Informational Briefing on Tuition Waiver Policy (Continued)**

Regent de la Peña asked how a new student would receive this information. Vice President Johnsrud said that the admissions process will make it clear how to apply for financial aid on every campus. Information will also be provided on the B+ Scholarship.

Regent Dahilig asked with regards to policy considerations, if it would be worth taking into account the benefits students receive from the WUE program and whether the University needs to revise the program. Vice President Johnsrud informed that only UH-Mānoa and UH-Hilo participate in the WUE program but she thought that the program should be reviewed. She said UH-Mānoa altered their admission standards for WUE this year. Chico, Humboldt and Stanislaus, all California institutions, were added to the reciprocal list.

In response to Regent Haynes, Vice President Johnsrud said that the Native Hawaiian Tuition Waivers were left on the table as long as it conforms with the law. The one disadvantage of giving up waivers, as pointed out by the Native Hawaiians, is that scholarships and grants are taxable and for students, this is a disadvantage.

Regent Haynes inquired as to how students go about applying for need-based scholarships. Vice President Johnsrud explained that it varies for each campus. On Mānoa, there is a Native Hawaiian Student Services office that helps students. But when students apply for need-based aid, they could apply for a Native
Hawaiian tuition waiver. She said that typically, the information is available through student services and financial aid offices.

Chairperson Lagareta inquired about the proportioning of funds. Vice President Johnsrud informed that approximately 23 percent of the total aid is need-based and approximately 77 percent is non-need based. She suggested that this eventually shifts to 50:50 but it cannot be done overnight.

Regent Migita expressed that priority should be for residents, inquiring if the administration felt they were doing a decent job in serving residents. Vice President Johnsrud said it was a balancing act and the University might have drifted from this because the University had been working more with the total number of waivers rather than their dollar values. Currently, some need-based tuition waivers do go to non-residents. What she is suggesting is that the opportunity grants will be for residents only. Non-residents with financial need would still be eligible for federal financial aid and achievement grants.

Regent Dahilig asked if the transition would be problematic and whether there would be staff available to handle questions. Vice President Johnsrud said that she would be meeting with the financial officers of all ten campuses to work on this aspect. She said that it has to be worked on quickly because financial aid packages for the coming Fall 2006 need to be completed this Spring.

**Supplement Budget, 2006-2007**

President McClain reported that Budget and Finance had expressed considerable interest in the University’s supplemental budget. He said he had arranged for some additional conversations with the experts in the nursing, teaching and instruction areas to enlighten Budget and Finance about the University’s proposal since they were particularly interested in the work force portion. There has been an increase in appropriations, excluding collective bargaining considerations. He informed that legislators have shown an extraordinary interest in the University, asking for assurance that campuses are spending funds as appropriated.

President McClain reported that $23 million was received over the biennium; $15 million as requested with the Legislature adding the rest. Chancellors recently provided information on how they will be using the new appropriations.

**IX. NEW OR OTHER BUSINESS**

Chairperson Lagareta said that a year ago, the Board of Regents held a session with Tom Ingram, President of the Association of Governing Board (AGB), President McClain, and Executive Administrator and Secretary of the Board Iha. One of the items discussed was how the Board does business, how it operates, and how it functions. She said that the AGB suggests universities look at themselves. They need to be efficient, have good communications, and change things that do not work anymore. She said that it was only fair that the Board of Regents also look at this themselves.
Following up on this workshop, she appointed a Board Task Group pursuant to Hawaiʻi Revised Statutes Section 92-2.5(b)(1) which authorizes the Board to look at the Board’s structure and operations. The Board Task Group will review, analyze, research and make recommendations to the full Board on the structure of the Board office and its role and function within the larger University structure as was discussed at the AGB Workshop last year.

She appointed the following to serve on this Task Group: Byron Bender (Chair), Allan Landon, James Haynes, and Michael Dahilig.

She added that they will be working closely with Secretary Iha and President McClain. She asked the Task Group to come back to the full Board with recommendations and thoughts no later than the June meeting if possible.

**X. ANNOUNCEMENT**

**Next Meeting**

Chairperson Lagareta announced that the next regularly scheduled meeting of the Board would be held on Thursday, January 19, 2006, at Kapiʻolani Community College.

Chairperson Lagareta thanked the faculty, staff and students of Maui Community College for their hospitality and the opportunity to meet with community and student leaders.

Regent Migita moved to enter into executive session to consider personnel and legal matters and to consult with the Board’s attorney in accordance with Chapter 92, Hawaiʻi Revised Statutes. Regent de la Peña seconded the motion which was unanimously carried. The meeting was recessed at 9:50 a.m. to enter into executive session.

**XIV. ADJOURNMENT**

The Board reconvened in open session at 12:32 p.m. at which time the meeting was adjourned.

Respectfully submitted,

David Iha, Executive Administrator and Secretary of the Board