MINUTES
UNIVERSITY OF HAWAI‘I BOARD OF REGENTS’
MEETING OF
January 19, 2006

I. CALL TO ORDER

The meeting was called to order by Chairperson Kitty Lagareta on Thursday, January 19, 2006, at 9:05 a.m. in the Tamarind Banquet Room, ‘Ohelo Building, Kapi‘olani 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, 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; Peggy Cha, Chancellor, Kauai Community College; 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. Denise Konan, Interim Chancellor, University of Hawai‘i at Mānoa (UH-Mānoa); Dr. Angela Meixell, Chancellor, Windward Community College; Dr. Peter Quigley, Interim Chancellor, Leeward Community College; Dr. Leon Richards, Acting Chancellor, Kapi‘olani Community College; Dr. Rose Tseng, Chancellor, University of Hawai‘i at Hilo (UH-Hilo); Jan Yokota, Director, Office of Capital Improvements; 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. PRESENTATION BY LEON RICHARDS,
CHANCELLOR OF KAPI‘OLANI COMMUNITY COLLEGE

A presentation on Kapi‘olani Community College (KCC) initiatives was given by Chancellor Richards. He informed the Board that KCC partnerships include other UH campuses, community and international organizations as well as the military and the Hawai‘i State Department of Education (DOE). KCC, for example, works with Hawai‘i Community College to offer a radiology technology program on the Big Island. KCC also partners with the University of Hawai‘i Medical School.

Under the Felix Consent Decree the DOE must provide services to special needs students. KCC has worked with the DOE in training educational assistants in American Sign Language. The campus worked with the Waianae Coast Comprehensive Health Center and is a partner with the Waianae Health Academy.
Out of Leeward Community College. Programs in Nurses' Aid, Licensure in Practical Nursing, Occupational Therapy, Dental Assisting, and Community Health Workers are now offered on the Waianae Coast. At the KCC campus, the Gallaudet Regional Center which is the only center located in this part of the world provides an opportunity for education for hard-of-hearing and deaf students. Without this Center and without what KCC is doing, these students would not have access to higher education.

Examples of military partnerships include the Navy customized language and training program where 7 different languages are being offered to the military. In addition, KCC also partners with the Army at Schofield Barracks to provide customized emergency medical service training.

KCC also partners with the Japanese government’s Monbukagakusho (Ministry of Education, Science, Sports and Culture, Government of Japan) with a three-year scholarship. Chancellor Richards reported that two KCC students were selected for three-year scholarships to study Japanese language and culture and also a career field in Japan. KCC received $1.2 million from the Freeman Foundation Scholarship to provide international experience for students on all seven campuses.

In order to make learning at KCC close to reality, the faculty and students have developed across-the-curriculum emphases which seeks to integrate course content, infuse skills, and provide a cohesive learning context. The first across-the-curriculum emphasis is writing and critical thinking. To implement this, the students developed a number of publications. In addition, students have started various projects and contributed about 6,000 hours a semester towards on and off-campus projects serving the campus and community.

Ms. Kelly Goya, Title III Coordinator, then provided a presentation on how KCC is using e-portfolios. The e-portfolio initiative at KCC provides students, faculty and staff the ability to self-assess their work, collaborate in the learning process, and share their accomplishments. E-portfolio is a digitized collection of artifacts, demonstrations, resources, and accomplishments that can represent an individual, group, or institution. E-portfolios make learning visible whereby students are able to select their own work that will be collected over time which demonstrates their achievements.

Faculty will also be able to present their work and learning outcomes for students. An e-portfolio can have a significant impact on learning because it encourages personal reflection and it involves the exchange of ideas and feedback. It also supports student advising and career preparation as well as showcases the application of learning such as student internships and service learning.

The College has also been selected to be a part of a national coalition for electronic portfolio research. Within this coalition, KCC is examining the effectiveness of learning using e-portfolios. The College has decided to use the open-source portfolio initiative for its platform. The OSPI is a newly-formed group committed to working together in the development and use of openly-shared e-portfolio software code. This is a cutting edge project that will be jointly supported with ITS at UH-Mānoa and at the College. Students will be able to log in using
their MyUH user name and password. This will be a model that will be used for the other community colleges as well as campuses within the system. She said that most importantly, she thought that e-portfolios will allow KCC to develop new partnerships with students.

Ms. Goya introduced faculty members, Lisa Kanae and Kawika Napoleon who reported on e-portfolio activities. Ms. Kanae said that Na Wa’a is an example of a student e-portfolio. It was designed to encourage self-reflection, self-assessment via learning-centered environment, encourages peer-to-peer, mentor-to-peer, and cross-curricular partnerships, making learning more visible and hands-on. Mr. Napoleon gave a brief demonstration, reiterating that the matrix was based on Hawaiian culture values.

Chairperson Lagareta said the Regents would be visiting with key legislators and asked Chancellor Richards if there were items in the supplemental budget he wanted the Regents to be particularly aware of. Chancellor Richards said that the items are integrated with the rest of the community colleges, such as work force development, Hawaiian, and nursing initiatives.

III. APPROVAL OF MINUTES

Regent Landon noted what might be typos in the Board’s December 15, 2005 minutes and said that he would discuss it with the Board’s staff.

Upon motion by Regent Migita and second by Regent de la Peña the Board unanimously approved the minutes of the November 17-18, 2005 meeting and the December 15, 2005 special meeting, as circulated.

IV. PUBLIC COMMENT PERIOD

Chairperson Lagareta explained that the Board’s goal for public comment is to be as accommodating as possible while still respecting the meeting agenda. After trying a couple of processes for public testimony, the Board has decided to provide two opportunities for those who want to testify. The first is at the beginning of the meeting and the other is at the time an agenda item is discussed. The Board will only hear testimony on an issue once from a particular individual but the individual may chose when he/she would like to give it.

The following individual testified on Agenda Item No. VI, Gifts and Grants, “MCC-TV-Educational Access Television.”

1. Mr. Shawn McLaughlin, former lecturer in Political Science, requested that the Board not accept a non-research grant from Akaku Maui Community Television to Maui Community College. He alleged that the University could assume substantial liabilities by accepting the funds. He added that there may be serious violations of ethics and law, requiring a complete and independent investigation.
Chairperson Lagareta asked that Mr. McLaughlin clarify his relationship to Akaku. He informed that he was formerly the President and CEO of Akaku and was relieved of this position on July 13, 2005.

Regent Haynes explained that having property interest in the building bought by Akaku, he had consulted with General Counsel Kirimitsu and upon advice, had recused himself from all negotiations to avoid even the appearance of conflict.

V. AGENDA ITEMS

University of Hawai‘i West-O‘ahu Proposal to Establish a Concentration in Early Childhood Education within the Existing Bachelor of Arts in Social Sciences as a 2+2 Program

Chancellor Awakuni requested approval of a proposal for a new concentration in Early Childhood Education (ECE) within the existing Bachelor of Arts (BA) program in Social Sciences as a 2+2 program to be offered jointly with Maui, Kauai, Honolulu and Hawai‘i Community Colleges.

Interim Vice Chancellor Mobley explained the first in a series of program proposals that will expand UH-West Oahu’s academic program into the field of education. He said that they are particularly proud of the partnerships with the other UH system community colleges because it represents a true collaborative process all the way through. The co-designers of the baccalaureate portion of the program include faculty of UH-West O‘ahu, as well as two faculty from Honolulu Community College who are experts in the field. This proposal is a response to a clear workforce need in the State of Hawai‘i brought by a move towards increased professionalization of preschool teachers.

Requirements for teacher preparation in a growing list of programs such as Head Start and Kamehameha Schools are being raised from two-year degrees to four-year degrees. Additionally, the National Association for the Education of Young Children (NAEYC) will require Bachelor degrees for teachers in accredited programs in a phased-in implementation of new standards that will begin this year in 2006.

Students will enter the program at the community college level with a curriculum common to all four campuses requiring 38 to 41 General Education credits and 19-22 credits in the field of ECE. With the current articulation plan, they will move to West O‘ahu with no redundancy or lost credits where they will take 21 upper division credits in Social Sciences and Humanities, 18 credits within the ECE concentration itself, 12-13 elective credits and six credit senior capstone practicum course. Only a three credit capstone is normally required. However, in this case, it has been expanded to six credits of practicum training at an ECE site. If approved, the program will begin in the Fall of 2006.

Regent Migita noted that Kapi‘olani Community College was not included in the proposal. Dr. Mobley explained that only the four community colleges with the ECE Associate in Arts degrees are involved.
Regent Tanaka commented that there is a need for such programs as he is a firm believer that education should begin between birth and kindergarten. He then moved to establish a concentration in Early Childhood Education within the existing Bachelor of Arts in Social Sciences at UH-West O'ahu. Regent Tatibouet seconded the motion followed by discussion.

In response to Regent Landon, Chancellor Awakuni said that conversations were held with Dean Hitz of the College of Education and Interim Vice President Johnsrud. For those students who might make their way through the program at UH-West O'ahu, they could articulate to Mānoa’s Master’s Program in Early Childhood Education. There is a track that will lead a student from the community college to West O‘ahu and ultimately to Mānoa if they so choose.

Chairperson Lagareta commented that this program responds to workforce development, early childhood education needs, and long-term education goals of the State. She added that it was exciting for the Regents to see the collaboration among the campuses to create this program.

Upon call, the motion was unanimously carried.

**Repairs and Maintenance Project Contract for Fiscal Year 2005-2006**

Director Yokota requested the approval of a consulting contract for the Capital Renewal and Deferred Maintenance - Project Management Services at the University of Hawai‘i at Mānoa at $418,000.

This professional services contract will allow the Mānoa Campus to contract project management services to address some of their critical workload issues involved in implementing their repair and maintenance projects on the campus. Due to the number of projects currently in construction, out to bid, and in design, additional support is needed in order to ensure that all of the projects are properly managed. The basic scope of services will include preconstruction, construction, and closeout phases for several projects. The work will include review and construction documents, developing and monitoring an overall construction time table and organizing and coordinating the final inspection. There will be a range of projects that will be included. The Mānoa Campus is very concerned about completing the repair and maintenance projects that they have and this is a way that they will be basically outsourcing the services to complete these projects.

Regent Tatibouet moved to authorize the University administration to enter into a consulting contract for capital renewal and deferred maintenance project management at the Mānoa campus for $418,000. Regent de la Pena seconded the motion.

Regent Albano inquired about the approximate cost of construction. Director Yokota said that it would depend on the number of projects they anticipated completing. Typically there is only one project involved but in this case, there is a range of projects since it was to address deferred maintenance. She will be checking with the facilities office for the estimated amount of this one group. Regent Albano followed as to the basis for the requested $418,000. Director Yokota explained that it may have been based on time involved in managing a number of projects. She added that these would be repair and maintenance for the buildings on the Mānoa campus and would not include the
dormitories. Regent Albano reminded that the Board had asked for a presentation on how consultants were selected.

Upon call, the motion was unanimously carried.

**Request to Retain Outside Counsel for the John A. Burns School of Medicine - Phase II Project**

Director Yokota requested that the Board approve the retention of outside legal counsel for the University of Hawai'i John A. Burns School of Medicine, Phase II Project (Project), 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’ Policies, Chapter 8, Section 8-1(c), in consideration of the impact of the retention of outside counsel on programs and operations.

On December 15, 2005, the Board approved the selection of Townsend Capital, Limited Liability Corporation (Townsend) for exclusive negotiations for a comprehensive real estate development agreement with the University for the Project. 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 Kobayashi, Sugita & Goda for the Project.

Due to the special legal expertise in real estate development and financing required for the Project, 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.

Billing will be on a monthly basis with the initial estimated cost at $50,000.

Regent Landon moved to retain the law firm of Kobayashi, Sugita & Goda to provide legal services in connection with the Phase II Project, including, but not limited to, assistance in the University’s negotiations with Townsend for a real estate development agreement. Regent Migita seconded the motion.

General Counsel Kirimitsu expressed that as the Cancer Research Center project and JABSOM II move along, it might be necessary to amend the contract with the attorneys. He therefore requested that the Board approve the action but with authority to amend the contract of retention as to the scope of work and cost as necessary in consultation with the Board’s task group on private/partnerships and the Chair.

Regent Albano commented that it might be a good suggestion since conceivably the projects might merge at some point. General Counsel Kirimitsu felt the legal work could be portioned so that one firm was responsible for the
construction and development phase and the other for the operational phase. Regent Albano added that the attorneys should be facilitators as opposed to litigators. General Counsel Kirimitsu assured that he would convey this point with the law firms involved. Regent Tanaka concurred, adding that a coordinator/facilitator should be assigned on the behalf of the Board. General Counsel Kirimitsu informed that the President had issued an Executive Policy on the public/private partnerships which included Regent Tanaka’s point.

Regent Landon, therefore, withdrew his original motion and moved to approve the retention of the law firm of Kobayashi, Sugita & Goda to provide legal services in connection with the Phase II Project, including, but not limited to, assistance in the negotiations with Townsend for a real estate development agreement with authority granted to the General Counsel to amend the scope and cost of the contract of retention as necessary in consultation with the task group on public/private partnerships, the Board Chair, and President. Regent Migita withdrew his original second and seconded the new motion which was unanimously carried.

Indemnification from the Institute for Astronomy with Aura-Gemini

President McClain stated that it was not necessary for the Board to consider this matter. He therefore withdrew the item from the agenda.

Telecommunications Course Fee for Courses in the Graduate Certificate Program in Telecommunications and Entrepreneurship, College of Engineering, University of Hawai‘i at Mānoa

Vice Chancellor Smatresk requested approval of a telecommunications course fee of $250 per credit hour for graduate courses required for the Graduate Certificate Program in Telecommunications and Entrepreneurship, offered by the College of Engineering on the Mānoa campus.

The Graduate Certificate Program in Telecommunications and Entrepreneurship was created from courses required for the master’s degree in electrical engineering at UH-Mānoa. The program was approved by the Mānoa Faculty Senate on December 7, 2005 and by the President on December 22, 2005. The College of Engineering has been asked by state and federal legislators and local business leaders for a number of years to provide graduate training for junior professionals in electrical engineering, computer science, and physics. Inquiries have been received from employees at Textron in Maui, the Pacific Missile Range Facility on Kaua‘i, and various military bases on O‘ahu who are unable to participate in courses offered on the Mānoa campus.

A number of factors prevented the College of Engineering from meeting these needs. Faculty in the College are already fully assigned to teaching courses required for the Mānoa-based degree programs. Consequently, funding was needed to hire faculty on an overload basis to teach the courses in this program.

In order to meet the needs of students who are unable to travel to Mānoa to complete their courses, the courses will be delivered online. Thus, courses will need to be modified for online delivery, which generates course development costs. In addition, to manage the various responsibilities associated with online courses, graduate students will be hired to assist the instructors.
While the need for the program exists, the actual enrollment is projected to be small, due to the full-time employment status of most students. In order to cover these expenses, a course fee, in addition to tuition, of $250 per credit hour is proposed. The proposed fee will allow the program to cover its expenses with a minimum of five students enrolled in the courses.

These courses will be offered through Outreach College. This fee would be paid by students in addition to the approved graduate tuition. If the fee is not approved, the College of Engineering does not have the resources to support the program. Consequently, the program cannot be offered.

Regent Migita moved to approve a telecommunications course fee of $250 per credit hour for courses in the Graduate Certificate Program in Telecommunications and Entrepreneurship, offered by the College of Engineering, Mānoa campus, effective Spring 2006. Regent Haynes seconded the motion.

Regent Dahilig expressed that he did not feel comfortable with this fee being more per credit hour than normal which is usually proportion to the actual tuition. In this case, it seems the tuition is being doubled. He asked if the $250 per credit hour was necessary throughout the life of the program. Vice Chancellor Smatresk responded that there is a fine balance between being able to offer a course and being able to afford to teach it. When the numbers in the classes are small, the economics would prohibit the class from being offered. Tuition revenues and other means of support are critical, especially in very focused areas like this. He added that he was not sure if the $250 per credit hour would be required for the life of the program. It would depend on class sizes.

Dr. Magdy Iskander explained that he had used a business module to justify how the $250 was derived. When presented to his colleagues from Maui they were surprised that was much lower than the courses they had accessed from schools such as USC where fees ran $1700 per credit hour. He said that they tried to do the best they could to provide the service while maintaining the lowest possible fee in order for the program to break even.

Upon call, the motion was carried by majority vote with Regent Dahilig voting in opposition.

2006 Session Legislative Package

Associate Vice President Tanaka updated the Board on the University’s legislative package. In October 2005, the legislative bills were presented at the Board’s meeting. There were a few changes since October.

UOH-06, proposed legislation that would give campus security more enforcement power, was withdrawn since UH-Mānoa decided to look at other options.

UOH-10 would allow the Board to determine residency by policy. The Governor’s Policy Office has decided not to introduce this bill. They feel that it appears contrary to public policy of transparency in rulemaking. However, they have allowed the University to pursue the legislation so it will do so and have the Legislature introduce the bill.

Regent Landon said that he was a bit uncertain about UOH-02, the fiscal flexibility, which repeals the 2006 sunset provision of Act 321/1986.
President Callejo explained that the law was passed in 1986, giving the University and the Department of Education more fiscal flexibility. That flexibility has been extended a certain period at a time. Last year, the University tried to repeal this in its entirety because after 20 years, DAGS does not want the additional work and the University has a system in place. The Legislature, nevertheless, extended the period for one year. UOH-02 merely attempts to extend that fiscal flexibility.

**Emergency Preparedness Plan**

Vice President Callejo reported that the emergency operations plan had been finalized, incorporating the comments received by the reviewing agencies. Nine of the ten campuses had submitted their updated plans.

At a recent forum on developing an academic disaster plan, Vice President Callejo heard from administrators of three colleges in Mississippi, Texas, and North Carolina, an administrator from New York University, and from the State Civil Defense. They all shared personal experiences dealing with the effects of Hurricanes Hugo, Katrina and Rita and the 9/11 attack on the World Trade Center. They stressed that emergency operation plans or disaster plans must be living documents that need to be kept current and simulations should be run to make sure students, faculty and staff understand it so in the event of a disaster, execution becomes automatic. In addition a business continuity plan should also be developed that would take effect after a disaster. While the emergency work of health and safety is underway, another unit should be assessing the business side of the campus to restore and maintain campus operations and resume education and research programs.

Regent Tanaka commented about Hawaiian Electric’s announcement regarding the possible need for rolling blackouts and its effect on campuses. Vice President Callejo said that Hawaiian Electric would send this information to the Civil Defense Coordinator and the chancellors. He would ask the chancellors to test their emergency generators at least once a month and to make sure their uninterrupted power source is working properly. Other than that, they have to look at conserving electricity. Vice President Callejo informed that all campuses have a plan in place to address different types of emergencies.

Vice President Callejo said that Mānoa expected to finalize its plan in about two weeks. Chairperson Lagareta explained that the Board had many inquiries on this and was therefore interested in what was covered in the plans.

**Second Decade Project**

President McClain explained that he asked his administrative team to develop a Second Decade Project which gives some sense to the following three questions for the second decade of this century:

1. How much higher education does this State need in the second decade of this century?
2. Of that amount, how much should be provided by the public sector and how much can be provided by the private sector?
3. Of the amount provided by the public sector, what will be the financing structure?
Vice President Johnsrud followed with a briefing on the Second Decade Project. She explained that the University is faced with a number of decisions that extend into the next decade. This project is intended to continue for the next few years as higher education needs are examined for the State of Hawai‘i. The purpose ultimately of the project is to identify higher education needs of the State in the next decade, determine those needs that should be met by which of the campuses within the UH system, and determine the means by which those responsibilities should be financed. The more immediate purpose of the process is to determine the relative priority of State higher education needs by region and more specifically, to use this information for the 2007-09 Biennium Budget proposal.

There are several underlying principles that undergird the analyses and the project as a whole. First, as the project is approached, the benefit to the State by a single cohesive system of higher education is recognized. There are other organizational models in other states but she thought that it was important to make clear that the project is based on the belief that Hawai‘i, given its population and geography, benefits from academic planning that encompasses all of the public higher education resources in the State. The system of campuses provides geographically accessible entry points into a comprehensive set of postsecondary offerings.

The second principle is that differentiating the missions of each of the campuses is critical to ensuring that each campus builds on its strengths and that as a system, an array of credentials needed by the citizens of the State is offered. The next underlying principle is the University’s obligation to use all of its resources wisely and effectively to benefit the citizens of the State. Since 2000, the enrollment at the University of Hawai‘i has surged at the same time its share of funds declined. Enrollment levels have leveled off and in absolute numbers, the University’s appropriations have increased but its share of the pie is smaller than it used to be. The University is competing with other State needs and that is particularly important as it looks to the future. Projecting the ability of the State to fund higher education in the future is a challenge.

The last underlying principle is the University’s need to balance its mission. UH is often referred to as the economic engine of the State and it is a billion dollar enterprise. But it must be remembered that it is not UH itself that should be the economic driver. The real point is that it is the well-educated and well-trained women and men who are the products of the University who are the real economic drivers of the State. With those principles in mind, the planning context includes population growth both in absolute numbers and percentages, high school graduation rates, per capita income, work force participation, educational attainment at three different levels, college going rates, both at two-year campuses and four-year campuses, and finally, job shortages and workforce needs. The University has analyzed these factors to determine the State’s need for increased higher education and has tried to set some priorities around these needs.

Following her explanation of the underlying principles, Vice President Johnsrud provided detailed data on the planning factors which included: population growth; high school graduation rates; income; workforce participation; educational attainment; college going rate; and workforce needs. Based on the data and analyses, they have tried to identify what is thought to be the most significant higher education needs for the State. Priority is for the University to increase the educational capital of the State. Specifically, the college going rates, the transfer rate from two-year to four-year campuses and the production of certificates, associate and bachelor’s degrees have to be
increased. The second higher education needs priority according to the analysis of the data is to expand workforce development initiatives by increasing outreach to those not in the workforce and expanding program capacity in critical shortage areas. The other state priorities for higher education are:

- Assist in diversifying the economy
  - Increase education to encourage entrepreneurship;
  - Increase technology transfer;
  - Increase responsiveness to training needs.

- Address underserved regions and populations of the state
  - Increase educational services to western O'ahu (Waianae, North Shore, 'Ewa) and West Hawai'i;
  - Increase student participation and success in all regions of the state, particularly East Hawai'i.

Each of the chancellors was asked to address the following questions to prepare for the next stocktaking round of the biennium budget planning:

- How can the UH campuses expand service to better meet State needs?
- How can the UH campuses increase student participation and success?
- How will we know we have succeeded?
- How will we pay for these initiatives?

Regent Haynes concurred that this effort will help to frame where future resources should be invested. Vice President Johnsrud said that was another one of the priorities, to address underserved regions and populations. She said that in addition to increasing educational services to areas such as West Oahu and West Hawaii, the University must continue thinking about off-hour delivery, weekend delivery, and more on-line delivery and think creatively about how to improve college going rates, retention rates, and the graduation rates.

Regent Albano asked if it was too early to think about expanding West Hawaii University Center to a two-year community college. Vice President Johnsrud said that she presented this to the chancellors and had some initial discussions but unfortunately Chancellor Freitas was not at the meeting but Vice Chancellor agreed that there was room for discussion. She added that what is interesting about the West Hawaii Center is that between 1999 and 2004, they facilitated 400 associate degrees. In some respect, they are already acting as a branch campus of Hawaii Community College. They also facilitated bachelor’s and master’s degrees and they do a significant amount of work with Hawaii Community College.

Regent Bender said he had read where the University was given low marks for efficiency and wondered if there were factors beyond its control that results in the University being considered low in efficiency. President McClain explained that the study that was reported in the Honolulu Star Bulletin was co-authored by Dennis Jones, who is the President of the National Center for Higher Education and Management Systems which lends credibility to the study. The data in the study pertained to 2000 and in some cases, 2002-2003. So it is a description of the status quo at that time across all states. One of the things that was not reported was the fact that the preparation of students for college has a lot to do with the productivity of the system, as indicated in Vice President Johnsrud's report. He added that there is an issue of economies of
scale. When there are small entities, the University’s fixed costs are higher therefore other low efficiency states such as Alaska and Maine also have many small entities. One gets more economies of scale when there are at least 5,000 students on the campus. The University, has in its system, ten campuses and other satellites such as LCC, Waianae. The only campuses that reached that 5,000 total is Kapi’olani Community College, Leeward Community College, and the Mānoa Campus which is at 20,000. Scale, therefore, probably becomes a factor. Decisions made in the past by the Board and the Legislature to establish a lot of smaller entities so that people have a shot at being connected to the University system result in higher costs. This suggests that distance learning will become a bigger player going forward. There is technology that will allow the University to overcome some of these fixed cost problems.

Since taking office, according to President McClain, he has tried to focus on improving the University’s efficiency. In spring of 2005 Vice Chancellor Smatresk was able to offer 8 percent more classes at Mānoa without any additional resources which suggests that there has been some slack in the system. In addition he has tried to improve articulation by making it more of a seamless system. It was important for the University to make students and their parents aware of the need to get ready to go to college. Dr. Shirley Daniel got the University started with a $10 million grant affecting literally thousands of families. The P-20 initiative funded again by Kellogg will be important as well.

Chairperson Lagareta agreed that, as indicated in the Second Decade presentation, the approach to economic development in the past has been through construction primarily. The real economic benefit comes from the people that the University educates to take their place in the economic structure of the community and State. It is a paradigm shift for some key decision-makers in the State. In concurring, Regent Landon added that there needs to be a way to provide much more education, interest people in more education, without significantly increasing cost. Vice President Johnsrd added that in line with this, a final priority would be for higher education to assist in diversifying the state’s economy by increasing entrepreneurship and responding to changing needs for a trained workforce.

Regent Haynes expressed that the political environment is short-sighted and the University does not see benefits from its products for the next ten to fifteen years. Chairperson Lagareta agreed that the University can set priorities within the institution but needs a partnership with government decision-makers. She felt that the University needs to help decision-makers understand what is taking place at the University rather than just delivering the plans. She added that this is where the challenge has been and continues to be. Therefore, she hopes to see an education/communication process for decision-makers in the government process. President McClain informed that the plan will also be presented to the Legislature.

Regent Yamasato asked if the decline in the going (to college) rates was attributable to a tight job market. Vice President Johnsrd said that other than the economy, she was not absolutely certain about the cause. President McClain suggested that it would make an interesting study to look at going rates in relation to other independent variables. He felt that rising incomes in the State have provided residents with more choices in addition to higher education.

Regent Bender inquired as to how the University compares nationally with respect to the percentage of students who do not complete their degrees in
six years. Vice President Johnson responded that Mānoa is average among its peers in graduation rates.

**Presentation and Decision-Making (Including Design and Budget) on Student Housing Project, University of Hawai‘i at Mānoa**

Chairperson Lagareta recessed the meeting at 11:38 a.m. and reconvened in the same location at 11:55 a.m.

Vice Chancellor Iwaoka asked that this matter be placed on the agenda in order to update the Board on status of the Frear Hall Redevelopment Project. He informed that work on Frear Hall began in September 2005 with a kickoff meeting of the student housing steering committee from UH-Mānoa. A design was selected and ACC has worked to put together a conceptual design. The Chancellor’s Office is working with Vice President Todo and Director Miyake on financing operations to facilitate this process and is in the process of hiring a full-time project manager to coordinate this project. Vice Chancellor Iwaoka commented that ACC has been extremely cooperative in listening to the various constituent groups, trying to incorporate as many of their suggestions as possible.

Mr. Jason Wills, Vice President for American Campus Communities (ACC), introduced ACC team members. He reported that ACC has been working with the University on establishing post-award project goals. The immediate goal identified was to maximize density, ensuring for as many bed spaces as possible. ACC felt it was important to create a residential community that responds to the current environment and promotes healthy student living. In addition the building must represent the Hawai‘i sense of place.

ACC ended up with three different designs: An L-shaped design; a chevron-shaped design and a Z-shaped design. ACC ultimately recommended the Z-shaped design. Mr. Wills further detailed some of the design features. The program presented was a mix of two bedrooms, one bath shared occupancies; four bedrooms, one bath private occupancies; two bedrooms, one bath, private occupancies; and an efficiency unit. Once additional phases come on line, ACC believes there will be 4,500 students going through the area every day. Therefore it was important to create an area that formalizes the pedestrian circulation. A town square would be created where outdoor events can be held. There would also be an area for shuttle and a loading zone to accommodate move-in.

The building itself is divided into two residential wings that connect through a corridor in the center and that is the bridge of the Z. That becomes an open elevator lobby where there will be a trash and recycling center. In addition to the residential rooms, there will be laundry areas on three of the floors, four student lounges, and four private academic study areas. One of the key issues in the sustainable design is that the common areas and the circulation are not air conditioned and because of this, ACC has created some substantial cost savings from an operating perspective. The lower level of the basement is where the building is maintained - there are boilers, a maintenance area, and a service dock. The elevators come down to this area, and this is where trash is taken out of the building as well - the trash chutes all connect to the lower area. There will also be a fitness area and a basketball court and a volleyball court and this area will be called the wellness deck. There will also be a small barbecue area.
Mr. Wills said that ACC has actually achieved some very successful outcomes. First of all, he said that they were very pleased that they have a very marketable student housing project. They believe that they have ideally balanced their approach to sustainability. They have increased the amount of indoor/outdoor space which really responds to the Hawaiian culture and climate. From a marketability perspective, Mr. Wills explained that the unit mix offers four different product points. There would be shared occupancy units for those on tighter budgets as well as three private bedroom accommodations considered to be competitive in the market. From a sustainability perspective, windows would be facing east and west. This design would reduce the heat gain and heat load on the building. The entire building circulation has been looked at including the hallways and elevators and are oriented for natural ventilation. The buildings on the north and northeast were opened to receive the tradewinds from Mānoa Valley all which could amount to a savings of approximately $30,000 to $70,000 in operating expenses. ACC also updated the configuration and created more of a Hawaiian style entry between the buildings.

Financially, the general construction contract, according to Mr. Wills, was $43.5 million, and the total development cost approximately $61 million. The year one revenue forecasted was $6.57 million annually. That would mean that rental rates would be 15 percent below comparable market rates. However, this only took into consideration ACC's operating expense and not the University's. Should the University apply the $25 million in general obligation bonds, rental rates could be reduced to approximately $4,250 per academic year which would be very competitive.

Mr. Wills then reported on some recent developments and changes to the project. The targeted 2007 opening will not be realized due to the very different construction market in the wake of the major hurricanes on the mainland. The new opening would be in 2008 with a project cost escalation of approximately $4.7 million. Increasing the bed spaces from the original 700 to 814 added another $5 million. The reconfiguration and realignment of the building also added to the cost. There has also been some scope changes and upgrades such as operable windows. ACC intends to identify areas for potential cost savings which include consolidating some of the meeting space, and reducing some of the basement area.

ACC has submitted the first stage of an environmental assessment (EA) and would like to get concept approval from the University immediately on the ACC proposed Z building design. A bridge agreement must be executed so that ACC can move forward in the process.

President McClain questioned whether the cost of re-orienting the buildings at the additional cost of $3 million could be justified from an energy reduction basis. Mr. Wills stated that, while ACC was still quantifying the energy savings figures, the usual projection to air condition the 100,000 square feet would amount to an additional $30,000 to $70,000 annually. President McClain said he needed to be sure that the University is fiduciarily responsible as well.

Regent Albano explained why ACC came to recommend a change to the two tower design. This was a substantial change and increased the cost by $20 million. Mr. Wills explained that from a student housing management perspective, whenever a campus has a community this dense, it is important to break it up. When the number of 800 students in this building was discussed, ACC became concerned about creating wings, creating neighborhoods, and
creating areas that could be appropriately managed. In addition, when the site studies came in, they realized that they had more site to work with and the best way to take advantage of that was by adjusting the configuration in order to get the extra beds in, thus making better use of the total site. The L-scheme had one properly oriented wing and had one that would bake in the sun. ACC felt that separating those buildings was a better decision. The final point was that more outdoor student space was possible with the current design. Mr. Will also acknowledged that an L-design would be completed faster. President McClain clarified that under the RFP, developers were asked to bid on a 700-bed system so that the University could make a comparison based on a common task. That was not ACC’s design but merely the design used to compare developers. Based on ACC’s success in the competition, the University is now in negotiations with ACC and they have now proposed, what is in their professional opinion, a better design. Mr. Wills concurred, adding that typically, after award, the process being used is common. Stakeholders are brought in who make comments on essentially a project that has been created in a vacuum until that point. It was important for ACC to get the University’s feedback and come up with a design incorporating some of those needs.

Regent Yamasato asked if specific line items resulted in the increase cost or whether it was merely due to the market. Mr. Wills stated that the reconfiguration of the building resulted in approximately $3.3 million of added costs. He also felt that the University is charging rental rates below market. Regent Albano, nevertheless, expressed concern in the increased cost and scope of the project and whether ACC will be able to meet the 2008 opening deadline. President McClain reiterated that the University is now in the phase where discussions are on what the project would look like. Regent Albano said that he agreed but the decision on design should have been brought to the Board earlier due to the significant increase in cost. President McClain responded that the original proposals received as part of the RFP were simply to allow the University to assess the developers’ qualifications and did not represent commitments to a precise design or to a precise cost. He stated that the administration’s intent was to bring to the Board something that is feasible in all dimensions. He added that if the timing is made the key factor, the University might end up with a project that is on time but in the long run not the best project. He assured that the final design recommendation and rental rates will eventually be brought to the Board for approval.

Responding to Regent Tanaka’s inquiry on funding, Vice President Todo explained that when this project was initiated, there were no public funds available. This is the reason why this was done as a public/private partnership. In the RFP process, there was leeway made to allow the University to use public funds should they become available and in fact this is what happened. He said the Legislature provided $25 million of general obligation bonds that can now be used specifically for this Frear Hall Redevelopment Project. In addition, the Legislature gave the University a $100 million authorization to issue revenue bonds for this and other student housing type projects. The administration feels that the rental rates would be able to cover the bond covenant.

Chairperson Lagareta expressed appreciation for the fact that the administration and ACC were involving the major stakeholders in the process because they will be the ones living in the dorms and operating the facility. She said she was not surprised that the plan had changed but that it was important that the University does the best job for its students. If it is going to cost more, this would be acceptable to her provided there was a justification.
Regent Tatibouet asked if solar power would be part of the design. Mr. Wills informed it would not be used since it did not prove to be cost effective for this project. However, more decisions will be made as they get further into design development. Regent Tatibouet further suggested that double pane windows would help heat reduction. She commented that the design was more luxurious than needed for a dormitory. Acknowledging that while others may not share her view, she nevertheless felt the University must act responsibly when dealing with public monies and should therefore build what it can afford, taking into consideration operation and long-term maintenance requirements. Regent Dahilig followed, expressing concerns over security issues caused by having too much open common area. He related that from his experience as a dorm resident, open areas are less durable due to their constant exposure to the elements and will have some effect on maintenance costs. He was therefore surprised by ACC’s survey indicating that students wanted more open-air common areas. Mr. Wills felt that some of what Regent Dahilig had observed at the dorms was due to deferred maintenance and not exposure to the elements.

Regent Albano, concurring with Regent Tatibouet’s earlier remarks, stated that this student housing project would be setting the standard for future such projects. The University must therefore be careful and should not build something too lavish that cannot be re-created. Mr. Wills responded that the current standard for student housing at Mānoa is far below market. ACC believes that this project will re-define Mānoa’s student housing market and create a cash flow to where other projects can be renovated, justifying increases in rental rates and revenues. Regent Albano reiterated that if the University was comfortable with the Z design the project can move ahead but his expectation for a 2008 completion stands. Mr. Wills explained that every project has its challenges and the key is to maintain a decision-making process commensurate with the timeline. Secondly, the University can assist ACC in dealing with EA approvals and the permitting process.

Regent Landon 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, HRS. Regent Haynes seconded the motion which was unanimously carried. The meeting recessed at 1:03 p.m. and reconvened at 4:38 p.m. in the same location.

VI. GIFTS, GRANTS AND CONTRACTS

NOTE: Regent Haynes recused himself from this portion of the meeting due to a possible conflict involving one of the grants.

Vice President Gaines reported that during the period, November 1, 2005 through November 30, 2005, the University of Hawai‘i system received approximately $22 million in research and training grants. For the first six months, the award level is $228 million which is 67 percent of last year’s total.

Vice President Gaines commented on a quote that was in the Honolulu Star Bulletin that research at the University of Hawai‘i spends more money per faculty member to bring in research money. He said that historically, with a relatively low overhead rate, the University is viewed as efficient and does not spend enough money to bring in the volume of awards being received. Chairperson Lagareta suggested that this needs to be corrected with the media.
Regent Bender 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 January 19, 2006. Regent de la Peña seconded the motion which was unanimously carried.

VII. 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, Attachment #3, of the Board of Regents’ agenda dated January 19, 2006.

UNIVERSITY OF HAWAI'I, SYSTEM

Emeritus

CHING, DORIS M.
Vice President
Office of Student Affairs
Upon Board Approval

UNIVERSITY OF HAWAI'I AT MĀNOA

Managerial

CAMBRA, RONALD
Assistant Vice Chancellor, UHM
Off of the VC for Academic Affairs
Reassignment
Upon Board Approval

UNIVERSITY OF HAWAI'I AT HILO

Executive

TAMASHIRO, CORINNE
Interim Dean (UHH)
College of Continuing Educ & Comm Svc
December 31, 2005 - December 30, 2006, unless sooner relieved

The following personnel actions were re-posted for approval from the Board of Regents' December 15, 2005 meeting.

UNIVERSITY OF HAWAI'I, SYSTEM

MCCLAIN, DAVID
Interim President
Office of the President
Salary Adjustment
July 1, 2005
Managerial

HASHIMOTO, BRENNA
Associate Director of Human Resources
Office of Human Resources
December 1, 2005 - November 30, 2006

MIYAKE, RUSSELL
Director of Financial Management & Controller
Financial Management
Salary Adjustment
January 1, 2006

UNIVERSITY OF HAWAI'I AT MĀNOA

Executive

BINGHAM, THOMAS R.
Interim Dean, UHM
College of Arts & Humanities
January 1, 2006 - December 31, 2006

Managerial

MOCHIDA, PAULA
Interim Associate University Librarian
Library Services
Reassignment
January 1, 2006 - December 31, 2006

Professor or equivalent

JAMIESON, WALTER
Professor, I5
School of Travel Industry Management
Tenure
December 16, 2005

UNIVERSITY OF HAWAI'I AT HILO

Executive

PEZZUTO, JOHN M.
Dean (UHH)
College of Pharmacy
June 1, 2006 - May 31, 2011 with review
during the third year of the appointment

Professor or equivalent

PEZZUTO, JOHN M.
Professor, I5
Chemistry
Appointment & Waive the Probationary Period
to Allow for Expedited Tenure Proceedings
June 1, 2006
UNIVERSITY OF HAWAI‘I -WEST OAHU

Executive

MOBLEY, JOSEPH JR.
Interim Vice Chancellor (UHWO) (Academic Affairs)
Office of the Chancellor
Reappointment
January 1, 2006 - December 31, 2006

COMMUNITY COLLEGES

Executive

SILLIMAN, MARK
Chancellor (Leeward CC)
Off of VP for Community College
Reassignment & Non-renewal of Appointment
December 1, 2005

The following personnel actions were re-posted for approval from the November 17, 2005 meeting of the Board.

UNIVERSITY OF HAWAI‘I, SYSTEM

Executive

CHING, DORIS
Vice President for Student Affairs
Office of the VP for Student Affairs
Salary Adjustment
November 21, 2005

GAINES, JAMES
Interim Vice President for Research
Office of the VP for Research
Performance Incentive Award
November 21, 2005

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
November 21, 2005

UNIVERSITY OF HAWAI‘I AT MĀNOA

Executive

CUTSHAW, KATHLEEN
Acting Vice Chancellor, UHM
Office of VC for Admin, Finance & Operations
Salary Adjustment
November 21, 2005
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  
November 21, 2005

HUGHES, JUDITH R.  
Dean, UHM  
College of Arts & Humanities  
Salary Adjustment  
November 21, 2005

PERKINS, FRANK  
Asst VP Research & Graduate Ed  
Office of VC for Research & Graduate Ed  
Salary Adjustment  
November 21, 2005

PORTER, EDGAR  
Interim Dean, UHM  
School of Hawaiian, Asian & Pacific Studies  
Salary Adjustment  
November 21, 2005

SAKAGUCHI, RODNEY  
Vice Chancellor, UHM  
Office of the VC for Admin, Finance & Operations  
Salary Adjustment  
November 21, 2005

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 Affrs) & 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 Affrs)
Hawai’i Community College
December 1, 2005 - November 30, 2006

MASUTANI, CAROL A.
Vice Chancellor, CC (Administrative Affrs)
Kapi’olani Community College
Salary Adjustment
November 21, 2005

TAGOMORI, ALVIN R.
Vice Chancellor, CC (Student Affrs)
Maui Community College
Salary Adjustment
November 21, 2005

TAMANAH, DAVID S.
Vice Chancellor, CC (Administrative Affrs)
Maui Community College
Salary Adjustment
November 21, 2005

wiger, florence h.
Vice Chancellor, CC (Academic Affrs)
Maui Community College
Salary Adjustment
November 21, 2005

Regent Bender moved to approve all of the personnel actions as listed above. Regent Albano 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 January 19, 2006.)
VIII. UNIVERSITY OF HAWAI‘I FOUNDATION REPORT

In the absence of a representative from the UH Foundation, President McClain reported on their behalf. The Foundation crossed the $100 million mark in its campaign. Chairperson Lagareta commented that the reports were submitted and the Board looked forward to having the Foundation at its next meeting. She has been attending the Foundation board meetings and reported that the Foundation is faced with workforce challenges. She acknowledged that passing the $100 million milestone was a major accomplishment.

IX. REPORT OF THE EXECUTIVE OFFICER

President McClain announced that Vice President and Chief Financial Officer Todo will be providing a financial report at the Board's February meeting. He distributed copies of a brochure on institutional benchmarks as prepared by Vice President Johnsrud.

Mānoa Chancellor Konan reported that she and Chancellor Sakamoto were among 120 university presidents and chancellors recently invited to the Department of State by Secretary of State Condoleezza Rice and Secretary of Education Margaret Spellings for a summit on international education. The focus was on welcoming foreign scholars and students to the United States in order to strengthen science and technology as well as to promote international relations. President Bush made it clear that this is a way to increase the global awareness of the American culture and promote global peace. They also support the promotion of Hawai‘i’s students studying abroad as well as the study of foreign languages. She added that there was special emphasis placed on community colleges and the role they play in providing continuing education opportunities for foreign students.

Chancellor Richards was then asked to report on his trip to the Philippines with Governor Lingle. He said that in April 2004, the Governor, in anticipation of her trip and the centennial of the arrival of the Filipinos in Hawai‘i, established three task forces - economic development, agriculture, and health. KCC was asked to join the health task force which is chaired by Bob Awana who is the Chief of Staff for Governor Lingle. Four agreements were signed with various institutions in the Philippines. There will be teacher training and faculty will be sent to these schools to visit their clinical sites to get a first-hand experience in terms of what the needs are. As a follow up to this, the Legislature awarded $30,000 to Kapi‘olani Community College to at least help nurses from the Philippines who are now in Hawai‘i to upgrade their skills so that they can pass the National Board of Nursing Exam and be able to work with registered nurses in the State of Hawai‘i.

President McClain reported that the University had a good session with the budget committees on January 12 and anticipated many more of these sessions throughout the Spring.

X. NEW OR OTHER BUSINESS

There was no new or other business.
XI. ANNOUNCEMENT

Next Meeting

Chairperson Lagareta announced that the next regularly scheduled meeting of the Board would be held on Thursday, February 16, 2006, at Honolulu Community College. She also announced that an informational meeting on the proposed University Affiliated Research Center would be on Friday, January 20, 2006 at 1:00 p.m. at the Campus Center Ballroom, University of Hawai‘i at Mānoa.

Chairperson Lagareta thanked the faculty, staff and students of Kapi‘olani Community College for their hospitality and their assistance with the logistics of the meeting.

XII. ADJOURNMENT

The meeting was adjourned at 4:59 p.m.

Respectfully submitted,

David Iha, Executive Administrator and Secretary of the Board