

**MINUTES  
UNIVERSITY OF HAWAI‘I BOARD OF REGENTS’  
MEETING OF  
April 20-21, 2006**

**I. CALL TO ORDER**

The meeting was called to order by Chairperson Kitty Lagareta on Thursday, April 20, 2006 at 11:10 a.m. in Room 105, Hale ‘Ākoakoa, Windward 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; President David McClain; Executive Administrator and Secretary of the Board David Iha; and Executive Assistant Carl H. Makino.

Also present were Mr. Walter Kirimitsu, University General Counsel; Mr. Sam Callejo, Vice President for Administration; Dr. James Gaines, Interim Vice President for Research; Dr. Linda Johnsrud, Interim Vice President for Academic Planning and Policy; Dr. John Morton, Interim Vice President for Community Colleges; Mr. Howard Todo, Vice President for Budget and Chief Financial Officer; Ms. Karen Lee, Interim Associate Vice President for Student Affairs; Ms. Carolyn Tanaka, Associate Vice President for External Affairs and University Relations; Dr. Gene Awakuni, Chancellor, University of Hawai‘i at West O‘ahu (UH-West O‘ahu); Ms. Peggy Cha, Chancellor, Kauai Community College; Dr. Rockne Freitas, Chancellor, Hawai‘i Community College; Dr. Denise Konan, 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, Chancellor, Kapi‘olani Community College; Dr. Rose Tseng, Chancellor, University of Hawai‘i at Hilo (UH-Hilo); Dr. flo wiger, Vice Chancellor, Maui Community College; Ms. Jan Yokota, Director, Office of Capital Improvements; Dr. David Lassner, Chief Information Officer; Ms. Kathy Nelson, Associate Vice President for Development, University of Hawai‘i Foundation; Dr. J. N. Musto, Executive Director, University of Hawai‘i Professional Assembly (UHPA); and others.

**II. APPROVAL OF MINUTES**

Upon motion by Regent Landon and second by Regent Migita, the Board unanimously approved the minutes of the February 16-17, 2006 meeting, as circulated.

Upon motion by Regent Dahilig and second by Regent Landon, the Board unanimously approved the minutes of the February 9, 2006 special meeting, as circulated.

Upon motion by Regent Landon and second by Regent de la Peña, the Board unanimously approved the minutes of the February 28, 2006 special meeting, as circulated.

Upon motion by Regent Landon and second by Regent Haynes, the Board unanimously approved the minutes of the March 7, 2006 special meeting, as circulated.

### **III. PRESENTATION BY ANGELA MEIXELL, CHANCELLOR OF WINDWARD COMMUNITY COLLEGE**

Chancellor Meixell's presentation was deferred to further in the agenda and Chairperson Lagareta announced that the following item would be taken out of order.

### **IV. PUBLIC COMMENT PERIOD**

The following testified on agenda item No. 6, "Petition by Akaku Maui TV to Amend Hawai'i Administrative Rules Relating to Use of Facilities."

1. Mr. Lance Collins, Esq. attorney, informed that he had submitted a petition for modification of the rule governing the use of grounds and facilities at the university. He said Akaku felt that when current practice changes in terms of PEG access that those decisions should be brought before the Board of Education and Board of Regents as applicable. The petition seeks to amend the University's administrative rules to essentially clarify and codify that if current practice needs to change, that would have to go before the Board for approval. Mr. Collins said that the initial petition was withdrawn, amended, and resubmitted because the Board of Education expressed that the language would interfere with its current practice.

Chairperson Lagareta said it seemed that Akaku wanted the Regents to provide a platform for a discussion. Mr. Collins affirmed this understanding.

Regent de la Peña asked if county legislation would be needed to enable them to provide PEG access. Mr. Collins said that there is no county involvement in PEG regulation in this state although DCAA does allow for input from the county government.

Regent Haynes said that he was aware that there was a dispute with Maui Community College and asked if it had been resolved and how this request affected MCC. Mr. Collins said that for the last two years, there had been some dispute over PEG access on Maui. There had been a number of problems and from his understanding, these problems were resolved.

2. Kealii Lopez, President and CEO of Olelo Community Television, said Olelo had no position on the matter. However, she wanted to ensure that the Board was aware of its relationship with Olelo. She provided a brief overview of Olelo which is an independent, non-profit PEG access organization serving O'ahu. Ms. Lopez added that her understanding was that the petition did not impact Olelo's current relationship with the University of Hawai'i.

## **V. REPORT OF EXECUTIVE OFFICER**

President McClain deferred his report to further in the agenda.

## **VI. AGENDA ITEMS**

### **Proposed Service Agreement with Hawai'i Campus Developer, Hawai'i Community College (Information Only)**

Chancellor Freitas informed that on June 24, 2005, Hawai'i Community College solicited a request for qualifications (RFQ) from companies interested in engaging in exclusive negotiations for the construction of a new community college campus in Hilo and a new campus for the University of Hawai'i Center in West Hawai'i. On July 29, 2005, a short list of respondents was completed and at the October Board of Regents' meeting, approval was received of the recommended developer.

On October 28, 2005, exclusive negotiations began with Hawai'i Campus Developers. On March 29, 2006, negotiations were successfully completed for a development services agreement with Hawai'i Campus Developers. This will be for a Phase I feasibility study and a Phase II campus development and management plan for a new Hawai'i Community College campus in Hilo. In addition, a request was submitted to the State legislature to include the West Hawai'i campus development in Kona and the Hilo Manono site in the capital improvements program appropriations awarded to the college for the Komohana site in the first year of this current biennium. This development services agreement is to be completed in approximately twelve months. Phase I to be completed in six months will include preliminary master planning and preparation of an environmental impact statement and State land use boundary change petition and county zoning application as well as market real estate and other studies necessary to prepare a financial feasibility study and a transactional plan. Following the University's approval of Phase I, Phase II will commence and include preparation of a campus master development plan, continued engineering design and processing of the land use and zoning applications.

The cost for the one-year development services agreement is approximately \$4.5 million of the \$6.9 million appropriated in the 2006 budget for the planning and design of the Hawai'i Community College campus. The balance of the appropriation will be used to cover legal and privatization consultant services as well as to study the West Hawai'i property once the 2006 Hawai'i Community College's capital improvement project appropriation item is amended by the legislature to include the West Hawai'i property.

Due to the complexity of the agreement, the law firm of Carlsmith Ball was retained to prepare and review the development services agreement and related documents.

Regent Haynes inquired about the status of the negotiations with Hiluhilu Developers. Chancellor Freitas informed that Hiluhilu has a property adjoining the 500-acre site for the West Hawai'i campus. Under the previous administration, a memorandum of understanding (MOU) was engaged with Hiluhilu. The terms and conditions contained in that MOU are already in the land use terms and conditions of approval that came out of that board. In addition, Chancellor Freitas said he had

participated in hearings before the County Council and would be negotiating with Hiluhilu. He said that Hiluhilu offered to build the first building on the West Hawai'i site.

In response to Regent Tanaka's concern about a time line, Chancellor Freitas said that he could not proceed until the funds were secured. He added that as soon as funds are received, they can issue a notice to proceed. The first phase will take about six months and the second phase another six months. They are looking at a year before they can get into a real estate development contract and get some shovels into the dirt.

Regent Albano commended Chancellor Freitas for his work, stating that this is a complex arrangement in the development of a campus in East Hawai'i as well as West Hawai'i. Hiluhilu will not only provide stopouts, but the capacities for both water and sewer will increase the size of the road and have Hiluhilu build on the University of Hawai'i site; originally under the old memorandum of understanding, Hiluhilu was to build for UH on their site. Chancellor Freitas is now negotiating to have Hiluhilu build that facility on the University's site on the West Hawai'i side. On the Hilo site, Chancellor Freitas has actually taken work that should have been done in the beginning to determine the feasibility of developing that campus. Chairperson Lagareta conveyed the Board's appreciation.

**Lease Agreement for Offsite Storage and Processing Facility at Dole Office Building for University of Hawai'i at Mānoa, Library Services**

Vice Chancellor Smatresk requested that the Board authorize the Administration to enter into a lease agreement with Castle & Cooke Commercial, Inc., for approximately 3,869 square feet of space located at 680 Iwilei Road, in the building known as the Dole Office Building. The lease will run for an initial term of one year with a provision for three (3) one-year options to extend.

Ms. Diane Perushek, Mānoa Librarian, explained that eighteen months ago, the Mānoa flood went through the basement of Hamilton Library. Since that time, none of the 23,000 square feet lost has been reclaimed. The latest prediction is that it will not be until 2009 before the basement is completed. About 50 staff members are now scattered throughout the library and other buildings on the Mānoa campus. Recently, some of the replacement materials that were ordered have been received and some of the regular acquisitions are coming in as well and there is no place to receive or process them. Two million items were lost and the plan is to replace half of these lost items. The available space in the campus libraries is insufficient to house replacement library materials and provide space for processing them. It is not possible to acquire additional space for these purposes elsewhere on the Mānoa campus.

The space located at the Dole Office Building has the load-bearing capacity that a library needs to shelve its books and also the air conditioning that runs continuously to keep the books from becoming moldy. This space will serve as the temporary processing and storage facility for the Government Documents and Maps Department, which was destroyed by the October 30, 2004 flood on the Mānoa Campus. The materials held in the facility will be available to library patrons through paging via courier service to the Mānoa Campus. This space will be at no cost to the University since it has been approved by the Federal Emergency Management Agency (FEMA) for cost reimbursement.

In response to Chairperson Lagareta, University General Counsel Kirimitsu said that his office had reviewed the lease agreement. Regent Tatibouet asked if FEMA would allow for extensions. Vice President Callejo said that this would be FEMA-eligible. What that meant was that the State would pay for it up front and get reimbursed by FEMA. There is \$31 million in general funds this year and if an extension is needed, a request would be made to FEMA.

Regent Migita asked how long it would take for the library to get back to its original, pre-flood operation. Vice President Callejo said that he was surprised to hear the 2009 date because he knew that a consultant was on board working on the design of the basement and would verify with the Mānoa Chancellor's office. Most of the other facilities damaged by the flood have been repaired. However, part of the project is to take the electrical and mechanical rooms out of the basement and build another facility to mitigate any flood problems in the future. This is another \$7 million project in addition to getting the basement back.

Regent Dahilig asked what was envisioned for the turnaround for students to page for items out of Dole Cannery. Ms. Perushek said that there will be only shelving and processing areas at Dole. It is expected that there will be a 24-hour turnaround, and allowance for a courier has been made.

Regent Tatibouet moved to authorize administration to enter into a lease agreement for 3,869 square feet of space with Castle and Cooke for storage and processing space to be used by the University of Hawai'i at Mānoa Library Services to receive, process, and store library materials until the ground floor of Hamilton Library is reconstructed. Regent Landon seconded the motion which was unanimously carried.

**Amend Board of Regents' Policy, Section 9-1(a)(7), Cooperating Teachers/Counselors and Observation/Participation Teachers, University of Hawai'i at Mānoa**

Vice Chancellor Smatresk announced that the Dean of the College of Education, Randy Hitz, had accepted a position at Portland State University.

Vice Chancellor Smatresk explained that there is currently a need for about 1,100 teacher mentors. There is a fee of \$25.00 per student who is not yet in the student teaching mode and \$125.00 for a mentor who takes on a student teacher. Hawai'i Pacific University pays \$300.00 for the same service. Nationally, the levels are significantly higher in many of the markets that would be comparable to the University of Hawai'i. What is being asked is for UH-Mānoa to be able to offer somewhat more market-driven for competitive rates for compensating and rewarding faculty mentors. Would the University be allowed to change the verbage in essence to allow presidential approval rather than Board approval of this particular rate in a responsible fashion; there are also some very specific line changes that clean up the policy a bit. This has been reviewed by Vice President Johnsrud.

Vice Chancellor Smatresk requested that changes be made to the Board of Regents' Policy on Cooperating Teachers/Counselors and Observation/Participation Teachers. University of Hawai'i at Hilo, with its teacher training program, also concurred with this request.

There is no additional cost with this request per se. There will be an additional cost if the President or his designee approve a change in the

compensation provided to cooperating teachers and if the campuses chose to award the compensation at the higher level. Neither the College of Education (COE) nor the teacher education programs at Hilo has the resources to cover the additional expenses that may be incurred with a change in compensation. Therefore, it will be necessary to seek funding for the additional costs if a change is made. The estimated cost for UH-Mānoa is approximately \$122,350 and for UH-Hilo to be \$25,000. No additional compensation will be provided until funds are available.

The major reason for the changes to Board policy is because the current policy allows for compensation of cooperating personnel at a level that is far below what it should be in today's market. In fact, the University of Hawai'i currently pays cooperating teachers much less than some other institutions of higher education in Hawai'i. The specific request at this time is to simply give the President or his/her designee the authority to set the compensation level for cooperating teachers. Part of the impetus for this request is, however, the fact that the current compensation level has not been changed for over fifteen years and it is insufficient. So the primary reason for the amendments was to allow for an increase in the level of payment to cooperating teachers up to market rates.

The following changes were recommended to Section 9-1 (a) (7):

(7)(a): Change "education majors" to "teacher preparation candidates." Delete "This practice teaching is accomplished predominantly in DOE schools."

Many of the teacher preparation candidates are in certificate rather than degree programs. The language "teacher preparation candidates" includes all people preparing to be teachers and is, therefore, more consistent with the intent of the policy.

Eliminate the requirement that practice teaching be done predominantly in DOE schools. Some teacher candidates may be better served by doing major parts of their practice teaching in independent schools.

(7)(d): Change "Deans of the College of Education and Hilo's College of Arts and Sciences" to the "appropriate Dean or Director of an educator preparation program".

(7)(d)(1): Change "Deans" to "Dean or Director".

(7)(d)(3): Change "shall" to "may" and "may be changed only by the Board of Regents" to "of which is to be determined by the President or his/her designee".

It was suggested that authority for determining the compensation for cooperating personnel be given to the President or his/her designee. This will make it possible for the University to better respond to market demands and the needs of cooperating personnel.

Regent Landon moved to amend Board of Regents' Policy, Section 9-1(a)(7), Cooperating Teachers/Counselors and Observation/Participation Teachers, University of Hawai'i at Mānoa as requested. Regent Haynes seconded the motion followed by discussion.

In response to Regent de la Peña, Vice Chancellor Smatresk said that teacher mentors are current teachers. He added that there was a request in the current supplemental budget that may or may not come to fruition. Until those funds were secured, there will not be any changes made to the rates.

Upon call, the motion was unanimously carried.

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

**Amendment to Board of Regents' Policy 11-1, Community Fund Drives**

Vice President Callejo requested that the Board approve an amendment to its policy on Community Fund Drives to make it more in line with today's needs.

The purpose of this amendment is to bring the BOR Policy up to date and allow the University of Hawai'i to be more active in participating in community fund drives. BOR Policy 11-1 states in part that ". . . only one major fund drive will be conducted on the University of Hawai'i Mānoa Campus . . ." and it goes on to say that ". . . the University of Hawai'i will confine its active participation to the major fund drive sponsored by the Aloha United Way." Since this policy was adopted in May of 1966, the University of Hawai'i has added campuses and participated in community, national and international fund drives to assist those in need. The annual Hawai'i Food Drive is currently underway and a request for the president to endorse and encourage the University community to support this drive was received. Although the University of Hawai'i has been supporting this Food Drive for years and the University of Hawai'i is the State's largest contributor, it was realized that the current BOR Policy does not allow the University of Hawai'i to participate. Therefore, this amendment to the BOR Policy is being proposed to give the president the authority to determine which community fund drives the University would participate in.

Regent Landon moved to amend Board of Regents' Policy 11-1, Community Fund Drives. Regent de la Peña seconded the motion followed by discussion.

Regent Tanaka asked if there was a coordinating office at the campuses for these fund drives. Vice President Callejo said normally a request comes from the State administration. The University does have a coordinator who works with the campuses. In the case of the neighbor islands, they have their own neighbor island drives. The food drive for O'ahu is coordinated through the system office and each campus has its own coordinator.

Regent Migita asked if there was a process to look at Board policies. President McClain said that someone should be retained to do this again. The last time it was done was in 2001.

Upon call the motion was unanimously carried.

Regent Tatibouet moved to enter into executive session to take up personnel and legal matters and to consult with the Board's attorney. Regent Haynes seconded the motion which was unanimously carried. The meeting was recessed at 11:59 a.m. to enter into executive session and reconvened in open session on Friday, April 21, 2006, at 9:00 a.m. in the same location.

**Friday, April 21, 2006**

**PRESENTATION BY ANGELA MEIXELL,  
CHANCELLOR OF WINDWARD COMMUNITY COLLEGE**

Chancellor Meixell provided an update on Windward Community College's accreditation status. She reported that WCC had not disregarded the process and had worked to put into place a process involving the entire college to satisfy standards of the Accrediting Commission as well as WCC itself. They are updating the strategic plan that went to the budgeting committee who found it easy to set the biennium budget priorities because they were now clear.

WCC's credit faculty and non-credit faculty have been writing student learning outcomes for all of their courses. They are 70 percent complete. In addition, the self-study is being edited, and this will be shared with the Board at that time.

Dr. Floyd McCoy, Faculty Senate Chair, reported on WCC's educational outreach and programs.

The Center for Aerospace Education involves four different facilities which represent an investment in credit programs and outreach into the community. It is a 20-year anniversary of this assemblage of programs - that 20-year program represents an input to this campus and the system of about \$5 million. This has brought in over 200,000 visitors. WCC is home to the Aerospace Exploration Lab, an educational resource created by Dr. Joseph Ciotti, WCC professor of astronomy, physics and math. Embedded in this is the Hokulani Imaginarium, where astronomy is being taught, where there is significant outreach, and a support of the Hawaiian Studies program through Polynesian voyaging which is one of the key components of the Hawaiian Studies program, a team taught course that involves science and cultural aspects and history into the ancient Polynesian voyaging.

WCC is just developing a Department of Education teacher professional development program through funds from the No Child Left Behind mandate. Castle Foundation has provided WCC with a large grant and is building upon grants with them through the National Aeronautics and Space Administration (NASA) and other organizations. This is a \$225,000 grant which is to establish an umbrella organization called the Pacific Center for Environmental Studies. This was combined with a program through the National Oceanic and Atmospheric Agency (NOAA).

Looking towards WCC's current emphasis in the Second Decade Project, WCC has used funds to enhance everything that is being done in terms of equipment and supplies. It has also rebuilt its laboratories, the Hoā'aina RS/GIS Center, the remote sensing and geographic information systems, the Marine Option program, research projects, and added internships. All of this is made possible through the Castle Foundation grant. Among the themes - ridge to reef and embedded in this is the connection to the Hawaiian Studies program, a very critical component in the programs. The RS/GIS Center has been completely rebuilt and upgraded.

Some of the research programs run by the science faculty include the sea grass study, and a NASA-funded project to look at the effect of weightlessness on the eyes of fish. The physiological connections of this to humans should be pretty clear. A research program of particular appropriateness right now is a program

where a lot of background work was done on study sites on water quality considering the contamination that has come to the beaches.

Another research program at the Hawai'i Institute of Marine Biology involves the reproductive biology of coral. Environmental factors influencing development of coral, for example, and its relationship to symbiotic algae is critical because if that relationship breaks down, the coral dies which is coral bleaching. This is a research program dealing with the fresh water inundation on coral reef which is appropriate because of the water pollution problems caused by recent rains.

Chairperson Lagareta asked how many students were enrolling in these programs. Chancellor Meixell informed that the enrollment was 1,713.

Regent Tanaka inquired about the total value of the grants received at WCC. Dr. McCoy informed that WCC this year was up to \$800,000 plus Dr. Ciotti's program which would be \$5 million over twenty years.

Chairperson Lagareta commended Chancellor Meixell and WCC for their outstanding work.

### **REPORT OF EXECUTIVE OFFICER**

President McClain commended the campuses for their efforts on sustainability. Under Chancellor Konan's leadership a sustainability council had been formed led by Professor Mary Tiles to support all the initiatives. With Vice President Callejo leading the system's collaborative efforts working with the Mānoa leadership, the goal is to achieve energy efficiency in the design of the new dormitories on Mānoa.

President McClain reported that he will be accelerating his efforts in fundraising. He was in Japan attending the Crown Prince Akihito Scholarship Fund event. While in Japan, he also met with the Rainbow Aikane Alumni Group, led by Mr. Herbert Kimura who is a 1962 graduate, and the Chairman of the Fujitsu Corporation, the CEO of Airbus Japan, head of Korn Ferry Japan, and the head of AOL wireless operations there. President McClain said it was a productive trip.

The administration, along with the state, focused on a pandemic that may find its way to the islands. President McClain and Vice President Callejo participated in a state-sponsored table-top exercise as part of a national initiative to go through a simulated scenario of a pandemic and how different state agencies would respond. The Governor is having a planning session on a pandemic that Vice President Callejo will be attending on behalf of the university.

The campuses will be participating in a stocktaking process at which time the chancellors will make their case for additional funds in the next biennium.

On the legislative front, the Conference Committee on the Budget will be convening. The Board had asked for operating funds of \$41.5 million; \$6.6 million in working capital for scholarships was subsequently withdrawn after Vice President Todo determined that the University had sufficient funds to handle this. Hence, the net supplemental budget request is \$35 million. For the first time in many years, new money over and above collective bargaining was received in the biennium. The House version of the budget is about \$36 million and the Senate is about \$30

million. The House budget included \$66 million from general obligation (GO) bonds and \$53 million from general (G) funds. The Senate's version was \$48 million for the capital improvements program (CIP) from GO bonds and another \$10 million from CIP. President McClain said he appreciated the support of the legislature for the University's budget.

Associate Vice President Tanaka reported on legislative bills of interest to the University. She reported that from the legislative package, two bills were still alive. One was before the Governor for signature which is a housecleaning bill on the Hawai'i Commission on National and Community Service. The fiscal flexibility bill sits in conference committee. The University asked for permanent authority over its purchasing and accounting services. The House gave it to the University and the Senate gave the University until 2008 to continue that authority. The cigarette tax bill is scheduled to go to conference committee. The original bill gave 50 percent of the increased revenues to the Cancer Research Center which is the University's position. The House version took the Cancer Research Center out and replaced it with JABSOM. The work force development bills were moving. The rapid response development and training program bill and the construction academy were set for conference committee hearings. The bill on the B+ scholarship was also moving.

Associate Vice President Tanaka also reported on resolutions before the legislature. Senate Concurrent Resolution 85 requested the auditor to review the University of Hawai'i Board of Regents' conflict of interest policy and requested that the auditor look into public disclosure of the Regents' financial disclosures. Senate Concurrent Resolution 97 related to a management audit of student housing services at UH-Mānoa. The House and Senate have both passed out House Concurrent Resolution 137 which urges the University to commit to maintaining a systemwide office of the Vice President for Student Affairs at the system level. Both houses passed that resolution. The Governor also sent down the name of Marlene Marie Hapai for consideration as the gubernatorial nominee for the Big Island Regent position to expire June 30, 2007.

Chairperson Lagareta questioned if the issue of micro-managing ever arises when legislators look at bills and resolutions such as the one on the Vice President for Student Affairs. President McClain said that his testimony acknowledged and appreciated the legislators' interest in the welfare of the University but noted that the Board of Regents had exclusive authority over the structure, management, and operations of the University. This resolution is advisory in nature. He had informed the legislature that a process was already underway to search for a Vice President for Student Affairs at the system level. However, under his devolution initiative, each position was being looked at including the Vice President for Student Affairs.

Chairperson Lagareta wondered how the Board can bring the legislators along on the issue of University organization because things may have made sense under the previous structure but as the Board has evolved, some things may not make sense any more. They need to work together a bit more productively. Associate Vice President Tanaka agreed that there should be more communication between the University and the legislature on autonomy. Chairperson Lagareta said that University General Counsel Kirimitsu had represented the Board on the issue of conflict of interest. What the Regents did, under previous Chairperson Patricia Lee, was to review its policy. It was determined that the Board had a good policy. She added that all Regents are careful to follow the Board's policy and recuse themselves if they feel there is even an appearance of a conflict of interest.

Regent Tanaka commented that the Cancer Research Center would not receive the funds it needed to move its public/private partnership if the bill in its amended form was passed.

In response to Regent Albano's inquiry about House Bill 1928, Associate Vice President Tanaka informed that the bill as modified by the Senate required the University and other agencies to obtain legislative approval before disposing public lands. There was a difference between the House and the Senate version and a conference committee hearing had not been set. The Senate had gutted the House bill to require HCDA/HCDHF and the University to obtain legislative approval before disposing State lands under its jurisdiction. She said that she would monitor the bill since it impacted West O'ahu. Chairperson Lagareta added that the lack of dorms and the reason West O'ahu has had no progress for 30 years was due to actions such as this by the legislature.

President McClain said that a study that looked at the performance of higher education in the states concluded that on a number of measures, Hawai'i was 24<sup>th</sup> in the country in terms of performance per dollar spent per FTE student. The State is also 18<sup>th</sup> in the country in certain research-related outputs and that is almost exclusively the University of Hawai'i. There was an indicator where Hawai'i did not do well and that was the number of ninth graders that go through the system, graduate from high school, and within six years get a bachelors' degree, or within three years gets an associate degree. President McClain said he had reported this at a number of public forums and that more work needs to be done. The University must connect with the Department of Education and take some responsibility for this.

When President McClain was Vice President for Academic Affairs, he felt that there were problems obtaining information about articulation and course transfer. As President, he had assigned this problem to Chief Information Officer David Lassner. Mr. Lassner reported that there would be a rollout of a new database. There were a number of sources of information about how courses transfer around the University. Mr. Lassner said that discussions were held to see how this information can be put into one place and used as a definitive source of information. The place everyone agreed was the University's Banner Student Information System for transactional sorts of activities as well as information. He then provided a demonstration on the database.

In response to Regent Tatibouet, President McClain stated that there was progress toward having a common general education core across all ten campuses. Vice President Johnsrud added that several community colleges have closely aligned their general education requirements with the UH-Mānoa hallmarks and Hawai'i Community College works closely with Hilo in that regard, so progress is being made.

### **AGENDA ITEMS (Continued)**

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

**Establishment of the Osher Lifelong Endowment Fund and Naming Opportunity for the Osher Lifelong Learning Institute in the College of Arts and Sciences**

(Note: Regent Landon recused himself during this item.)

Chancellor Konan requested that the Board approve the establishment of the Osher Lifelong Endowment Fund and naming opportunity for the Osher Lifelong Learning Institute in the College of Arts and Sciences.

The Osher Lifelong Learning Institute in the Colleges of Arts and Sciences at the University of Hawai'i at Mānoa is an educational program that offers courses and special multidisciplinary projects to encourage individuals from all walks of life, but particularly elderly members of the community, to engage their minds, enrich their lives, and serve the community. Since its inception, the Osher Lifelong Learning Institute has offered 250 courses and 75 workshops to more than a thousand participants.

The program uses peer-learning models, volunteer instructors to offer non-credit courses, ungraded courses, projects in arts and sciences, health and wellness, and other opportunities for community service. By 2002, the UH-Mānoa program had been one of the first programs in the nation to win recognition for its efforts and won recognition as a model lifelong learning program.

The Osher Institute, formerly known as the Academy for Lifelong Learning (ALL), is now a year-round program thanks to three generous grants of \$100,000 each from the San Francisco-based Bernard Osher Foundation to expand and strengthen its programming for elderly Honolulu residents.

The Bernard Osher Foundation was established in 1997. Among its many activities, the charitable foundation supports programs for mature students who are not necessarily well-served by the regular, continuing education curriculum. The appropriately recognized and acknowledged Osher Foundation Grant, the Academy for Lifelong Learning, was re-named to the Osher Lifelong Learning Institute in 2003. UH-Hilo also has an Osher Lifelong Learning Institute. In late 2005, the UH-Mānoa program became one of only six Osher programs in the nation to receive a million dollars endowment gift from the Osher Foundation and it is in support of sustaining its educational programming.

On announcing the award, Osher Foundation president, Mary Bitterman, who was also an active community member called the program an outstanding model of lifelong learning and cited as further evidence, the program success and the national award that was received for that program from the American Society on Aging and Metlife Foundation. To recognize the significance of this \$1 million gift, the Board of Regents was requested to approve the establishment of a permanently endowed fund at the University of Hawai'i Foundation that will be named the Osher Lifelong Learning Institute Endowment Fund. Through the endowment, the Institute will strengthen existing offerings and community connections and open new avenues for learning for the elderly and broaden the concept of volunteerism at this University.

This approval will allow the system and the College of Arts and Sciences along with the administration and faculty of the Osher Lifelong Learning Institute and the University of Hawai'i Foundation to recognize the \$1 million gift for an endowment fund from the Bernard Osher Foundation.

Regent de la Peña moved to approve the request for the establishment of a permanently endowed fund at the University of Hawai'i Foundation and naming opportunity for donor recognition for the Osher Lifelong Learning Institute effective upon Board approval. Regent Tatibouet seconded the motion.

Chairperson Lagareta said that this was certainly a generous gift for an important and worthwhile initiative.

Regent Migita asked what the proposed institute would do. He was informed that it would offer a variety of courses and give the senior population the opportunity to get back into the academic world.

In response to Regent Tatibouet, UH Foundation Director Kathy Nelson informed that the Osher Foundation started this program through a gift. Now that the Osher Foundation is satisfied with the work, it has decided to endow the program in perpetuity. President McClain added that he met Mr. Osher in 2004 and found him interested in the University. Dean Dubanoski of the College of Social Sciences deserves credit for the establishment of the Academy of Lifelong Learning. It was his vision that played a key role in getting this off the ground.

Upon call, the motion was unanimously carried.

#### **Petition by Akaku Maui TV to Amend Hawai'i Administrative Rules Relating to Use of Facilities**

Mr. Lassner stated that after discussing this matter with the campuses involved, it was determined that the requested amendments would not benefit the University nor the community at large. Akaku is proposing amendments to the University's administrative rules that would designate specific private, non-profit organizations as gatekeepers that would limit the activities that any of the campuses might choose to engage in to serve their communities. This seems even more important now when the PEG regulatory issues are extremely fluid at both the federal and state levels. Significant changes are more likely now than probably at any time since the inception of formal PEG programs in Hawai'i, and, according to Mr. Lassner, it did not seem to be in either the University's nor community's best interests to pre-determine through rules appropriate roles in this dynamic environment. He, therefore, recommended that the Board deny the petition.

Chairperson Lagareta asked if Mr. Lassner was suggesting that the administrative rules not be changed. Mr. Lassner clarified that under the proposed rules, the University would not use any of its facilities for the specific purposes of public or governmental access unless the University first obtained permission from the PEG entity. For example, the Olelo facility at Windward Community College could only be established with the permission of Olelo. Frankly, the rules were proposed by the gatekeeper who would, therefore, be able to limit the activities of the college in that county.

Regent Bender moved to deny the request to amend the Hawai'i Administrative rules relating to use of facilities. Regent Haynes seconded the motion which was unanimously carried.

## **Financial Status Report and Responses to Audit Findings**

Vice President Todo provided a status report on the University's finances. The University gets its State appropriation and records it at the beginning of the fiscal year so cash at the beginning of the year is high and gets spent down during the fiscal year. Operating investments are invested on a temporary basis during the year. The endowment investments are separate from the endowed funds that are at the University of Hawai'i Foundation. Net assets have been increasing. Accounts receivable have been fairly stable as have bonds payable. Current assets to liabilities showed that the University had four and one-half times its current liabilities which is a strong financial indicator.

Debt to equity is a leveraging ratio that indicates how much debt one has in comparison to equity. The University, according to Vice President Todo, has little debt in comparison to equity. On December 31, 2005, the debt to equity ratio was .17 or 17 percent.

In response to Regent Bender, Vice President Todo explained that the University had about 300 more FTE's than a year ago. This count does not include researchers because the financial report is from our PeopleSoft system which does not include employees such as researchers, casual hires, and student help.

Regent Yamasato asked if there were "industry averages" of peer universities. President McClain responded that there was bond rating system and that the University's bond rating was comparable with other universities. Vice President Todo added that he would attempt to provide the Board with more information in future reports and would look for available metrics for universities of similar sizes and similar characteristics.

In response to Regent Haynes, Vice President Todo explained that net account receivables were generally items such as students who owe tuition and fees; people who owe for parking; and housing.

Vice President Todo reported that there was a significant increase in State appropriations. He added that the increase was primarily for the Manoa flood damage and pass-throughs which are monies that are reflected in the budget but are transferred back to the state for such items as employee fringe benefits.

Regent Migita asked why depreciation was recorded only in the fourth quarter and not prorated quarterly. Vice President Todo explained that depreciation is relatively new under government accounting rules. Government agencies at one time did not have to record depreciation. Under new accounting rules all fixed assets have to be accounted for like in private industry. The University goes through that process once a year and records it in the last quarter.

In summarizing, Vice President Todo stated that the University was in a strong fiscal position going forward. The Board will be given quarterly financial reports

Regent Yamasato inquired if the University had ever lost CIP monies due to it being unencumbered. Vice President Todo said he could not speak to what happened prior to his hire but the University does not anticipate lapsing any CIP monies in the current year due to non-encumbrance. He indicated that this is

something that will need to be monitored because the legislature is looking to give the University more in the CIP area. The University needs to build up its infrastructure to be able to run that much through its pipeline on a continuing basis. Regent Landon and Regent Haynes complimented President McClain and Vice President Todo on the progress made and the comprehensive financial report.

Vice President Todo then reported on the progress made to correct reportable conditions cited in the A-133 audit report. In the subrecipient monitoring, the Office of Research Services reallocated and added staff to improve the necessary monitoring.

Chairperson Lagareta expressed that the Board was pleased with the progress made.

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

Vice President Gaines reported that through February 1, 2006, the University of Hawai'i system received approximately \$18 million in gifts, grants, and contracts with the University of Hawai'i at Hilo receiving \$672,000 in the same period. He added that by the end of the month, the \$300 million mark would be achieved with still two months to go in the fiscal year.

Regent Tatibouet 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 April 20, 2006. Regent de la Peña seconded the motion which was unanimously carried.

### **VIII. 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 April 20, 2006.

#### **UNIVERSITY OF HAWAI'I - WEST O'AHU**

##### **Executive**

AWAKUNI, GENE  
Chancellor  
University of Hawai'i - West O'ahu  
Salary Adjustment  
Upon Board Approval

COMMUNITY COLLEGES

Executive

FREITAS, ROCKNE  
Chancellor  
Hawai'i Community College  
Special Salary Adjustment  
April 1, 2006

Regent Tatibouet moved to approve the personnel actions as listed above. Regent Haynes 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 April 20, 2006.)

**IX. UNIVERSITY OF HAWAI'I FOUNDATION REPORT**

President McClain announced that the Foundation had submitted a written report. Associate Vice President Nelson was available for any questions but an oral would not be given.

**X. NEW OR OTHER BUSINESS**

**Report of Task Group on University of Hawai'i Foundation**

No oral report was provided.

**XI. ANNOUNCEMENT**

**Next Meeting**

Chairperson Lagareta announced that the next regularly scheduled meeting of the Board would be held on Thursday, May 18, 2006, at the University of Hawai'i John A. Burns School of Medicine, Medical Education Building, Kaka'ako. She thanked the faculty, staff and students of Windward Community College for their hospitality and their assistance with the logistics of the meeting.

Regent Tatibouet 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, with the stipulation that collective bargaining would not be on the agenda nor discussed in the executive session. Regent Haynes seconded the motion. Chairperson Lagareta clarified that collective bargaining had been listed on the meeting announcement but would not be discussed. The motion was unanimously carried. The meeting was recessed at 11:15 a.m. to enter into executive session.

**XI. ADJOURNMENT**

The meeting was reconvened in open session at 2:05 p.m. at which time the meeting was adjourned.

Respectfully submitted,

David Iha, Executive Administrator  
and Secretary of the Board