

**MINUTES
UNIVERSITY OF HAWAI'I BOARD OF REGENTS'
MEETING OF
June 15-16, 2006**

I. CALL TO ORDER

The meeting was called to order by Chairperson Lagareta on Thursday, June 15, 2006 at 9:50 a.m. in Conference Room C, Kapolei Hale, 1000 Uluohia Street, Kapolei, West O'ahu.

Attendance

Present were Regents Andres Albano, Jr., Byron W. Bender, Michael A. Dahilig, Marlene M. Hapai, 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; 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; Mr. Ramsey Pedersen, Chancellor, Honolulu Community College; Dr. Leon Richards, Chancellor, Kapi'olani Community College; Dr. Stephen Hora, Vice Chancellor, University of Hawai'i at Hilo (UH-Hilo); Ms. Jan Yokota, Director, Office of Capital Improvements; Dr. J. N. Musto, Executive Director, University of Hawai'i Professional Assembly (UHPA); Dr. Mary Tiles, President, UHPA; and others.

II. APPROVAL OF MINUTES

Upon motion by Regent Haynes and second by Regent Landon the Board unanimously approved the minutes of the April 20-21, 2006 meeting, as circulated.

III. PUBLIC COMMENT PERIOD

Agenda Item No. 8, Revised Student Financial Assistance Program

Chairperson Lagareta asked that each testifier preface their testimony by stating if they had read the proposal.

1. Dr. Suzanne Falgout, professor of anthropology and Micronesian specialist, UH-West O'ahu, expressed opposition to the proposal that Pacific Island students be charged tuition at 150 percent of residents beginning Fall 2007. She had not read the entire proposal. She pointed out that Hawai'i has had a longstanding affiliation with Micronesia and remains a major destination for Micronesian migration. However, research has shown that poverty among Micronesians in Hawai'i remains greater in both incidence and severity and they are under-represented in the University of Hawai'i system and cannot afford the increase being proposed.

Regent de la Peña asked if the Micronesians who come to the University complete their high school education in Hawai'i. Dr. Falgout informed that some go to schools in Hawai'i and others transfer from community colleges in Micronesia.

2. Dr. Tusi Avegalio, Director, Pacific Business Center and Honolulu Minority Business Development Center, UH-Mānoa, submitted a letter from Senator Akaka requesting for the rationale for raising tuition for states under the Free Association Compact. Dr. Avegalio said the University of Hawai'i is fulfilling a major development role in accordance with its mission statement. The Board must ask if the proposal supports the mission of the University.

President McClain stated that a number of Pacific Island territories charge higher residential tuition than the University of Hawai'i. Dr. Avegalio said that part of the reason was that those governments are in dismal fiscal condition.

Chairperson Lagareta noted that Dr. Avegalio had mentioned that mainland schools are pursuing students in Micronesia and American Samoa and inquired about the tuition at those schools. Dr. Avegalio responded that mainland colleges are interested in more than just recruiting students but more importantly, to build a relationship with the region. Students who do attend mainland schools are given financial aid funded through different strategies.

3. Mr. Donald Hess, Chair of the Liberal Arts and Science Department, College of Marshall Islands, stated that he had not read the full proposal but that the increase in tuition will prevent students from the Marshall Islands from attending UH because they can barely afford the current residential rates.

President McClain asked if the increases were accompanied by an increase in financial aid, would he make the same statement? Dr. Hess stated that his understanding was that the additional financial aid would be taken from Hawaiian students. He suggested that tuition scholarships be made available like the Pell Grants which would solve the problem.

4. Mr. Danny Rescue, Deputy Consul General of the Federated States of Micronesia, said the Federated States of Micronesia has enjoyed a unique and lasting relationship with Hawai'i based on mutual respect and a commitment between the Hawaiians and the Micronesians. Local governments sent students to the University of Hawai'i to get the education needed to lead the Micronesians. He expressed concern that the proposed tuition increase will have a detrimental impact on human resource development in Micronesia.

5. Ms. Lillian Segal delivered a message from the Governor of the Island of Kosrae of the Federal States of Micronesia. She had read the proposal summary

and expressed that the proposal would close the door to higher education for future Pacific Island generations because they will not be able to afford the tuition, even with the so-called promise of financial aid.

6. Ms. Maria Haws, said she had only read the summary because like most, she was not aware of the proposal until a few days before the meeting. She did not know how to obtain details of the full proposal. This was one of the concerns, that the University had not gotten the word out to those who would be most affected. She had come to the University of Hawai'i in 1999, wanting to establish a Pacific regional extension program for aquaculture. She went to the Pacific regions and was able to build strong partnerships which resulted in about \$3 million of extramural funds directly to UH. She believes that the message sent by the proposal was that UH no longer considered the Pacific Islands as part of their stakeholder population. This may jeopardize her credibility in the regions of her research. In addition, some of her grants come from Pacific Island governments who will not view the proposal favorably. She concurred with Dr. Avegalio's comments that other universities are now looking with interest at the Pacific for advancements.

7. Ms. Elfriede Suda, asked why the University was targeting only Pacific Island students and not other groups. She expressed that increasing tuition for Pacific Island students would be unfair and would not generate additional revenues because Pacific Islander enrollments would drop as they would no longer afford the tuition. She added that the scholarships would not be enough to pay for all of the increased expenses and would not be guaranteed. She had read the summary.

8. Mr. Harvey Segal, Professor at the College of Micronesia, Federated States of Micronesia, expressed that there was a moral as well as an economic issue. Micronesian leadership will find it difficult to understand why their youth can serve with the U.S. military in Iraq but their students are considered non-residents. President McClain commented that tuition at the College of Micronesia was higher than at UH community colleges. Professor Segal said that the Federated States provide student scholarships to supplement.

9. Mr. Richard Salvador, expressed that without a systemwide commitment to helping Pacific Island students, campuses would not help needy Pacific Island students. He supported an exemption from non-resident tuition policy for Pacific Island students who do not have access to higher learning in their homelands. Giving campuses the discretion to award the need-based and merit-based scholarships defeats the purpose of maintaining an institutional commitment to support Pacific Island students.

10. Mr. David Strauss, delivered a message from the Majuro Chamber of Commerce. The Chamber expressed opposition to the proposal to eliminate the ability of Pacific Island students from jurisdictions that do not have public higher education institutions from receiving resident tuition from UH. UH has been an integral part of the higher education system in the Pacific region and should remain a good Pacific citizen. He then went on to express that the proposal is discriminatory since there are other non-residents who are currently granted exemptions from non-resident tuition. The U.S. military personnel on active duty and their dependents while stationed in Hawai'i get these exemptions as well as members of the Hawai'i National Guard and Native Hawaiians who have residency

outside of Hawai'i all pay resident tuition. Pacific Islanders simply do not have the options available to these other non-residents.

11. Ms. Ruth Truce, UH alumni from Palau, said that even with resident tuition and financial aid she needed two part-time jobs to complete her degree at the University of Hawai. She had not read the proposal but was certain that if the proposal was adopted, future leaders from Palau would not be able to afford attending the University of Hawai'i.

12. Ms. Angela Faanunu, graduate student from Tonga, opposed the proposal to increase tuition for Pacific Island students by 50 percent. She stated that even with financial support from the East West Center it is difficult for her to make ends meet in Hawai'i. A 50 percent increase in tuition for Pacific Island students would add to the hardship and decrease their access to higher education. She believes that the proposal sends a message that Hawai'i is closing its doors to the people of the Pacific and that Hawai'i is no longer a hospitable place for Pacific Island students.

13. Ms. Ophelia Ongalibang, UH-Mānoa graduate student, said she had not read the proposal and was opposed to raising tuition for Pacific Islanders. She stated that this Board has a history of not allowing stakeholders to have input into policies affecting them. She informed that other Pacific Islanders were not aware of this proposal.

14. Dr. Jim Tiles, Chairman of the Mānoa Faculty Senate, stated that the Mānoa Faculty Senate passed a resolution calling for the development of comprehensive enrollment management strategies by the Mānoa Chancellor and recommended that aspects of enrollment management currently controlled by the system be assigned to the chancellor. The Senate also indicated its desire to participate in enrollment management decisions through its committees. The Mānoa Faculty Senate conveyed misgivings with the proposal. While the faculty recognized the appropriateness of a common framework for financial assistance throughout the system, they felt that it was imperative that the President not exercise control over details which should be left to campuses. The proposal, according to Dr. Tiles, contained too many details that should be left to individual campuses. He characterized the proposal as ill-considered in the light of the effects that are apparently visible only from the perspective of day-to-day involvement in the special circumstances of the campus. He asked that the Board not approve the financial assistance program proposal until clearer lines are drawn between system and Mānoa and after adequate consultation had taken place.

15. Ms. Barbara Bostwick, academic advisor, UH-Hilo, said she had read the proposal summary. She related the plight of a Pacific Island student experiencing financial constraints. His first semester at UH-Hilo was extremely challenging due to the academic, cultural and socio-economic transitions, exacerbated by the fact that he had to work part-time. She asked that Pacific Islanders continue paying resident tuition.

President McClain asked if she was aware that Chancellor Tseng and Vice Chancellor Hora supported the initiative. Ms. Bostwick said she was there to testify for Pacific Island students. She added that if the proposed scholarships to offset the increase in tuition are merit-based, that would essentially exclude a large number of Pacific Island students whereas the current policy allows for resident

tuition regardless of academic superiority. President McClain explained that the scholarships were need-based so Pacific Islanders would not be excluded.

16. Ms. Julia Matsui Estrelia said she had not read the entire document but did read the analysis from several people who had read the entire proposal. As a graduate from the University of Hawai'i she was always proud about the University's committed to students from Micronesia and Samoa. In addressing President McClain's comments about accessibility through scholarships, she stated that if the scholarships replaced the 50 percent differential on a guaranteed dollar-for-dollar basis, she would support the proposed plan. She felt that some cultures are more comfortable "bragging" about themselves. Asian Americans and Pacific Islanders do not which may not work in their favor when applying for scholarships. She needed to hear "guaranteed scholarships" and had yet to hear that from the President. President McClain said Ms. Estrelia had mentioned Hawai'i Pacific University's recruitment efforts in the Pacific. He informed her that Hawai'i Pacific University's tuition was \$11,000 and in order to enhance its presence in the region, had to also offer scholarship assistance. Ms. Estrelia said she understood the President's point but was more concerned about the perception that the tuition increase would be a barrier.

17. Mr. David Hanlon said that students in the UH-Mānoa, Center for Pacific Island Studies, believe that charging the WUE (Western Undergraduate Exchange) tuition rates could severely undermine access to higher education by Pacific Island students. Pacific Island students are skeptical of the financial assistance. Reciprocity, obligation, and trust are three very important Pan-Pacific values and the University of Hawai'i administration needs to remind themselves of how much the State actually benefits from its association with the region. Raising the tuition for Pacific Islanders does not seem to speak to reciprocity and obligation. He said the Center for Pacific Island Studies joined with many others in asking the Board to maintain current tuition policies. The alternative, he believed, was a University of Hawai'i that was in but not of the Pacific.

18. Ms. Konia Freitas, faculty, Center for Hawaiian Studies, UH-Mānoa, represented the Pukoa Native Hawaiian Advisory Council. She stated that the Council opposed the proposed Student Financial Assistance Program. Their primary concern pertained to the lack of consultation with constituent groups such as the Pukoa Council regarding the impact of the proposal on Pacific Island students. She acknowledged that the administration had presented the proposal to the Council but subsequently made changes which were never brought back to the Council for consultation. She cited that the proposal was modified so that a campus could choose to use up to 30 percent of the opportunity grants for non-residents. That was a significant change that was never discussed throughout the system. She added that the Council further understood that a recent change to the plan eliminated the policy that allowed Pacific Islands with no baccalaureate institutions to pay the resident tuition rate. She said the Council needs to fully understand the program and its implications.

19. Ms. Tina Tauasosi, graduate student and employee, Office of Multicultural Student Services, informed that if the Board increases tuition, parents from Samoan would begin sending their children to Hawai'i to gain residency. Most would end up living in overcrowded housing where many of the social problems begin. She called the proposal ill-conceived. President McClain said the Regents

had not heard about the proposal breaking up the family unit in order to establish early residency.

20. Rev. Sekap Esah, pastor, United Baptist Church, representing Micronesia United, expressed opposition to the proposal. He said he would not be able to afford sending his children to the University of Hawai'i as he hoped.

21. Dr. Kiyoshi Ikeda, UH emeritus professor of Sociology and convenor had spoken to key persons at UH-Mānoa. He advocated that the proposed changes not be adopted without a careful review of the cumulative impact of past and future increases associated with complementary financial packages over time. He knew of students who had to stay out of school and work in order to continue their studies. He concluded that the Board should not adopt the proposal without a careful examination of how the tuition increase and the present structure of financial aid and un-met needs impact on different populations.

22. Ms. Saili Lilomaiawa-Doktor said she learned of the proposal only the previous week and therefore had only read the summary. She had come to the University on a Fulbright Scholarship but the many Pacific Islanders, even those with financial aid, would not be able to afford the 50 percent increase. It is important for Pacific Island students and their families that they be able to obtain a degree and if tuition is raised, they will not be able to do so.

23. Ms. Lose Kaufusi, Pan-Pacific Club of the East West Center, said she had read the summary but was not aware of the proposal until the day before the Board meeting. She said that it was unfortunate that the Board chose to take up this matter when students, and particularly Pacific Island students, were not around. She asked that the Board postpone this matter until Fall 2006 when the affected stakeholders could participate in the discussion. President McClain asked if she was aware that meetings were held on some of the campuses during this past Spring semester. Ms. Kaufusi said she and most Pacific Island students were not aware of such meetings.

24. Ms. Makepa Joseph, testifying through a translator, said that the education system in Chuk, her homeland, could never compare to the University of Hawai'i. She wants her children to have a better life by being able to obtain a college degree but will not be able to afford the 50 percent increase to what is already a high tuition for her and her family.

25. Ms. Merko Route, Ponape resident, said she and her family continue to suffer from the United States' testing of nuclear weapons in "her backyard." She said she hoped the Board understands the obligation and not continue to make life harder for her family.

26. Ms. Simona Aiken said her dream is for her two daughters to obtain a degree from the University of Hawai'i. She asked that the policy not be changed which will make it impossible for her family to realize this dream.

27. Mr. Loia Fiani, representing the Friends of Samoa, asked that the Board have compassion for students from regions such as Samoa and Micronesia. He asked that the Board not raise the tuition for the Pacific Islanders. In response to President McClain, Mr. Fiani apologized for not having read the entire proposal. President McClain asked if Mr. Fiani would support the proposal if it would increase

scholarships. Mr. Fiani said he would favor increasing scholarship assistance but not tuition.

28. Dr. Noenoe Silva, faculty, was accompanied by Hokulani also from the Political Science Department. They stated that they learned of this item being on the agenda only the day before but had nevertheless read the proposal. Dr. Silva also presented written testimony from the Chairman of the Political Science Department, UH-Mānoa, Dr. Jon Goldberg-Hiller who expressed concern that the proposal would make it more difficult for Pacific Islanders to attend UH. The written testimony pointed out that the University's mission statement declares that, "the University of Hawai'i seeks to be recognized as America's foremost institution of higher education with an Asian/Pacific focus." Dr. Silva expressed that she wanted to see the University continue to be a place that welcomes students from the Pacific, particularly for emerging programs such as indigenous politics. President McClain reassured that the focus is on sustaining access and that they seemed to agree on the ends but not the means. Dr. Silva stated that for the record, she disagreed with the means.

29. Mr. Ngirdemei Uludong said he learned of the proposal the day before the meeting. He related his experiences in applying for various Pacific-Asian tuition waivers. He characterized the process as confusing, bureaucratic and dehumanizing. He informed that most Pacific Island students are not attending the University of Hawai'i just for themselves but for extended families. Creating a barrier for students who may not be able to fill out scholarship applications is something that may not do well for the University.

The meeting was recessed at 12:07 p.m. and reconvened at 12:22 p.m.

30. The Honorable Togiola Tulafono, Governor of Samoa, said he appreciated the task of public servants to provide services at reasonable costs to taxpayers. He appealed for reasonableness and wanted to recognize with appreciation what the State of Hawai'i had done for Pacific Island nations including American Samoa. While the proposal was appreciated, he would first ask the Board to retain the present system allowing waivers for students who come from countries without institutions of higher learning. Secondly, he was concerned about the lack of a single standard for granting scholarships. Governor Tulafono said Samoa may never be able to have a baccalaureate institution so they must continue to depend on the State of Hawai'i to provide the higher education they need.

Chairperson Lagareta and President McClain expressed their appreciation to Governor Tulafono for testifying. President McClain explained that how much authority is given to the campuses will be made clearer. He said the University is interested in sustaining access by Pacific Islanders to the University of Hawai'i.

The meeting was recessed at 12:35 p.m. and reconvened in the same location at 1:35 p.m. Chairperson Lagareta took the following item out of order.

Honoring of Outgoing Regent

Chairperson Lagareta recognized outgoing Regent Myron Yamasato with a Regents' Medal, expressing the Board's appreciation for his knowledge in financial management.

Regent Tatibouet said in the days when the Board had committees, Regent Yamasato made tremendous contributions through his input as Chairman of the Audit Committee. Having been the only Regent from the Big Island for some time, he had to carry the interests of the entire island. Regent Tanaka echoed Regent Tatibouet's sentiments.

Regent Yamasato said his experience on the Board could be summed up by two words, "Greater Appreciation:"

- For the role the University plays in the day-to-day lives of the people of Hawai'i;
- Of the complex nature of the University;
- For the many dedicated students, faculty, staff and administrators who work tirelessly and selflessly to move this university forward in spite of all the complexities;
- For all that remains to be done to maintain and elevate this University so that it can continue to serve the people of Hawai'i; and
- For what it takes to be a good, contributing member of the Board of Regents.

Regent Yamasato thanked his fellow Regents for making his term rewarding and a satisfying experience.

President McClain expressed the Administration's thanks and appreciation to outgoing Regent Myron Yamasato. He noted that Regent Yamasato would be particularly remembered for his leadership, working with Vice President for Administration Sam Callejo and now Vice President and Chief Financial Officer Howard Todo, in increasing the transparency and quality of financial reporting and management at the University.

IV. REPORT OF EXECUTIVE OFFICER

President McClain introduced UH-Manoa Chancellor Konan, who reported on the status of investigation and recovery efforts in the wake of the fire which destroyed a 67-year-old building at the Lab School on Tuesday, June 13. The Lab School has operated for the past several years as a charter school, with facilities and some staff and curriculum support provided by the university. No students were in the building at the time, as it was the first day of summer. Chancellor Konan praised the responsiveness of the Honolulu Fire Department, and expressed her gratitude to the UH Foundation for its quick launch of an initiative to raise funds to offset the loss. She also noted that the Associated Students of UH had also mounted a fund drive. Summer school students, about 100 in number, will be accommodated in other facilities. The UH-Mānoa administration is working with the Lab School leadership to address the facilities issue when the fall semester resumes; over 350 students attend the school.

Vice President for Administration Sam Callejo reported that there is a \$250,000 deductible on the building's insurance, and that UH has requested this

amount from the State. The investigation into the cause is continuing, and insurance adjusters will be visiting the site to ascertain the extent of the damage. Because of the Lab School's charter school status, the insurance settlement will involve a joint Memorandum of Understanding between UH and the Department of Education.

In response to Regent Migita, Chancellor Konan explained that the University provides property and faculty support to the Lab School. This is a collaborative agreement between the Department of Education and the University of Hawai'i. Therefore, discussions are ongoing with the principal of the charter school and the Department of Education as to the University's involvement.

Regent Tanaka inquired about the loss of computers and research. Chancellor Konan informed that the Mānoa campus encourages their people to back up their data; however, there is no policy on safeguarding personal research data. This issue is left to individual faculty members.

President McClain reported on recent visits he and UH Foundation President Donna Vuchinich made to several foundations in the Bay Area that support UH research, outreach, and efforts in the public schools. These included the Moore Foundation, the Osher Foundation, and a meeting with leaders of the two foundations that bear the Castle name.

The president also reported on his meetings with University of California System president Robert Dynes and members of his leadership team, continuing his review of system/campus relations in other jurisdictions that began last month with a visit to California State University System Chancellor Charles Reed. In July, while attending the State Higher Education Executive Officers annual conference in Anchorage, the president intends to meet with University of Alaska System officials.

President McClain reported on his meetings last week in Washington, D.C., with Senators Inouye and Akaka, and with Representatives Abercrombie and Case, at which he expressed the university's gratitude for the congressional delegation's considerable efforts on behalf of the university and the State of Hawai'i. While in Washington, the president participated with Senator Akaka and Representative Case in the Office of Hawaiian Affairs press conference on June 8 in support of the Akaka Bill. He also hosted a dinner for several members of the Capitol Chapter of the UH Alumni Association. On September 9, 2006 at the Wolf Trap Center for Performing Arts in the Washington, D.C. area, there will be a celebration of Hawai'i's environment and culture as part of Wolf Trap's Faces of America series, featuring Halau o Kekuhi, under the leadership of Hawai'i Community College faculty member and honorary doctorate holder Pua Kanahele.

The president announced, as part of his devolution initiative, the impending transfer of some immigration processing functions that serve the entire UH system from the system office to the Mānoa campus, which generates by far the largest share of transactions for this office. The president also reported that the chancellors had completed a draft setting out appropriate system/campus relations, based on text from accrediting bodies applied to the situation of the University of Hawai'i. This draft will be shared for comment with student and faculty groups in the fall.

President McClain noted the university community's sadness at the passing within the last month of Dr. Lee Jong-wook, UH Distinguished Alumnus and director-general of the World Health Organization.

The president congratulated UH-Mānoa School of Architecture Associate Dean Joyce Noe on her election to the American Institute of Architects' College of Fellows.

He also congratulated the Academy of Creative Media; five of its students' films will be screened on June 20 at the 9th Shanghai International Film Festival.

The president expressed his appreciation for the many years of exceptional service provided by Vice President and General Counsel Walter Kirimitsu, who is retiring to head St. Louis School. The Board joined in the expression of gratitude.

President McClain thanked outgoing UH-Manoa dean of the College of Education Randy Hitz for his ten years of service to the university and the community. Dean Hitz will be taking up a similar position at Portland State University.

The President also thanked director of capital improvement projects Jan Yokota for her service to UH since 2003; her expertise at a time when public/private partnerships were growing in number was particularly valuable. Ms. Yokota will be joining General Growth Properties. The Board joined in the expression of gratitude to Ms. Yokota.

President McClain then introduced UH-West O'ahu Chancellor Gene Awakuni, who thanked the Board for holding its meeting in Kapolei. Chancellor Awakuni, joined by Vice Chancellor Joe Mobley, updated the Board on the academic plan for UH-West O'ahu. Chancellor Awakuni thanked the Mayor's Office, especially, Ms. Jean Moku, who was the liaison for setting up the logistics for the meeting.

Chancellor Awakuni said the University system has been looking at what the State's higher education needs are and was trying to position its campuses to increase the educational capital of the State. UH-West O'ahu is positioned in the best possible location to address the needs of the region which is currently underserved. They will also serve some of the needs of the west side of the Big Island through their distance education program.

UH-West O'ahu's strategic priorities were developed in 2002 and approved by the Regents that year. He introduced interim Vice Chancellor Mobley who provided an overview of the four baccalaureate degrees currently being offered, two of which are being offered on-line. Projected areas of growth include a lower division curriculum which he hopes to bring to the Board next year. Challenges to fulfilling UH-West Oahu's comprehensive mission include plans for a permanent campus.

An alumni survey conducted a few years ago indicated that 93 percent of the alumni were satisfied with the programs offered at West O'ahu. In the NSSE (National Survey of Student Engagement) study, UH-West O'ahu received the highest student satisfaction rating within the UH system. Chancellor Awakuni added that despite the modest facilities, teaching and learning are at the core of what they

do and they want to maintain that culture. They think that they can do it in an expanded way once they move into a permanent campus.

President McClain commended Chancellor Awakuni's on his leadership. He said the question of extending West O'ahu's reach to the first two years is clearly something that has systemwide implications so while they are interested in WASC's determination, this does not require a substantive change on the part of West O'ahu. The chancellors and system administration, according to President McClain, will discuss this further before it comes to the Board.

V. AGENDA ITEMS

University of Hawai'i at West O'ahu Long-Range Development Plan - Revised (Information Only)

Chancellor Awakuni introduced some of the lead consultants from the West O'ahu Campus Development LLC group led by Hunt.

Mr. Grant Murakami, PBR Hawai'i planning consultant, explained that the purpose of the presentation was to provide an update to the 2004 Long Range Development Plan (LRDP). It incorporates the latest plans and development strategies for both the 500-acre and 991-acre University of Hawai'i at West O'ahu properties. Upon approval, the University will complete the required entitlements and proceed with design and construction of the Phase 1 campus facilities.

The mauka and makai properties consist of two properties, a 991-acre mauka parcel which was acquired through a land exchange agreement from the estate of James Campbell with a 294-acre parcel designated for University purposes, and a 500-acre makai parcel acquired from the State of Hawai'i Department of Land and Natural Resources in October 2002. Approximately 214 acres of this property will be retained by the University, and the development partner, the Hunt West O'ahu Campus Development (WOCD) would purchase approximately 287 acres of the land in the southern portion of the property.

A Makai Campus conceptual land use plan was prepared working collaboratively with the Hunt WOCD and their architects and planners. The campus, a 103-acre, 7,600 student projection, will be located centrally within the property with access from the North South Road and Farrington Highway.

The 500-acre property will be accessed off of the proposed North South Road with an interchange that will run down, connect up to Kapolei Parkway, which runs from the city of Kapolei and is proposed to be extended down through the Ewa area. Barber's Point is located to the south, DHHL lands which are proposed for residential development are located to the east and also to the south of the property and D.R. Horton lands are indicated in the orange areas on the map.

Land uses within the property which comprise approximately 214 acres include the West O'ahu Campus which comprises of 155 acres. This includes the 7,600 student campus of approximately 104 acres. The University Village which includes student housing/mixed use or campus expansion and possibly a transit stop comprise of approximately 38 acres. Student housing or campus expansion comprise of approximately twelve acres and the HECO substation, approximately

one acre. Mixed use, affordable housing, and roads are also proposed within the UH-West O'ahu lands which would comprise of approximately 59 acres. This would include a University Village/mixed use bordering the entry into the campus to create a gateway into the campus itself, work force/affordable housing, located along the perimeter of the campus, and roads of approximately 12 acres.

Land uses within the West O'ahu Campus Development lands comprise approximately 287 acres. This includes residential land uses of approximately 216 acres including high density multi-family residential, medium density multi-family, medium low density multi-family and low density single family. Mixed uses and other uses include mixed use area with another possible transit stop in the southern entry to the campus that would comprise of approximately 22 acres, an elementary school of approximately 12 acres and detention, a HECO substation and roads. Together this totals 71 acres.

The goal in developing the master plan for the campus, according to Mr. Murakami, was to create a sustainable campus community. They will try to achieve this by encouraging community/university interaction through sharing of facilities; siting facilities to recognize and utilize existing natural conditions; promoting alternative means of transportation through a mix of land uses and activities; providing native landscaping with conservation in mind; and encouraging all buildings to strive to achieve some level of LEED (Leadership in Energy and Environmental Design) certification.

The campus master plan will accommodate 7,600 students with 742,845 gross square feet of buildings with ample area for expansion. The initial 1,520 student campus is concentrated at core to establish a physical presence immediately for the campus. It is designed to be accessible to a possible transit stop and to the University Village. It capitalizes on existing site features.

They will integrate the mixed use village into the campus by placing them next to each other and having pedestrian paths that go from the transit station through the mixed use village into the campus, connecting down through the campus and out to the surrounding residential communities. They have an integrated pedestrian network system. In addition to this, from the central plaza, there will be pedestrian malls also expanding out to campus buildings surrounding those malls to provide access to the students. They also keep parking to the exterior of the campus to make a more pedestrian-bicycle oriented internal campus here. The access road that ties into the North South Road will connect up to the Horton lands and their development to the East.

In this plan for the campus, they are envisioning a campus that creates a feeling of hospitality, fostering a Hawaiian sense of place that is reflective of the Ewa region. Open space is a critical element of the campus vision. They want to capitalize on views from within the property, provide a hierarchy of outdoor rooms for large functions, for informal gatherings and for quiet student interaction. They are also looking at creating an architectural theme reflecting a sense of place that is flexible and responsive to diverse space needs. Landscaping is another critical element. Sustainability and design guidelines are important parts of the LRDP because they help to implement the vision of the LRDP. They have broken down into sustainability guidelines that are established to assure that UH-West O'ahu lands incorporate sustainable design and building concepts, while maintaining an economically viable plan. The focus is on achieving a LEED NC "Silver" standard

for the campus, and establishing community performance standards for other development on West O'ahu land. They are also preparing design guidelines and they were prepared to implement the Conceptual Land Use Plan and vision for the entire 500-acre property. They serve to create a cohesive, visually unified development for the campus and its surrounding community that is compatible with the character of the Ewa region.

The first phase of the campus includes the two entry roads to the campus, the central plaza which they feel is a critical element to establish the campus as a significant presence within Kapolei, the campus center and library. Classrooms will be included initially and retrofitted to be the Campus Center and Library. There will also be an administration building and a small chiller plant.

The proposed campus development schedule is to complete the LRDP update which is being presented today. The entitlements are ongoing and will continue to October 2007. They include an environmental impact statement which should be completed in February 2007; modify the State Land Use Commission decision and order which is anticipated to be completed in March 2007; and County plan review use permit/zone change which is anticipated for completion by October 2007. Also ongoing at the same time is design phase/permitting which will continue to January 2008 with programming which has been completed; schematic design which will be completed in September 2006; design development, January 2007; construction documentation will be completed in October 2007; and permitting to be completed in January 2008. Following this will be construction, commissioning, and FF&E which will extend from January 2008 to August 2009 with campus occupancy in Fall 2009.

Regent Tanaka, noting that the legislature had not approved the requested startup funding, asked how that would impact the project. Chancellor Awakuni said they can continue moving forward with the entitlement process using design monies appropriated in 2003. However, they will not be able to get beyond that without either private support or CIP funds from the legislature.

In response to Regent Albano, Chancellor Awakuni indicated that Hunt still played a part in the design of the campus. They helped to set design guidelines but the agreement was still that UH-West O'ahu would work with its own design architect concerning guidelines for the entire 500 acres but in terms of what will happen down the road, Chancellor Awakuni said they still must determine how much of an involvement Hunt will have in the actual construction. Regent Albano followed regarding subdividing the property. Mr. Murakami said that subdividing would occur after the entitlements are completed. After they get through the October 2007 plan review zone change, they will get into the subdivision phase. Chancellor Awakuni added that from the time the original plan was developed, market conditions have changed. The commercial retail area has been saturated by big box retail proposed for some of the land fronting the North South Road. The other issue had to do with the access to the North South Road because the Department of Transportation did not want too many entries to the North South Road which was really a through way rather than multiple entrances.

Regent Albano inquired if there were major changes to the Long Range Development Plan. Mr. Murakami said that there had been some changes to the layout of the campus and how the campus should be oriented. The overall program is the same. They also took the design guidelines to another level. Chancellor

Awakuni said that the density of the residences was going up from the original plan to one they had before.

Regent Albano asked about existing campuses with similar designs. Mr. David Newman, consultant, said that UC Irvine was similar in that it was built from open lands. He added that UC Merced is also similar because in both cases, sustainability was a major consideration.

Chairperson Lagareta informed that she and Regent Albano attended a presentation by Chancellor Awakuni to the Governor a few weeks prior. She was pleased that everyone at the meeting was supportive of Chancellor Awakuni and his team.

Change of Status for Provisional to Established for the Masters of Education Program at the University of Hawai'i at Hilo

Vice Chancellor Hora informed that the Masters of Education program was in its fifth year and requested approval for permanent status under Board policy. He explained that the Masters of Education (MEd) at the University of Hawai'i at Hilo is designed to aid in the professional development of teachers and counselors in the school systems to be more effective in their work and aid in their professional development. To achieve this, the program is organized around a cohort model that offers a very structured learning scheme as well as professional networking advantages.

This three-year program is offered with a cohort structure of approximately twenty students per cohort. Students attend part-time and all are employed in teaching or other educational positions. The program requires completion of thirty-three graduate credits which are offered on weekends, in the evenings, and in the summer to accommodate the working student body.

The program has now graduated forty-four students from three cohorts with two additional students finishing requirements. The current cohort is comprised of seventeen students. Of the fifty-eight students who have begun the program, forty-six have completed the program or are finishing requirements giving a student success rate of about 80 percent.

Admission is restricted to candidates who have a Baccalaureate degree with an appropriate grade point average as well as evidence of eligibility for an initial Basic License to Teach and appropriate letters of recommendation. In doing so, the students in the program are screened to insure that they begin with a basic level of knowledge of the teaching profession and have the background to make the most of the program.

The MEd fits within the concept of UH-Hilo as a comprehensive university, offering an applied graduate degree to meet the needs of the community. Given that most of the students enrolled in the program are already working in school systems, UH-Hilo could not make a determination about the program's effectiveness in aiding its graduates in obtaining jobs, but it does allow for them to obtain increases in pay, aids the school systems in retaining their teachers, and helps these teachers become resources for other teachers in their schools.

This is a relatively inexpensive program for a graduate program. Direct instructional costs vary from semester to semester but average around \$200 per credit hour. This is a little less than what the tuition take is but there are a few other costs associated with growing the program, which is estimated to about 20 percent of the direct costs. UH-Hilo currently runs a new cohort every two years; at some point and time, there will be only one cohort and in another semester, they have two cohorts. Vice Chancellor Hora said that they would like UH-Hilo to go to a cohort every year with a new cohort every Fall. With the increased tuition rates for graduate education, this program would cover both its direct and indirect costs.

Regent Landon moved to approve the change of status from provisional to established for the MEd program at the University of Hawai'i at Hilo. Regent Haynes seconded the motion followed by discussion.

In response to Regent Hapai, Vice Chancellor Hora explained that there was currently only one cohort. In the supplemental budget, UH-Hilo received four new positions. She asked if there was a market for two cohorts. Vice Chancellor Hora said that he believed that there was. UH-Hilo was already approached by Kamehameha Schools to establish a cohort just for their teachers.

In response to Regent Landon, Vice Chancellor Hora informed that they use the cohort model when they have a program that does not have a large number of students. They have to be careful how they offer the classes so every class fills up and to do that, they offer an exact set of courses where students will be taking the exact same courses as they go through the program.

Upon call, the motion was unanimously carried.

Approval of General-funded Positions for the College of Pharmacy, University of Hawai'i at Hilo (Information Only)

Vice Chancellor Hora announced that Diane Alfonso, former Dean of Nursing at the University of Toronto, had taken over the groundwork from Jerry Johnson in running the Pharmacy program at UH-Hilo. He then introduced the new dean of the College of Pharmacy, Dr. John Pezzuto. President McClain welcomed Dean Pezzuto, adding that his presentation would be for information only. Formal recommendations would be brought to the Board.

Dean Pezzuto provided a brief background about his past accomplishments while at Purdue University. He expressed excitement over the plan to establish the first College of Pharmacy in the Pacific region.

When the Board established the College of Pharmacy in October 2004, only the Dean's position was approved. He will be coming to the Board with a more comprehensive organizational chart which calls for several critical positions including two faculty positions, Clinical Education Coordinator, Director of Student Affairs and Services, and a Pharmacy Librarian. The organizational structure is reasonable and not too top heavy.

They have created a space plan which calls for a new building. Currently, they have space in the Agriculture Forestry building. As people are brought in, there is a facility to place them. They might rent space for classrooms but for the interim, they have adequate classroom space for an incoming class.

Dean Pezzuto explained that lines of communication have been established with the accrediting body, ACPE who has accepted UH-Hilo as an affiliate. Being an affiliate is appropriate and at this stage when students are accepted, they will become a member. The State has provided initial funding so that they are now in a position to advertise and to bring in some initial faculty and, hopefully, admit a class of students in August 2007.

Dean Pezzuto touched on the merits of the school being on the Hilo campus. He recognized Mānoa as the flagship campus and with the creation of a Pharmacy program in Hilo, a strong partnership would be formed so that the program in Hilo would have a solid basis for being a good partner within the Mānoa campus. He said that pharmacy in Hilo would elevate science on the Hilo campus and thought that most likely a program would be formed on the Hilo campus that would be part of the University of Hawaii's Cancer Research Center in natural products, drug discovery, and drug development. Pre-pharmacy can be done at any campus. He also discussed the geographic challenges but stressed that pharmacy colleges normally have a central location for clinical sites but like Purdue, all sites do not need to be close to campus. Some of Purdue's sites are six hours away.

Regent Yamasato commented that the five-year budget circulated at the meeting was different from the one presented in October 2004. Dean Pezzuto explained that the original plan would have led to a mediocre College of Pharmacy. In essence, what he had discussed with those from the profession was a college potentially ranked in the top 20. The financial plan still lacked the fund-raising piece but was possible given the projected tuition revenue. Regent Tanaka concurred that the financials were feasible provided revenue figures hold and the anticipated state and federal support comes through.

In response to Regent Landon, Dean Pezzuto said it would be feasible to bring in a class a year. However, it was not feasible to have a new building constructed by that time. He hopes that a building would be constructed by the third year of the cycle.

Regent de la Peña clarified that students will not have to spend four years at UH-Hilo. Dean Pezzuto affirmed that the first two years could be done at any campus under a pre-pharmacy curriculum that could be common on each campus. Unfortunately, it is a very competitive field and not all of those in pre-pharmacy would be eventually admitted. However those not accepted would still have gone through a solid curriculum to position them for other majors in science.

Regent Hapai said her understanding was that during the four pharmacy years, students will be distributed throughout the state for their clinical experiences. Dean Pezzuto said the standard curriculum involves two years pre-pharmacy, then two years in Hilo, with the third and fourth years traveling around to various sites through rotation. He added that the students could do some of these clinical studies on their home island because it would be more affordable.

Chairperson Lagareta offered the Board's support in helping the College of Pharmacy succeed. She said that she thought that one of the more compelling aspects in making their decision to move forward was the tremendous community support demonstrated for the college, not just from the Big Island but statewide.

President McClain said the expanded organization structure would be brought back to the Board for approval in July.

Exemption to Board of Regents' Policy 5-19(c) Relating to Procurement

President McClain said that the research enterprise at the University of Hawai'i continues to grow and without substantial additional space. Vice Chancellor Ostrander and his team have addressed this issue and the question is to do what is being requested requires the Board to either change its policy or make an exception to policy.

Vice Chancellor Ostrander requested that the Regents grant an exemption to policy 5-19 c. to allow for the construction of an addition of approximately 12,000 square feet to the Biomedical Sciences Building on the Mānoa campus through RCUH to house extramurally-funded research programs from various Mānoa programs. The exception will allow the utilization of RCUH's procurement capability outside of state and University procurement regulations.

During the last five years the extramurally funded research on the campus increased from \$193 million to \$277 million. He added that extramural research is expected to top \$277 million this year. During these years, no new research space has been added to Mānoa to accommodate the success of the faculty in extramural funding. To alleviate this major impediment for the faculty, it is proposed to construct an addition to the Biomedical Sciences Building of approximately 12,000 square feet to house extramurally- funded research programs across campus. The addition will be similar to the addition that was built in 1999 to house the Institute of Biogenesis Research (IBR). The IBR building was constructed in coordination with the Mānoa facilities office, the Research Corporation of the University of Hawai'i (RCUH) and the Medical School faculty that currently occupy the facility. The funding for this project was provided by the state government.

The proposed design build addition project will constitute a partnership with the Office of the Vice Chancellor of Research, RCUH, and Mānoa facilities management. The finance of this project will be a partnership between the Office of the Vice Chancellor of Research and RCUH. In particular, the project is estimated to cost around \$550 per square foot excluding architectural, engineering and permitting fees. The total cost including all the fees and the feasibility study is estimated to be of the order of \$8,000,000. RCUH will secure a construction loan amortized over ten years with a favorable below interest rate for the completion of the project. The Office of the Vice Chancellor of Research will pay the monthly payments for the life of the loan. The estimated monthly payment on this loan ranges from \$85,000 to \$95,000 depending on the interest rate. The design construction cycle for this new addition will be eighteen months.

Vice Chancellor Ostrander wanted to add an addendum to the request to expand the request to consider Holmes Hall which may offer some economies of scale in terms of the amount of space they can actually recover. They would like the ability to look at this closer because it only came up the past ten days.

Regent de la Peña moved to grant exemption to policy 5-19(c) for the construction of an addition of approximately 12,000 square feet to the Biomedical Sciences Building on the Mānoa campus and to consider Holmes Hall. Regent Landon seconded the motion followed by discussion.

In response to Regent Landon, Vice Chancellor Ostrander said that the amount of space being considered at Holmes Hall is potentially 20,000 square feet. The cost may be lower in terms of staging area and what they would be looking in terms of design review.

Regent Albano noting the construction planned for the Mānoa campus, inquired if an amended long-range physical development plan was ever approved. Vice Chancellor Ostrander said the Chancellor's office was working on that; however, given the length of the process versus the pressing need for space, his understanding was that he could go through the neighborhood boards and permitting process as they go forward. He added that they did not anticipate problems with the dormitories.

Regent Migita cautioned that partnerships can become complicated. He asked for an explanation of the loan. Vice Chancellor Ostrander said that RCUH would borrow money for UH who would repay the loan on a monthly basis from RTRF funds. They are trying to bring this concept forward for approval but they have a lot of work to do going through this process to find the most cost effective way to get this project done. Associate General Counsel Pang advised that since the loan is by RCUH, the State Attorney General would be responsible for legal review and not the General Counsel's office.

Upon call, the motion was unanimously carried.

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

Recommendations for Tenure and Promotion

President McClain requested that the Board approve the 2005-2006 academic year tenure and promotion recommendations.

Article XIII, *Promotion*, of the Agreement between the University of Hawai'i Professional Assembly and the University of Hawai'i requires that faculty members shall be considered for promotion in accordance with criteria established by the University. Criteria for tenure and promotion established by the campuses in accordance with Article XIII are included in the binders. Each applicant for tenure or promotion prepares a comprehensive dossier in keeping with the criteria established by the campus, including evidence of successful teaching, research/scholarship, and service, as appropriate. Each decision regarding tenure or promotion is made after a systematic review of the dossier by the faculty member's peers, personnel committees, department/division chairs, and campus administrators. The results of each level of decision-making are summarized in the materials provided for the Board's review.

The faculty collective bargaining agreement requires that faculty members receive notification of the promotion decision no later than June 30th. Similarly, Article XI, *Tenure and Service*, provides that faculty are to be notified of tenure decisions by June 30th.

Regent Migita moved to approve the 2005-2006 academic year tenure and promotion recommendations. Regent de la Peña seconded the motion which was unanimously carried.

Procurement Contract to Provide Credit Card Services for the University of Hawai'i, IFB No. 06-104

(NOTE: Regent Landon recused himself from the meeting during this item.)

Vice President Todo requested that the Board of Regents authorize the Administration to enter into a contract with Bank of Hawai'i to provide credit card services for the University of Hawai'i campuses.

The University first provided students the option of paying tuition with a credit card in 1986. Credit card acceptance subsequently became more common in the retail environment, and the program was expanded to include the bookstore, parking, athletics and other University programs. Through the open bid process, the University previously awarded four contracts, each with a five-year term. The service fee percentage for the current contract with Bank of Hawai'i, which expires on June 30, 2006, is \$1,601,774.30/year. Visa/MasterCard credit card transactions -1.65% of net sales, JCB credit card transactions at \$3.60/transaction.

Two bids were received in response to IFB 06-104:

Bank of Hawai'i \$1,367,890.00/year

Visa/MasterCard credit card transactions -1.75% of net sales
JCB credit card transactions - 2.85% of net sales
Pin-based debit card transactions - \$.65/transaction

First Hawaiian Bank \$1,490,197.00/year

Visa/MasterCard credit card transactions -1.95% of net sales
JCB credit card transactions - 2.475% of net sales
Pin based debit card transactions - \$.69/transaction

The amounts shown above are estimated amounts based on projected in-person, phone, fax and e-commerce credit card sales and includes the service fee and all equipment and software rental. The pricing structure and specifications for IFB 06-104 were changed from previous contracts to distinguish between debit card transactions and credit card transactions. This change will generate an estimated annual savings of \$240,000. The University is billed monthly for net sales transactions. All fees and charges related to this contract are firm and fixed for the initial three years of the contract term and may be renewed up to two additional one-year terms.

Vice President Todo explained that their analysis showed that Bank of Hawai'i made the better offer.

Regent Hapai moved to authorize the Administration to enter into a contract with Bank of Hawai'i to provide credit card services for all campuses under the terms of IFB 06-104 for the next five-year period. Regent Albano seconded the motion.

Regent Haynes asked if there would be a transaction fee. Vice President Todo informed that the 1-3/4 percent would be the fee which had been reduced. He said that approximately \$240,000 would be saved to segregate between debit card and credit card transactions. Previously they were both charged the same rate and

debit card transactions were charged the same rate as credit card transactions and that created a lot of expense for the University. Regent Haynes followed regarding the 2.85 percent fee on the JCB credit card transactions. Vice President Todo explained that it would be a different system. First Hawaiian Bank processes JCB as well but it is on a different network. Regent Migita added that JCB cards are issued by Japan banks and processed through First Hawaiian Bank and Bank of Hawai'i.

In response to Regent Migita, Vice President Todo explained that the selection was through an open advertisement and the two companies mentioned above responded.

Upon call, the motion was unanimously carried.

Capital Improvements Program and Repairs and Maintenance Project Contracts for Fiscal Year 2006-2007

Director Yokota requested approval to enter into the consultant and the construction contracts for FY 2005-2006. The Board had given approval to enter into a number of the contracts but because these were not executed by the end of the year, approval is being requested once again in the new fiscal year. She then briefed the Board on some of the contracts and requested approval to enter into the following construction contracts:

- At UH-Hilo for the North Hawai'i Research and Education Center, Phase II. Bids were recently opened for this project and the lowest bid is within the appropriated amount.
- At Honolulu Community College, renovation of the campus center.
- At Kaua'i Community College, renovation of the air conditioning plant.
- At Maui Community College, exterior re-painting and renovations to the library.

Regent Tanaka moved to authorize the Administration to enter into professional services consultant and construction contracts for the capital improvements program and repairs and maintenance projects as presented. Regent Yamasato seconded the motion which was unanimously carried.

Amendments to Administrative Rules Governing Determination of Residency for Tuition Purposes

Executive Administrator and Secretary of the Board Iha reported that in March 2005, the Board authorized that public hearings be held on the proposed amendments to Chapter 20-4 of the Hawai'i Administrative Rules governing the determination of residency for tuition and admission purposes at the University of Hawai'i.

The proposed amendments would: 1) make housekeeping changes to update Chapter 20-4 by including new statutory language and deleting an obsolete practice; 2) clarify and streamline the University's administrative procedures related to residency; 3) compress wording of the policies to allow greater stringency in the

interpretation of the rules for conversion of non-resident to resident status for tuition purposes; 4) revise the composition of the Committee on Residence Status that hears appeals; and 5) require payment of non-resident tuition while the student is in the appeals process.

Subsequent to receiving approval from Governor Lingle, public hearings were held on the proposed amendments on the islands of Kaua'i, Māui, O'ahu, and Hawai'i on May 22, 2006, May 23, 2006, May 31, 2006, and June 1, 2006, respectively. Notice of the hearings were published in the Honolulu Star Bulletin on April 17, 2006, the Hawai'i Tribune Herald on April 18, 2006, The Garden Island on April 20, 2006, and in the Māui News on April 18, 2006.

Presiding over the hearing at Kauai Community College was Regent de la Peña. No testimonies were received. Regent Haynes presided over the hearing on Māui, held at Maui Community College. No testimonies were received at the Maui hearing. Regent Bender presided over the O'ahu hearing held in Campus Center Room 308, Mānoa Campus. No testimonies in opposition to the amendments were received. Finally, Regent Hapai presided over the hearing held on the island of Hawai'i which was held in UCB 127, UH-Hilo. No testimonies were received at the Hilo hearing.

Vice President Johnsrud, Associate Vice President Lee, and Louise Miura were present at all hearings as resource representatives from the administration.

No testimonies in opposition to the proposed amendments, written or oral, were received during the public hearings. It was announced at the hearings that, in consultation with the administration, the Board would be meeting on June 15-16, 2006 at Kapolei Hale located at 1000 Ulu'ohi'a Street, Kapolei, O'ahu to consider the adoption of the proposed amendments to Chapter 20-4, Hawai'i Administrative Rules, as taken to public hearings.

Associate Vice President Lee reiterated the purposes for the proposed amendments and explained in detail some of the substantive changes. She responded to Chairperson Lagareta that in March 2005, the chancellors were informed of the changes. Many of the changes came from their respective residency officers as well.

Regent Dahilig asked if the Governor did not approve the changes if there would be potential conflicts with Board policy. President McClain said if the Governor did not approve the amendments as taken to public hearing, that a conflict between Board policies would exist. Associate Vice President Lee, however, clarified that, taken that into consideration, the administration that approval of the next item (on the Board's agenda) be contingent upon the Governor signing of these rule changes.

Regent Albano moved to approve the proposed amendments to Chapter 20-4, Hawai'i Administrative Rules governing the determination of residency for tuition purposes, as taken to public hearing. Regent Dahilig seconded the motion which was unanimously carried.

Revised Student Financial Assistance Program

Vice President Johnsrud provided the Board a presentation on a comprehensive revision to the tuition assistance policy. She acknowledged Associate Vice President for Student Affairs Karen Lee for her assistance. She requested:

1. To establish University of Hawai'i grants and scholarships for student financial assistance proposed in this policy to replace our past practice of waiving tuition; and
2. To modify the exemptions to the non-resident tuition differential previously included in Hawai'i Administrative Rules, Chapter 20.

The purposes of the proposal as presented in November are to maximize the financial assistance available to Hawai'i residents, enroll the students in the University of Hawai'i system, to ensure that the revenues made available for financial assistance serve the interest of the University and the taxpayers of the State of Hawai'i, to monetize the existing tuition waivers and non-resident tuition differentials as appropriate and, finally, in keeping with their commitment to students and the public, to increase the amount of assistance available to students based on their financial need.

Board of Regents' policy has certain priorities that are quite clear. All of these are adhered to – supporting access by Hawai'i residents by making aid available to students with demonstrated financial need; merit is also a factor; promote high quality programs by attracting and retaining academically superior students; fostering the development and maintenance of highly diversified and stimulating campus environment; and supporting the University's mission to educate those who will assume positions of leadership and service in the Pacific Asia. The proposal honors all of these priorities.

Vice President Johnsrud explained that Board policy prescribes that the number of waivers that are currently awarded be 13 percent of the previous Fall FTE enrollment. Board policy outlines that need-based aid should be 70 percent of the waivers, merit-based aid 30 percent with at least half of these going to residents, based on need. In addition, two percent of the previous Fall FTE enrollment is set aside for Pacific Asian scholars. These can be either students from the Pacific region or other students studying the Pacific Asia region and finally, Board policy stipulates that the maximum of 800 non-resident tuition differential waivers may be awarded to Pacific Asian students. These are called NRTDs.

Currently, values of tuition waivers are known only after they are awarded so any given waiver for an undergraduate at Mānoa might be \$2,000 where a medical student might be \$8,000 and other campuses, another amount of money. She said that they never know until they are awarded, exactly how much aid they have given out. The share of need-based aid is no longer consistent with the intent of Board policy.

Another issue is that tuition waivers, by definition, cover tuition only. There are many low income students who need more assistance than can be provided by the tuition waiver. There are books, transportation, etc. as the testimonies attested

to the need. Vice President Johnsrud suggested that the policy of waivers obscures the real dollar value and makes education appear free.

Finally, the Board asked the administration to tighten the rules regarding residency for tuition purposes which it has done by modifying the Hawai'i Administrative Rules. But it is clear that their exemptions to non-resident tuition are more generous than other states. So this has been part of their effort in really tightening this whole policy.

What was proposed in November was the UH opportunity grants which would be need-based grants. At that time, Vice President Johnsrud said that it would go to residents only. UH achievement grants which would be for merit and service and international student scholarship which is intended to replace those 800 NRTDs in the current policy and finally, tuition exemptions that would remain waivers.

Vice President Johnsrud informed about the consultation process and all the groups she had met with regarding this proposal including the UH student caucus and faculty senates. There was a great sensitivity expressed for Hawai'i's historical relationship with these Pacific Island nations and their commitment to serve the Pacific region. The decision point, however, was whether there was justification for affording the resident rate to non-residents. The resident rate is a rate that subsidizes Hawai'i taxpayers and so that was the critical issue discussed. The other piece of information that was also alluded to earlier is the fact that in the Pacific Island nations that now have community colleges, the College of Micronesia, Northern Marianas College, Palau Community College, and the College of Marshall Islands all charge a per credit tuition rate that is higher than the University of Hawai'i community colleges. In the end, the chancellors reached consensus on the recommendation to the Board that the University establishes the rate for Pacific Islanders as a 150 percent of the resident rate as a rate that recognizes the special relationship by charging less than the full cost of education which would be the non-resident rate.

The second exemption taken into consideration was non-residents married to residents; in other words, non-residents who were claiming residency for tuition purposes based on a Hawai'i spouse. If a non-resident comes to Hawai'i to be a student and then paid non-resident tuition and then married, the argument is they should continue paying the non-resident rate. The vice presidents and chancellors have discussed this. They are recommending residency for tuition purposes be established on the basis of personal evidence.

The impact on current students was a concern that was raised both for residents and for non-resident students. Therefore, under the proposal, students who had come to the University under a set of expectations about what it would cost deserve to be grandfathered.

Vice President Johnsrud said that the second concern, impact on international diversity, was raised by members of the Board of Regents after her presentation in November and also raised by campuses. The recommendation for international student scholarship was actually taken directly from a Mānoa international student task force report in 1999 which recommended that these NRTDs be converted to scholarships and to use the WUE rate which is 150 per cent of resident tuition. She incorporated that into the original version and after taking it out for consultation, they made modifications. The systemwide steering committee

recommended that the categories of eligibility be broadened. In the revision, they have given campuses a bit more flexibility to recruit in other parts of the world if they want to.

Mānoa had a consultant come in to look at its international programs and services. In that report advised that too much tuition was being given away to students who could afford to pay full out-of-state tuition. Vice President Johnsrud said that this was taken seriously and felt as if it reaffirmed the direction of this recommendation. The consultant went on to say that financial aid is a significant means the campuses had to shape their enrollment and to be used strategically to accomplish their purposes and that they needed to essentially do a better job with it.

On the impact on Pacific Islanders, the concern was originally raised by Hilo and the Mānoa Center for Pacific Island Studies. Vice President Johnsrud explained that when they took this proposal out for consultation, there was much misunderstanding. The concern was that Pacific Islanders would not be able to handle an increase. In response, scholarships would be earmarked for Pacific Islanders. This will be funded out of tuition revenues, campuses can establish their own criteria, so a campus can choose to make it a merit-based scholarship. They can simply award it based on special recognition for Pacific Islanders. This is not being stipulated but they are allowed within the funding for this financial aid program to award a Pacific Island scholarship. The eligibility for need-based opportunity grants was expanded to Pacific Islanders eligible for federal aid. The original proposal restricted opportunity grants to residents. They decided in fairness, they needed to make opportunity grants available to both residents and non-residents. They are, however, using Board policy on enrollment caps to allocate monies. Board policy at the four-year institution caps non-resident enrollment at 30 percent. It caps two-year non-resident enrollment at 15 percent. By virtue of the fact that opportunity grants were changed, this made Pacific Islanders eligible. Finally, they would grandfather in all the current students. Some of the testimonies reflect that they have not heard the whole story. This commitment was made just as was done with the other non-resident differential students that they would continue honoring their support.

The final concern focused on Hawai'i residents. The student caucus raised concerns about the gap group students who do not qualify for federal financial aid and still find it difficult to pay their tuition. Chancellors will be given latitude to adjust need levels for special cases. A second concern from the student caucus involve the allocation of non-need-based aid. The concern was that residents pay less in tuition. Resident students feared that campuses may be less interested in providing them with merit awards or service awards than they are in awarding international scholarships or now Pacific Islander scholarships. This proposal asked for this to be delegated to the campuses but in deference to the student caucus' concern, they put in language that says, chancellors are to consult with faculty and student groups in allocating the monies across this non-need category.

Vice President Johnsrud explained that the opportunity grants would be need-based grants for full and part-time students, resident and non-resident UH students. They would be available for graduates and non-graduates. When they put in graduates and non-graduates, they didn't realize that by definition, they were eliminating post-baccalaureate students and there are post-baccalaureate students in teacher education program and they wanted to make sure that they could be

afforded financial aid. One modification was to include the post-baccalaureate group. According to federal financial aid guidelines, they would not be eligible since they exhausted their eligibility.

The Regents' and Presidential Scholar language remains in Board policy. The others would be left to the campuses to adjust the criteria and in all cases, where the candidates are equally qualified residents of Hawai'i would receive preference. Campuses could also award the international student scholarship. These are awarded to full-time, new or full-time, because they have to be full-time student as an international student, new or continuing classified graduate or undergraduate students in non-immigrant status. Vice President Johnsrud said that the steering committee advised them to be more flexible about these so they have said that not only students from the Pacific Asia region, students studying about the Pacific Asia region who are international students and students who provide diversity from anywhere.

The Pacific Island scholarship is intended to support the enrollment of Pacific Islanders in recognition of their special relationship to Hawai'i. There would be a similar description in terms of students from eligible Pacific Islander jurisdictions that do not have public higher education institutions granting baccalaureate degrees.

The second part of the requested Board action is the exemption to non-resident tuition. The recommendation is these East West Center student grantees pursuing baccalaureate or advanced degrees; U.S. military personnel stationed in Hawai'i on active duty and their authorized dependents; and employees at the University and their spouses and dependents per contract.

There are two additions:

- Native Hawaiians whose domicile is outside of Hawai'i. They have honored this but is not codified anyone - it is not in the Hawai'i Administrative Rules or in Board policy. It is being suggested to add to Board policy as an exemption to non-resident tuition.
- Previously the Board approved that members of the Hawai'i National Guard and Hawai'i-based Reserve be added to this list and is recommending that this is an appropriate place to add that language.

The modification recommended is for citizens from eligible Pacific Island district, commonwealth territory, or insular jurisdiction state or nation, which provides no public higher education institution granting baccalaureate degrees, to be able to 150 percent of the resident tuition rate. It would not say baccalaureate-granting and would essentially eliminate this benefit to all Pacific Islanders. They are recommending that this be retained but that the baccalaureate language be used in the 150 percent. The recommendation is to delete non-residents claiming residency for tuition purposes based on residency of their spouse.

There are a number of policy guidelines that have to be established. Vice President Johnsrud recommended that the responsibility be delegated to the President to determine the share of tuition revenues devoted to financial assistance; the share of financial assistance for need-based and opposed to non-need-based awards; the share of financial assistance earmarked for residents; the share

earmarked for undergraduates; and the extent to which any of those shares should vary by campus mission and program.

Chairperson Lagareta summarized that the proposal had gone through an extensive consultation process on all campuses and had the endorsement of all chancellors. Further, that Pacific Island students would gain by this model.

Vice Chancellor Smatresk commented that he saw this as a way of setting their economic house in order and making sure that they understood the commitments made. He said Mānoa has 157 Pacific Islanders including graduate students and undergraduate students. Three have gained residency and others have waivers and support. President McClain emphasized that they would be grandfathered at the current resident rates. Vice Chancellor Smatresk pointed out that in the future Mānoa would need approximately \$400,000 to accommodate the Pacific Islanders' loss of resident tuition. However, there would be \$2,373,000 to meet a differential need of \$400,000. They would have potentially \$1.5 million to offer needy students in this category.

Chairperson Lagareta recalled that Board policy set a 70:30 ratio of residents to non-residents on baccalaureate campuses but UH-Hilo was at 42 percent international students. Vice President Johnsrud said the reference was to a program with 42 percent Pacific Islanders. UH-Hilo actually had 39.7 percent non-resident students. Chairperson Lagareta asked if this was a violation of policy. Vice President Johnsrud said that it was slightly higher than policy and President McClain had asked for this to be addressed. Vice President Johnsrud added that the policy excludes military so Mānoa is just under 32 percent. In part, it is due to the increase of WUE students.

Regent Tatibouet noted that the UH system showed 752 Pacific Islanders enrolled in 2005 with Mānoa at 342 but that Vice Chancellor Smatresk had reported that Mānoa only had 157 Pacific Island students. Vice President Johnsrud clarified that this is the number of students in the Banner system who are coded which means they are eligible for the resident rate. The numbers off the banner system are 352 at Mānoa, 190 at Hilo and 226 at the community colleges and four to five at West O'ahu.

In response to Regent Tanaka, Vice Chancellor Smatresk informed that Mānoa had moved towards a 50:50 need-based commitment and next year they will be nearly at that goal. They committed \$2 million more than they had the previous year for need-based aid out of the tuition. It was in keeping with the spirit of the tuition increase.

Regent Dahilig inquired if students in law, medicine, and pharmacy would be included in the 150 percent of resident rate? Vice President Johnsrud said that they are now eligible. Regent Dahilig followed regarding students from the University of Guam which does not have a law school but does have a four-year baccalaureate campus. Vice President Johnsrud informed that Guam was not included in the list of eligible Pacific Islands. Regent Dahilig pointed out that therein might lie an equity concern because they do have a four-year institution. Their students who attend law school are now penalized by paying non-resident tuition where a student from Palau, pays resident tuition while both regions do not have law schools. Vice President Johnsrud said that this is why they are not on the list so they just are not considered despite them not having a medical school or law school.

President McClain said that was the Board's policy since 1989 but it can be changed.

Ms. Betty Ickes, graduate student, UH-Mānoa History Department, testified, expressing that the proposal singles out Pacific Islanders for a tuition increase. She noted that Vice President Johnsrud had argued that there are many Pacific Islanders who can afford the tuition but are taking advantage of the current policy. She said the current policy is a small measure to correct the legacy of colonialism imposed upon the Pacific Island people. The proposal to raise the tuition to 150 percent, in essence, is removing a corrective policy and continuing the destructive legacy. She appealed to a sense of justice in postponing a decision to Fall when most of the people affected will be on campus. UH should be proposing ways to facilitate access, not closing doors.

In response to Chairperson Lagareta, Ms. Ickes said that she had listened to the presentation on the proposal. Chairperson Lagareta said the presentation addressed concerns over singling out Pacific Islanders. She added that Pacific Islanders would be given programs for their special needs.

Chairperson Lagareta said that as a result of the presentation she was convinced that Board should approve the entire proposal. She felt that the University was being extraordinarily sensitive to the needs of Pacific Islanders. She noted that the chancellors had all endorsed the proposal and there had been extensive consultation.

Regent Tanaka said he was concerned about the perception of the proposal and the process as well as the message sent by a 50 percent increase. President McClain said an e-mail, authored by Jim Mellon of UH-Hilo, may explain why there were so much testimonies focusing on the 150 percent. He read a portion of Mr. Mellon's email bringing the proposal to the attention of individuals listed in the network of Pacific related programs.

Regent Tatibouet said that she had given much thought to this matter and spoken to several knowledgeable individuals. People from the Pacific Island regions are some of the poorest nations. They are thoughtful, intelligent and prominent people and whether they had actually read the entire proposal or not it was important that the University not close its doors on them. She said her concern was over access and while there would be scholarship aid she worries that due to cultural factors they may not apply. Regent Tatibouet suggested that the Board defer the matter until more information can be provided.

Regent Hapai said she understood the arguments from both sides but would feel more comfortable in deferring the proposal and having the individual campuses determine how the students would be affected financially and how the scholarships would actually be distributed. She said she had worked in the area and knew the cultural and economic differences that are not being considered.

Regent Bender said it was clear that there was a perception issue. He could not recall the Board ever receiving so much unanimous testimony. He noted that no testimony faulted the entire proposal except for the increase in tuition to the 150 percent level. He would find it difficult voting on something after hearing from sincere people and until the perception problem is addressed.

Regent Dahilig felt that it would be time well spent to understand the big picture and while he agreed with the proposal there were legal issues to consider. He did not have a problem with the proposal as much as the perception problem as did Regent Bender. President McClain suggested that since the proposal was analytically sound that the 150 percent could be modified to 100 percent or equivalent to resident tuition. The rest of the proposal would remain as presented. He said this would be a compromise recognizing the quality of what had been presented to the Board. President McClain said that raising the percentage could be revisited down the road.

Regent Bender moved to approve the financial assistance program with the suggested modification to 100 percent of resident tuition. Regent Tatibouet seconded the motion. The motion failed to obtain a majority vote with Regents Landon, Bender, Tatibouet, Tanaka, de la Peña, and Hapai voting for the motion.

During the ensuing discussion, Regent Albano expressed that the analysis was sound and the proposal had gone through all the proper steps. He nevertheless recognized that there remained a perception problem.

University of Hawai'i Foundation President Vuchinich, requesting to comment, stated that the policy changes were critical to the University of Hawai'i Foundation's fund raising campaign. She said the Foundation had raised about \$8 million to support students and, particularly, for some of the populations discussed. She urged the Board to at least vote on the policy portion. Chairperson Lagareta asked if the Foundation supported the proposal. President Vuchinich said that for clarity at least the policy changes were needed.

Regent Yamasato said that the 150 percent should be left in and the problem of perception left to the administration to fix. He said from what he heard in the presentation, there will be enough scholarship funds. Regent Albano concurred.

Regent Hapai noted that there were so many who testified in opposition. Chairperson Lagareta said that based on her experience, people generally ignore things until it comes to the Board. Nevertheless the Board over the last year has made difficult decisions based on facts and not what is popular or on perception. She felt that when something had gone through the proper process and received the endorsement of the chancellors, deans, faculty, and the Pukoa Council, she finds it difficult to now rely on misinformed e-mail and people who testify without having first heard the presentation.

Regent Landon said that since fees are being raised the Board must be concerned about equitability and the results that come from it. There would be scholarships and a commitment that funds will be applied for those with financial need. He expressed concern as to whether the 150 percent was equitable.

Regent Migita said his initial reaction to the proposal was that one group of people was being targeted but after listening to the presentation, he found it to be a fair way of addressing the increase in tuition provided there is a sincere follow through by the University. Chairperson Lagareta concurred, adding that the Board would track this and ask for impact numbers. If things are not working the Board can change things. She added that Pacific Islanders must have access and treated as the University's partners.

Regent Tatibouet said the fact that the people who testified were not fully informed did not bother her. Those who testified took the time to come to Kapolei to provide sincere testimony. She wondered how the administration would follow this because they may never know how many, from now, do not apply to UH because of cultural factors and economic situation. Regent Migita suggested that perhaps there could be a goal to increase the enrollment of Pacific Island students. Then it would be known if there was an improvement.

Regent Haynes said that this could be perceived as reverse discrimination against residents of the State because it unfairly favors Pacific Islanders. Regent Bender pointed out that if it continues as status quo, it means that the discrimination had been going on for years.

Regent Hapai clarified that it was not the perception that bothered her but the inability to pay. If the 150 percent is substituted by aid, why change the current system. Vice President Johnsrud said that in many respects, the UH is changing the source of the support that is being provided students and part of what got the University into this was the chancellors' regarding the appropriateness of charging a non-resident group a resident rate subsidized by Hawai'i taxpayers. They absolutely supported providing a subsidy to Pacific Island students. They decided it was no longer appropriate to afford them resident rates. She acknowledged that the perception issue would be a challenge. Regent Dahilig added that the issue of perception was an issue affecting the institution's reputation. He reiterated that the proposal was sound. He suggested that the administration spend time addressing the public concerns. Chairperson Lagareta suggested that the Board approve this and the administration take a tour of the Pacific Islands to meet with key leaders to provide them with accurate information in order to address the issues of perception and reputation. Regent Landon added that the Board should get an update in 60 or 90 days after the administration meets with the Pacific Islanders. President McClain said that he would like to get the policy in place with the status quo tuition for Pacific Islanders, give them the extra scholarship and then go out to the regions to speak about increasing the tuition to 150 percent.

Regent Tanaka asked for clarification on the grandfathering of current students. President McClain said the proposal would take effect in Fall 2007.

Regent Albano moved to adopt the financial assistance program as presented with the increase in tuition to the 150 percent level with the understanding that the administration is to conduct an informational campaign among the impacted populations and regions. Regent Haynes seconded the motion followed by discussion.

Chairperson Lagareta reiterated that adopting the status quo tuition and selling an increase would be more difficult. The Board should approve the motion and tell people about the facts. She felt that if the University backs away, people will think something is flawed with the proposal.

Upon call the motion was approved by majority vote with Regents Dahilig, Landon, Yamasato, Lagareta, Albano, Haynes, and Migita voting for the motion. Regents Bender, Hapai, Tanaka, de la Peña, and Tatibouet voted against the motion.

VI. GIFTS, GRANTS AND CONTRACTS

Vice Chancellor Ostrander reported that during the period April 1, 2006 through April 30, 2006, the University of Hawai'i received approximately \$22,259,585 in gifts, grants and contracts. The University of Hawai'i at Hilo received approximately \$625,577 during this same period.

Regent de la Peña moved to accept with thanks the gifts and grants and ratify the actions of the administration in executing the contracts as presented in Attachment #3 of the Board of Regents' agenda dated June 15, 2006. Regent Migita 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:

UNIVERSITY OF HAWAI'I, SYSTEM

Executive

GAINES, JAMES
Interim Vice President for Research
Office of the VP for Research
Reappointment
August 1, 2006 - July 31, 2007 or until
a permanent appointment is made,
whichever occurs sooner

NAKAMURA, GLENN K.
Interim Director of University Budget
Office of
Reappointment
July 1, 2006 - June 30, 2007 or until
a permanent appointment is made,
whichever occurs sooner

TSUJIMURA, RUTH
Interim Vice President for Legal Affairs and
University General Counsel
Office of the VP for Legal Affairs/UGC
July 1, 2006 - June

UNIVERSITY OF HAWAI'I AT MĀNOA

Executive

KONAN, DENISE
Interim Chancellor
Office of the Chancellor, UHM
Reappointment
August 1, 2006 - July 31, 2007 or until
a permanent appointment is made,
whichever occurs sooner

TAYLOR, BRIAN
Dean, UHM
School of Ocean and Earth Science and Technology
July 1, 2006 - June 30, 2009

YOUNG, DONALD
Interim Dean, UHM
College of Education
August 1, 2006 - July 31, 2007, unless
sooner relieved

Regent de la Peña moved to approve the recommended personnel actions. 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 June 15, 2006.)

VIII. UNIVERSITY OF HAWAI'I FOUNDATION REPORT

President Vuchinich reported that fundraising results ending in April were \$28.3 million and \$31.4 million ending in May. Vice President King added that the original goal was \$43 million. The Foundation Board of Trustees reviewed that goal and reduced it to \$36 million as more appropriate. The \$36 million was brought to the Board when the Foundation made its report last month about changing the overall goal to \$250 million.

Vice President King said that the endowment donations increased as well as deferred gifts. There was a healthy jump in the third quarter of the fiscal year of \$9 million in investment income as well as nearly \$9 million in contributions. He said that although the Foundation had been under in revenues it was also under on its costs side. There was an upturn in unrestricted gifts. The Foundation is making good progress in six new employees by July 1.

Associate Vice President Takamori reported that the Distinguished Alumni Awards program was a success. A total of 700 plus attended the award dinner which was over the projection of 650. He said that as the fiscal year is closed out,

the membership goal for the UH Alumni Association was 4,000. Total membership was at 4,780 so they were over their goal. The National Calling Campaign seemed to have gone well with very few complaints from the alumni.

Upcoming events included the UHAA golf tournament on October 13th. Prior to the homecoming game against Idaho State on October 28th, there will be a homecoming block party.

IX. NEW OR OTHER BUSINESS

There was no new or other business.

X. ANNOUNCEMENT

Next Meeting

Chairperson Lagareta announced that the next regularly scheduled meeting of the Board would be held on Thursday, July 20, 2006, at the University of Hawai'i at Mānoa, Campus Center Conference Chamber.

Regent Migita moved to enter into executive session to consider personnel and legal matters and to consult with the Board's attorney in accordance with Chapter 92, Hawai'i Revised Statutes. Regent Haynes seconded the motion which was unanimously carried. The meeting was recessed at 7:40 p.m. to enter into executive session.

XI. ADJOURNMENT

The meeting was reconvened in open session on June 16, 2006 at which time the meeting was adjourned.

Respectfully submitted,

David Iha, Executive Administrator
and Secretary of the Board