

**MINUTES
UNIVERSITY OF HAWAI‘I BOARD OF REGENTS’
MEETING OF
August 24-25, 2006**

I. CALL TO ORDER

The meeting was called to order by Chairperson Kitty Lagareta on Thursday, August 24, 2006 in Room 105, Hale ‘Ākoakoa, Windward Community College.

Attendance

Present were Regents Andres Albano, Jr. (August 25 meeting only), Michael A. Dahilig, Marlene M. Hapai, Ramón S. de la Peña, Allan R. Landon, Ronald K. Migita, Alvin A. Tanaka, and Jane B. Tatibouet (August 24 meeting only); President David McClain; Executive Administrator and Secretary of the Board David Iha; and Executive Assistant Carl H. Makino.

Also present were Ms. Ruth Tsujimura, Interim University General Counsel; Mr. Sam Callejo, Vice President for Administration; Dr. Linda Johnsrud, Vice President for Academic Planning and Policy; Dr. John Morton, Interim Vice President for Community Colleges; Mr. Howard Todo, Vice President for Budget and Chief Financial Officer; Ms. Karen Lee, Interim Associate Vice President for Student Affairs; Ms. Carolyn Tanaka, Associate Vice President for External Affairs and University Relations; Dr. Gene Awakuni, Chancellor, University of Hawai‘i at West O‘ahu (UH-West O‘ahu); Ms. Peggy Cha, Chancellor, Kaua‘i Community College; Dr. Rockne Freitas, Chancellor, Hawai‘i Community College; Dr. Denise Konan, Chancellor, University of Hawai‘i at Mānoa (UH-Mānoa); Dr. Angela Meixell, Chancellor, Windward Community College; Dr. Ramsey Pedersen, Chancellor, Honolulu Community College; Dr. Peter Quigley, Chancellor, Leeward Community College; Dr. Leon Richards, Chancellor, Kapi‘olani Community College; Dr. Clyde Sakamoto, Chancellor, Maui Community College; Dr. Rose Tseng, Chancellor, University of Hawai‘i at Hilo (UH-Hilo); 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 Landon and second by Regent de la Peña, the Board unanimously approved the minutes of the June 15-16, 2006 meeting, as circulated.

III. PUBLIC COMMENT PERIOD

The following testimonies were received:

On Biennium Budget Workshop

1. Summer Chun, current chair of the ad hoc committee for the Campus Center Board renovation project and the former president of the Campus Center Board, testified in support of the CIP (Capital Improvements Program) Budget that includes funding for the renovation project. She reported that this project has been discussed since 2001. She informed the Board that they had conducted surveys every year to make sure that the Campus Center Board is serving the students and this is what the students want.
2. Shawn Burke, current president for the Campus Center Board, testified in support of the Campus Center Complex Renovation Project and stated that the entire Campus Center Board supports the project.

On Community Colleges System - Self-Studies for Community Colleges Accreditation

1. J. N. Musto, Executive Director of the University of Hawai'i Professional Assembly (UHPA) said that UHPA had some concerns with the self-study process used in accrediting the community colleges and will take this topic under deep consideration. The community colleges take vastly different approaches to how they look at one particular issue, "SLO", or student learning outcome. Mr. Musto said that how SLO is used within the individual faculty evaluation criteria of the community college faculty is something that needs to be seriously addressed. This is not an easy question. It shifts the learner's responsibility for their own learning and instruction to the instructor. One difficult question with respect to SLOs is the issue of open enrollment. There are students who are admitted into the community college system with limited academic background, and the question of how they are tested, remediated, and placed is a challenge. These issues are addressed differently on the individual campuses. Mr. Musto said that this is one of those areas in the faculty governance system where the union and the faculty senates overlap and UHPA will be working with the faculty senates of the community colleges, Mānoa, Hilo and West O'ahu on this issue. UHPA will continue its dialogue with Vice President Morton on faculty reclassification and its relationship to student learning outcomes.

Chairperson Lagareta noted that at its July meeting, the Board noticed the wide disparity in the way that programs were being assessed and thanked Mr. Musto for bringing this up.

IV. AGENDA ITEMS

President McClain announced that the first three agenda items would be taken up today and the fourth agenda item, the Biennium Budget Workshop would start at 9:00 a.m. on Friday.

Community Colleges System - Self-Studies for Community Colleges Accreditation

Vice President Morton said that in his 36 years with the community colleges, he has been through seven accreditation cycles through the full self-study and this marks the first time that community colleges have actually brought the self-studies to the entire Board of Regents for approval. The Accrediting Commission for

Community and Junior Colleges (ACCJC) of the Western Association of Schools and Colleges (WASC) decided that the Board should be more actively engaged in the community college accreditation process. He requested that the Board of Regents approve the Accreditation Self-Study for each of the seven community colleges and approve the community college system response to recommendations from the 2000 accreditation system report.

The community colleges are scheduled for a comprehensive accreditation visit by the ACCJC during the week of October 22, 2006. In preparation for the visit, each college has been working over the past two years to prepare a self-study report documenting how the college meets the accreditation standards. In areas where the standards are not being met, the self-study process identifies improvements that the college will undertake to comply with the standard. The self studies represent hundreds of hours of work by dozens of individuals on each campus. The community colleges have engaged 675 faculty, staff and students in various committees looking at their own institutions.

Generally, the colleges followed the same format. The bulk of the report is assessing the institution against the standards that the Commission has established for community colleges. There are four standards: Standard 1 - mission and effectiveness; 2 - student learning programs and services; 3 - resources; and 4 - leadership and governance. There are 115 individual standards within the four broad standards that have to be addressed in the self-study reports. The college and the self study committees have to assess each individual standard resulting in self study reports that are about 300 pages each.

The accreditation process requires that the Board of Regents accept each self-study report. After acceptance, the reports will be submitted to ACCJC in preparation for a site visit of between twelve to fourteen people during the week of October 22nd. After that site visit, the team will prepare a report to the Commission who will take up the action on the accreditation status in their January 2007 meeting.

Regent Tanaka said that he was at a Honolulu Community College event where Chancellor Pedersen's group showed how much work was involved during the last couple of years. Vice President Morton confirmed that there was a lot of work done by many people.

Chairperson Lagareta inquired if the issue raised by Mr. J. N. Musto can be addressed. Vice President Morton said that it is a question whether the students' results in the classroom be a factor in the evaluation of a faculty member. The accreditation standards say that it should be a factor but is not the only factor. It doesn't say that 100 percent of the students must achieve the student learning outcomes that are established. He agreed with Mr. Musto that if there is no control on entry, you can't have the same expectation on the output side than if you have a controlled entry. For example, in an English 100 class, where you have to either pass a placement test or prerequisite course, you might have a different expectation on value added in that English 100 class. Whereas in an English 21 or English 22 class, because it may take the student two or three semesters to catch up three, four or five grade levels, you might have a different assessment standard. In all cases, for the community colleges, the assessment technique that would be used for the learning outcome and the standards by which faculty would be judged is a faculty matter and faculty members are engaged in trying to determine the best way to move forward with student learning outcomes. Vice President Morton thought that Mr. Musto's concern was that the process be documented well so that there is

minimum risk of someone misinterpreting or misapplying the process which would put a faculty member in jeopardy during contract renewal, tenure, and evaluation.

Regent Landon asked for an overview of how this self-assessment and the Board's review of it, fits into the overall accreditation process and the University's process of coordinating the growth of the community campus system. Vice President Morton said that the ACCJC decided that it wants its governing boards to be more familiar with, not just the self-study, but the underlying standards and expectations that the Commission has for institutions. This self-study started before the community college system was re-created so it starts in one environment with people doing their analyses and all of a sudden, it totally changes. There was a committee made up of representatives from each of the campuses that came together to look at issues like the relationship with the Board and the re-creation of the Vice President's office. Other matters are pretty much campus specific.

Regent Landon asked if the self-study is to help the campuses individually and the system collectively in determining the extent to which they comply with the 115 standards. With that knowledge, is the administration expected to chart a course that would bring them closer to compliance. Vice President Morton concurred and said that part of the blueprint is already in the self study document because the campuses have identified the plans of action for each of the area. The purpose of the short visit - only two-and-a-half days - is to independently validate that the University meets the standards. In January, the Commission will act on the visiting team report to determine the accreditation status for the institutions. Typically, a college is accredited for the next six-year cycle and a three-year followup report is required on some areas of weakness.

Regent Landon asked if this is a sort of a baseline fact gathering in that six-year cycle that leads to a formal accreditation decision, and this sets the tone for the system's plans which become their action plan which then gets judged against the standards for a decision on accreditation. Vice President Morton agreed.

Regent Migita asked about student input in the self-study process. Vice President Morton said that students are members of the various committees on each of the campuses.

Regent Tanaka requested that each chancellor explain how the self study reports are disseminated throughout the entire campus community so that faculty and staff are informed during the accreditation visit.

Vice President Morton said that accreditation is not a private process. Over the last two years, the engagement of these committees with the campus has been very open. Open forums have been conducted. Everything has been on the web so that faculty and staff have access to the information. The documents will be published in hard copy and on the website once they are formally adopted.

Regent Hapai commented in response to Regent Tanaka that this is a very open process and having been through it a number of times as a faculty member, as long as the institution on the campus is open and honest, the accreditation body will appreciate this. The one key word that hasn't been mentioned is "improvement". Vice President Morton said that the only thing that has changed are the standards themselves. This particular set of standards was not adopted until 2000 so this is the first time that these standards were addressed by the colleges. The most significant change with accreditation is its emphasis on compliance – do you meet the standard or don't you.

Hawai'i Community College

Chancellor Freitas provided an overview of the Hawaii Community College's self study.

Hawai'i Community College with its UH Center at West Hawai'i is the only comprehensive, open door community-based college on the island of Hawai'i. The College's origin dates to 1941 when the territorial legislature established Hawai'i Vocational School. The name change occurred in 1956 to Hawai'i Technical School and again in May 1970 to Hawai'i Community College at which time the school's governance transferred from the Department of Education to the University of Hawai'i system.

From 1970 to 1990, Hawai'i Community College was a unit of the University of Hawai'i at Hilo. In Fall 1990, the University of Hawai'i Board of Regents voted to separate the two. In July 1997, Hawai'i Community Colleges' administrative responsibilities expanded further when the governance of the UH Center at West Hawai'i transferred from UH-Hilo to Hawai'i Community College.

Since 1997, the College has continued to expand its offerings and locations on the island. They have developed an identity conducive to its unique mission as an open door institution, serving all segments of the Hawai'i island population. Fall 2004 was the start of a new year for the college with changes in administration at both the college and the system level. A focus on program reviews interwoven with student learning necessitated new policies and procedures. The College developed and is implementing an approach to planning and assessment that is integrated and systematic. The State legislature approved a permanent increase of over \$4 million in general funds, effective July 1, 2006. Private and public partnerships have been formed for development of new campuses on the east and west sides of the island.

Chancellor Freitas said that he focused on what Hawai'i Community College did in response to the latest visit by the ACCJC in 2000. Program review will continue to be a major focus for Hawai'i Community College (CC) throughout the year. It has provided them with tremendous input into their budgeting and how they formulate their budget into the future.

Chancellor Freitas moved to explain how they responded to the seven recommendations that were made by the ACCJC in their visit in October 2000.

1. Make the vision of the four cornerstones a reality.

In August 2001, a task force was formed to continue discussions on the four cornerstones. The four cornerstones will be integrated into the curriculum, embedded into the institution and college, and will become a role model for the community in the areas of community work-based learning, environment, Hawaiian culture, and technology. On March 3, 2006, an all college learning day was designated which discussed how the four cornerstones worked into seven imperatives – community development, work force development, cultural competency, environment, Hawaiian culture and values, and healthy communities and technology.

2. Communicating the College's mission island-wide.

On page 9 of the report, there is a map of the island which indicates the geographic distribution of the student enrollment.

Hawai'i CC established community partnerships which made it possible to offer credit courses at seven satellite sites around the island. The Chancellor's presentations at community-based groups focused on the future of the island's youth. His recent visit to Laupahoehoe High School resulted in Hawai'i CC offering two sections of the Construction Academy curriculum at the high school.

Rural development projects offered through OCED are extended island-wide. Forest Team and Hawaiian Lifestyles are new A.S. degree programs which serves a very basic need on the island.

3. Developing resources to develop a cohesive research function.

Hawai'i CC hired a full-time research analyst in January 2005 who was instrumental in developing assessment data for the program reviews.

4. Strengthening relationship with UH-Hilo.

A co-location agreement between the University of Hawai'i at Hilo and Hawai'i Community College was reached. Hawai'i Community College will assume facilities management of the Manono campus starting October 2006.

5. Supporting the distance learning delivery system.

The College's academic senate formed a distance education ad hoc committee with representation from instruction, student services and academic support to review issues and make recommendations regarding distance education from Hawai'i Community College. The College sponsored staff development activities and a web conference to introduce the use of pods and blogs, etc. to better communicate with their constituencies.

6. Developing and applying uniform standards for curriculum.

Recent developments include completion of an extensive review of the curriculum by the education policy committee of the academic senate which resulted in updated procedures and forms.

7. Planning for facilities that will promote the goal of autonomy.

This has been accomplished through the public/private partnerships.

Chancellor Freitas provided three alerts which included the following: role of the College Council; a philosophy of general education; and catalogue changes.

Chancellor Freitas said that Hawai'i Community College is in a four-year program review cycle. There are 44 programs that are up for program review – twelve the first year; eleven the second, eleven the third and ten the fourth year.

Honolulu Community College

Chancellor Pedersen said that Honolulu Community College (HCC) is an evolving institution that started off as a trade school attached to the Department of Education. It has twenty-three different programs, the largest of which is the liberal arts program.

The mission statement of HCC basically gives a clear statement of asserting its mission and goals in line with the University of Hawai'i community colleges system and the University of Hawai'i system planning and policies. The College carefully aligns itself and references itself to all of the system documents in terms of where does the College fit in the structure.

The issues surrounding leadership and the development of both the community colleges and the campus reflect the tension that exists within the campus between two factors and decisionmaking processes. One factor is the academic driven processes which focus in a collegial, bottom-up driven decision making process. Another factor is the work force pressures from external constituents. The campus is driven by two different sets of variables – one is internal and one is external. Chancellor Pedersen said that his values for the campus are: did it serve the State of Hawai'i and the individuals that paid for the investment in this campus to do what it said what it was going to do. One of the functions of administration is to decide the direction of the College.

Chancellor Pedersen said that there is a constant push/pull in community colleges between the work force mission and the academic mission. The work force mission works at a faster pace. The processes all have to be adhered to in terms of the WASC processes. Within this document, there is constant attention between did we consult enough, did we make decisions on our own, did we come back to the faculty and staff on every major project that we started, or did we decide that we have got to move on this. A typical example would be the Construction Academy which began as a pilot project in the Regents' budget, and the industry, the governor, and the legislature funded a much larger program. In response to the processes, the college created in a strategic planning council that establishes both budgetary prioritizations and also links it to the strategic planning and to course student learning outcomes(SLO). HCC's faculty decided that what they wanted to do was SLOs before program reviews. HCC created the SLOs and virtually every program has done those. The decisionmaking process from the SLO through the strategic plan through the planning council to the biennium budgets were put in effect last year. This report is a snapshot which ended in April of 2006. Since April 2006, there have been leadership decisions by the President and Vice President for Community Colleges and the Council of Chancellors which are different from some of the statements in the report. It is HCC's responsibility to basically explain that in terms of the differences of what this report found and where they are at the time that the visit takes place.

Assessment is the key to the self study process and the College has instituted assessment in program review. One of the big recommendations here is if the administration goes through the same assessment and program review process and assesses itself. One recommendation is to update the long-range development plan so that the College will be able to develop the campus in a cohesive manner. Funding was requested last year for the LRDP but not funded. Funds are being requested this year for the LRDP. The College cannot develop it's a science and technology center and other CIP projects unless there is an LRDP and all of the facilities are clearly marked out in terms of their development plan.

Another concern is the College's ability to acquire and maintain technological resources. This is the result of approximately ten years of no equipment budget because of the budgetary restrictions. One of the planning council's request in the biennium budget is a standard line item for equipment to be able to keep up with processes.

Another major concern is the high administrative turnover. Mid-level management in the community colleges is going to be in crisis. It is going to be in crisis based upon the new faculty contracts that in the next two years will provide a salary increase of nine and 11 percent. The College will have a significant number of faculty earning more than \$100,000. The issue is that the leadership and administration usually come from faculty ranks and some nine-month faculty will be earning more than eleven-month administrators. This is an issue that has to be faced.

Chancellor Pedersen said that HCC was placed on warning for one year, after the third year report. The College took the recommendations of the visit and instituted the organizational changes within six to eight months after the visit. Last fall, the accreditors returned for a followup visit and commended HCC for the amount of the work that had to be done and how far that it had come and removed the warning status.

In response to President McClain, Chancellor Pedersen said that the campus was doing the self-study while responding to the third year report. The College ran two processes simultaneously.

President McClain also requested a clarification on the connection between the LRDP and the legislature because it is the Board that approves the long-range development plans. Chancellor Pedersen said that the College needs to update the plans at an estimated cost of \$400,000. Funds were included in last year's budget request and was not funded.

Regent Migita asked what the solution would be regarding the high administrative turnover. Chancellor Pedersen responded that any faculty who is willing to serve as an administrator be compensated at the top of the faculty pay scale.

Kapi'olani Community College

Chancellor Richards highlighted some of the findings and recommendations of the Kapi'olani Community College (KCC) self-study.

The self study took twenty-seven months, eight electronic drafts, and 115 faculty, staff and students to produce their 565-page self-study. The 115 faculty, staff and students, over a twenty-seven-month period, researched, interviewed, surveyed, collaborated, discussed, and documented whether KCC met, partially met, or did not meet these 115 sub-parts of the standards. Each subpart of the standards consist of an executive summary, self-evaluation, and a planning section.

Chancellor Richards said that in the final analysis, based on appropriate evidence, KCC met and/or partially met 98 percent of the 115 sub-parts of these four standards. He highlighted several examples of documented evidence of KCC meeting the standards.

One of the better measures of student learning outcome attainment is the external validation through national licensure and credentials and exams found in KCC's seventeen degrees and certificate programs and nineteen continuing education and work force development certificates of competencies in the health sciences. Examples of some of the continuing education programs are: phlebotomy, pharmacy tech, massage therapy, surgical technologist, medical coder, and medical transcriptionist. For example, both the emergency medical technician program and the mobile intensive care technician program have seen a 100 percent pass rate for their graduates on the MIT and the MICT exams, respectively, over the last several years. Moreover, graduates of these programs score a minimum of 20 percent above the national average on these national exams. Other health programs at KCC have similar pass rates. As examples, the following programs have 100 percent pass rates: Medical lab registry for certification exam; occupational therapy assistant certification exam; physical therapy licensure exam; radiological technician registry exam; respiratory therapy exam; and the continuing education program in pharmacy tech and massage therapy. Only one program did not receive a 100 percent pass rate – the medical assistant program whose graduates scored 94.4 percent.

Sometimes student learning outcomes are tested in more direct ways by the consumers. KCC is nationally renowned for its culinary arts program. These programs demonstrated their student learning outcomes by serving 554,073 customers last year. Documented evidence from national and international organizations have also been used to validate their self-study. Sustained innovation has significantly enhanced the local, national, and international reputation of the college as the following awards and recognitions attest: Recognition by the American Association of Colleges and Universities for overall quality in undergraduate education; by the American Council on Education for implementing promising practices in institutionalizing international education and assessment in international learning outcome; by the National Association of Foreign Student Advisors (NAFSA) and the American Council on Inter-cultural and International Education and the Community College for International Development for best practices in internationalizing its programs in campus environment; by the Carnegie Foundation for the Advancement of Teaching for its commitment to promoting civic and moral responsibility in undergraduate education; and in Spring 2005, KCC was the only community college nationally to be selected to participate in the Lumina Foundation National Coalition for E-Portfolio research.

Chancellor Richards briefly highlighted items for improvement.

In Standard 2, Student Learning Programs and Services, the recommendations include: develop and implement assessment of student learning for all of KCC's academic and non-academic programs; use student learning outcome data and program review tactical planning data to ensure a high success rate for Holomua, a program for remedial and developmental students transitioning from liberal arts into career programs; develop and assess workshops for training and assisting faculty and staff in identifying, articulating and measuring outcomes in all courses and programs by 2008; strengthen and increase learning resources, tutorial services, and best practices teaching models for remedial developmental students; consolidate general education outcomes for their A.A., A.S. and A.S.T. programs to align them with the ACCJC general education guidelines and UH-Mānoa general education course requirements.

In Standard 2c, library learning resources, the recommendations are: develop a three-year replacement and maintenance plan for all fiscal and technology

resources by the library; establish a three-year technology plan for the repair and maintenance of all computer hardware and software.

In Standard 2b, Physical Resources. The recommended items are: request funding for updating the College's long-range development plan; seek space in Waikiki to serve as an office and a training center to serve the training needs of hotels, restaurants, and the related tourist industry in Waikiki; seek funding for the College's parking problem; seek funding for a multi-purpose building or facility on campus; investigate the process of acquiring the Makapuu lot, adjacent to or across from the KCC campus; and complete the necessary repairs on all buildings and lighting at KCC.

Regent Tanaka asked about the security and safety of students during the evening sessions and the status of lighting on the campus. Chancellor Richards said that the College increased the security force by two and now has three full-time guards. The College will hire two temporary security guards funded by increased tuition revenues. The College has 24-hour security coverage. There are CIP funds to replace lighting on campus.

Regent Hapai said that the pass rate on the health-related programs is very impressive and wanted to know what period it covers. Chancellor Richards said that for the emergency medical services programs, it consists of emergency medical technician and mobile intensive care programs, the 100 percent pass rate is over the last seven years. For some of the other programs, it has been over the last two to five years. Chancellor Richards emphasized that these are nationally-certified exams.

Regent de la Peña asked if there are admission requirements for students entering the health-related programs. Chancellor Richards responded that the College is an open-door college similar to the other campuses but to enter the health program, there are admission requirements such as being a high school graduate and successfully completing prerequisite courses in zoology, chemistry and so forth as well as courses to prepare them for admission into one of the health programs.

Kaua'i Community College

Chancellor Cha reported that Kaua'i Community College has a very high participation in the creation of the self-study. It is mandatory for every faculty and staff member to be on one of the standard teams. Student representatives are on each one of the teams as well. Because students' stay at the college is short, several sets of students were involved in the process that takes two years at a minimum to complete. The Chancellor recently oriented the newly elected officers of The Associated Students of Kaua'i Community College. The College disseminated the self-study at their convocation and engaged in a "get ready, get set" interactive session. There will be two more all-campus meetings in which they will discuss the self-study to ensure that everyone is prepared for the visit.

Chancellor Cha provided an update about the self-study major issues which were program review and the demonstration of a planning cycle that is grounded in the comprehensive program review and the annual updates. Chancellor Cha said that the self-study concentrated on describing and documenting both the formal structures, policies and procedures which are in place as well as the kind of training and professional development which were and continued to be offered to all faculty and staff. Four years ago, the College initiated Campus Conversations, two to three-hour conversation sessions, to discuss campus-wide issues.

Some of the major actions the College is undertaking as a result of this self-study are: Use data more effectively and link decisionmaking and resource allocations to that data and make those decisions transparently available to the campuses. With the assistance of federal Title III funds, the College is using data system from the Banner system to create dashboard indicators for operational decisionmaking. The first major report that is currently being worked on now is a program major status which is a report for scheduling decisions. The report will provide the status of every single student and the status of their progress in their major studies. The report will assist in operational decisionmaking relating to course offerings and schedules. The second major issue that they are addressing is something that been reported before - communication. The current practices include college conversations and convocations which always have interactive sessions. They have an internet area, called Campus Docs with every conceivable memo, file, report, piece of data, etc. The faculty and staff receive e-mail copies of all decisions and of the College Council minutes.

The major challenge remaining is the reportable assessment of student learning which has always taken place and has been embodied in grades which reflect the judgement of the faculty member on the performance of the student. What is being asked now is that the documentation of that student learning be more specific, more clearly understandable both to the student and to the employer.

Chancellor Cha believes that these faculty conversations about what constitutes good work will lead to great improvement for students. The College has discussed the following campus student learning outcomes:

- Communication - All various forms of written, verbal and non-verbal, listening, as well as writing and speaking;
- Cognition - Cognitive skills around critical thinking, decision-making, problem-solving and creative thinking;
- Information Technology - Technology skills.
- Social Responsibility - Recognition of your role in the community; and
- Personal Responsibility - Taking personal responsibility for your learning.

Chancellor Cha said that they are beginning to develop certain assessment instruments that are commonly used across the campus. The College has taken advantage of Perkins funding and other funding from the system to send faculty to workshops in developing their student learning outcomes.

Regent Hapai asked if there had been any discussion across the community college campuses to collectively create some of the assessment tools. Chancellor Cha responded that there has always been a great deal of discussion across the seven campuses that try to align similar courses. She said that as far as the overall institutional assessment and review processes, the seven campuses have been working very hard at trying to get some consistency in standards around the data sets and formats that will be used. At the beginning of the fall semester, a two-day retreat for campus leadership was held on program review to bring more consistency to the process. Colleges don't want to be "cookie cutters" of each other but they do recognize the need to be consistent for the sake of the students and the

programs. As far as specific assessments, the colleges have convened program coordinating councils (PCCs). The PCCs are mainly for career and technical programs that meet on a regular basis to align their courses, curriculum and programs.

Regent Hapai thought that it would be the natural thing for the campuses to move to the next step together.

Regent Tanaka thanked Chancellor Cha for emphasizing the communications issues.

Chancellor Cha said that they are making every attempt to inform everyone about the accreditation process.

Leeward Community College

Chancellor Quigley said that ninety faculty members, staff and students were involved in this process. The College took a different approach early on. The Accrediting Commission urged colleges to approach accreditation from an issue-oriented thematic approach. The College used six themes that the ACCJC is interested in -- commitment, student learning outcomes, dialogue, evaluation, planning, and integrity - and basically did six mini self-studies. The College organized itself in two directions - one from a themes approach and the second from a standards approach.

Chancellor Quigley said that previous recommendations that Leeward Community College addressed were:

- A shared governance policy;
- Program review model;
- Planning and budgeting in an integrated fashion; and
- Program student learning outcomes to be placed in the catalogue

The first theme is commitment – Student learning came to the forefront in the commitment group because it is in the mission statement and it is the focus of Leeward Community College. This group stated that all areas of the campus, not just instructional areas, are assessed and these assessments are linked into one campus program review process, focused on whether or not everyone is contributing to student learning. A survey of the campus was conducted about the review process after the first year and 75 percent of the survey respondents agreed or strongly agreed that the new process was an improvement, 8 percent strongly disagreed or disagreed. One of the planning agenda items is to assess the effectiveness of this planning process and its deployment.

The second theme is student learning outcomes – This group focused on assessment of student learning. They have two different kinds of assessment levels at the academic level - One is program outcomes in terms of the kinds of qualities associated with an Associate in Arts degree such as quantitative skills acquisition, communicative skills acquisition, and critical thinking skills. A second kind of assessment is having individual course assessments. Both kinds of assessments need to be integrated into the program review process that ends up in a budgeting

and planning process. The faculty wants further refinement of outcomes. The faculty is also very concerned with connecting this SLO achievement process with grades. If grades are given, it ought to be connected with some kind of documented achievement learning. More in-service and more training on how to integrate assessment with student learning outcomes are needed.

The third theme is on evaluation and planning. One of the new challenges facing the College is accountability and the need for data creation and data management. This is a labor-intensive effort. Discussions were held establishing an Office of Planning and Assessment that will help organize the process, the time lines, materials, and the data management.

A fourth theme is having intentional dialogue. The process is in place - data focused and planning focused. The self study reviews all of the organizational structure, the function of every organizational piece and links the administrative, faculty and student services groups. The campus survey revealed that 75 percent of the respondents agreed that the new process expands the involvement of the campus community.

Integrity is the last theme and involves the degree to which the College is adhering to its mission. Mission statements, course offerings and all publications were reviewed. There are very specific recommendations about how LCC can improve their planning process including time lines that are less harrowing and streamlining of their process. There is a concern over the management, production and analysis of data.

Regent Hapai asked if there has been any effort to set up a similar data collection system utilizing the Banner system. Chancellor responded that the last meeting of the chancellors and IR people and deans, focused on these topics. There is the coordination that needs to occur.

Maui Community College

Chancellor Sakamoto focused on five principle themes.

1. The nature of Maui Community College's campus involvement.

Chancellor Sakamoto said that they have tried to make their accreditation process as widely accessible and transparent as possible involving every segment of the institution's staff. Students, custodial and clerical staff as well as the key groups such as the faculty and administrators were involved in the process.

2. The College's response to the issues raised in the previous recommendations

The main recommendations dealt with the College's shared governance process and their outreach efforts. Shared governance has been an evolving process at the College. The College has a history of involving every segment of the college in its executive committee, the decision-making body that makes recommendations to the chancellor. The committee meets on a bi-weekly basis and all of the issues of the institutions surface in that particular venue. The committee includes representatives from the faculty and the academic

senate chair, the head of student government, all of the administrators as well as representatives from each of the major work force groups, clerical and operations and maintenance and APT groups. The shared governance issue was addressed. The College's outreach leadership teams on Moloka'i, Lāna'i, and Hāna and now Kihei are also involved via their interactive television system in terms of participating in different kinds of discussions that involve the academic offerings and critical decisions. The previous recommendations suggested that MCC allocate resources specifically for the outreach areas which they have done. The Moloka'i Education Center has a very robust infrastructure. The College acquired federal resources of at least \$3 million during the past six years to support Moloka'i, Lānai and Hāna which has resulted in what is being called sustainable economic development, particularly for these remote rural communities.

Chancellor Sakamoto said that they feel that they have addressed the previous recommendations fairly aggressively.

3. Progress in terms of meeting the accreditation standards.

In terms of their progress on their accreditation standards, the previous WASC accreditation team recognized that Maui CC had a robust process in terms of program review, strategic planning, and an implementation plan. The College was recognized for accomplishing its objectives so no warnings were issued with respect to their processes. The College's midterm report identified the College's model for its continuous improvement process.

4. Evidence

Specifically in the area of learning, Maui Community College has identified what their major learning outcomes are for critical thinking, oral communications, written communications, information retrieval and quantitative reasoning. The College created a matrix where all of these five major outcomes are reflected in every single course. Chancellor Sakamoto stated that it is a fairly robust approach. Program improvement funds will allow them to collect evidence related to learning outcomes. Staff on campus as well as at the outreach centers on Molokai and Lanai will be collecting evidence.

5. Maui Community College Strategic Plan.

The College responded fairly aggressively in terms of the availability of resources. Since the last accreditation report, the faculty and staff of the College have generated about \$55 million of grants and awards over the last six years. A small campus with a fairly limited business office staff are affected by infusion of additional federal grants. The College is also faced with the complexity of serving in their tri-island environment where the cost of living is extremely high.

The College looks for educational programs that are going to make a difference in terms of sustainable living - compensation, wages that the students must have in order to buy a house, pay for gas, and pay for food and feed their families. Energy costs are not only high on

Maui but even higher on Moloka'i and then still higher on Lāna'i. Chancellor Sakamoto said that he believed that this is the crux and core of their planning challenge.

The College is progressing with their student housing, a privately-funded student housing project – two hundred beds which will be available by January 1st.

In response to a question from Regent Migita, Chancellor Sakamoto said that Maui Community College has done three key initiatives to address the shortage of nurses. The first is a proposal in the last legislative session for six additional nursing positions; one position was approved. The second initiative was in response to the County of Maui Mayor Arakawa, who proposed \$2 million to support the expansion of higher education resources, baccalaureate development, for the County of Maui. Out of that process, \$500,000 came to Maui Community College specifically for nursing and dental assisting. The College is hopeful that their third initiative of pursuing federal resources for expanding their nursing capability will be successful.

President McClain asked Vice President Morton to counsel the regents on the matter of Maui's interest in moving to a four-year institution. There is one baccalaureate program authorized. The arrangement with the WASC Senior Commission is that there needs to be a five-year waiting period before a second program is put forward which is clearly an aspiration for the Maui County.

Vice President Morton said that there will be two members for the Senior Commission as part of the team visiting Maui, specifically to look at how the ABIT, the Applied Bachelors in Information Technology degree, has been integrated in its infancy stage into the program. The broader question is: When do community colleges no longer become community colleges and shift to become senior institutions. That boundary was one bachelor's degree offering. The University Center on Maui continues to deliver a considerable number of bachelors' degrees to the County. President McClain said that at present, the Board's position is in support of the ABIT program but no further expansion beyond that. Chancellor Sakamoto reported that there are about seventy-five students in that ABIT track. \$35,000 of scholarships have been secured. Small business and entrepreneurial development is a continual focus in terms of what they see in the County of Maui as needing support.

Windward Community College

Chancellor Meixell discussed the various themes in Windward's accreditation report. The most significant theme on her campus was dialogue. She reported that during the spring semester, the entire campus community participated in an interactive session on the accreditation report.

Windward CC is the last campus on warning and the standard that they are addressing is Standard 1 - Improving Institutional Effectiveness. The concern which resulted in a warning notice had to do with procedures and policies related to decisionmaking and budgeting. The policies and procedures are now in place and they are working. The resulting budget that came out of the procedure for the second year is posted on the College website. The College firmly believes that they will be removed from warning.

Chancellor Meixell reported on student learning outcomes. Every course that is being taught this semester has student learning outcomes in the course outline. 79 percent of the courses in their master file now have published student learning outcomes. As they are being developed, they are being added to the web-based version. Those student learning outcomes and the assessments that are now being developed have been a faculty process and they are working among themselves, not only to develop measurable assessments but to decide how those measures will be used.

She read the last paragraph of the abstract – “from its beginning 33 years ago, the college has been a community college in the true sense of the word. It has provided quality education for two generations of students and has served as a meeting place and a cultural center for the wider community that it serves. Carrying out the planning agenda created by the writing of this self study will ensure that the college remains a vital center for the Windward O’ahu community in the years to come.” She added that this is their goal and said that they feel very confident.

Regent Tanaka wanted assurance that new faculty get involved quite quickly in terms of what has been going on before the accreditation visit.

Chancellor Meixell said that all of Windward’s faculty participated in the accreditation workshop at the beginning of the fall semester. Everyone was given an opportunity to learn about the accreditation standards and documents. She said that there is a comfort level with all her faculty and staff.

Standard IV-B

Vice President Morton said that the last part of the presentation deals with Standard IV.B. There are ten standards that are specific to the Board of Regents. Generally the assessment was that the Board meets the standards for six standards, partially meets the standard for three of them, and for one of them, the Board does not.

Vice President Morton discussed the standards which needed further responses and clarification on the part of the Board. One of them has to do with the standard that states that the governing board acts in a manner consistent with its policies and bylaws. There was no issue with that but the standard also states that the Board regularly evaluates its policies and practices and revises them as necessary. There was some concern that it was not as consistent as it needed to be in order to meet the standard. Another standard says the governing board has a program for board development and new member orientation. Vice President Morton said that he knows that there is a Board orientation manual and there is periodic Board orientation but again, nothing that really documents that it is a consistent practice. The next standard is the governing board’s self-evaluation processes for assessing board performance which are clearly defined, implemented and published in its policies. Currently, there is no written policy. So incorporating a policy on board self evaluation into the board policies would be required in order to come into compliance with the standards. The last one which the board partially meets says the governing board is informed about and involved in the accreditation process. This was assessed about a year ago and it was basically the opinion at that time that there was still too much of a distance between the board and the expectations of the Junior Commission. Since then, there was a Community Colleges’ meeting, which is moving the board into compliance with this standard. All the other standards, Code of Ethics – are you legal, do you have policies, are you

ultimately responsible, do you provide the President and Vice President for Community Colleges with appropriate authority to carry out your actions, are considered as having been met. The final area has to do with Vice President Morton's office. The office has only been in existence one year. Now it's a matter of performance, about translating that structure into operations, into clear definitions, into policies, into actions and obviously this is an ongoing process.

Vice President Morton requested that the Board approve the seven community college self-studies with the understanding that any of the proposed plans of actions that are contained in the self studies would be subject to normal administrative review including Board of Regents' approval where necessary.

Regent Tanaka moved to approve the community colleges system self-studies for community colleges accreditation. Regent Landon seconded the motion.

Chairperson Lagareta said that it is imperative that the Board work harder on the things that it is not meeting. On the orientation, it is happening very regularly but it seems that this has to be documented more effectively through the Board office. Chairperson Lagareta said that the Board did a self-assessment with the Association of Governing Boards and with Tom Ingram's help about two years ago. She said that it is time that they do this again and make that part of the Board's policy. She said that they need to document the process. Vice President Morton said that if the Board was to adopt that policy at the October meeting, it would happen one week before the team visits.

Upon call, the motion was carried.

Vice President Morton said that in addition to the self-studies, the community colleges are required to submit a response to recommendations made in 2000 during a review of the community college system by ACCJC. Although there will be no similar system visit this year, the response is required to document progress that has been made on the previous recommendations. The Board of Regents must also accept this response which, upon approval, will be transmitted along with the self-studies.

Most of the activities that were not specific around governance carried on. Issues around compass placement testing for students or getting people hired faster have been met. The recommendations that are still being worked on are: How to distinguish between what the system does versus what the campus does. What is the president's role versus the vice president's role? What is the Office of Human Resources (HR) at the system versus the campus HR offices?

Program review, program improvement, and quality improvement continue to be a topic of discussion. The community colleges received an additional sum of money of \$250,000 specifically for program improvement based on assessment. Part of the monies is being used as a major effort to examine best practices in remedial and development work in Hawai'i and across the country to try to improve in that area. Typically in Hawai'i's community colleges, between 15 to 30 percent of the students participate in financial aid programs – national benchmark, 50 percent - so some of the program improvement money is being used to increase the communication to students about availability of financial aid, both private and federal. Data is an issue – some of the funds will be used for additional data retrieval tools and a two-day real "boot camp." Basically, the Institutional Research Office will be providing two days of intensive training, not just on the tool, but using

that tool to get the data from Banner. The final area that money will be used is the distance education efforts which is a big part of the community colleges. These are examples of where they are trying to collectively address some of these issues that are community college-wide in response to data.

Regent de la Peña moved to approve the report as the response to the 2000 recommendations. Regent Tanaka seconded the motion which was unanimously carried.

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

Lease at Hoolehua, Moloka'i from State Department of Hawaiian Home Lands for College of Tropical Agriculture and Human Resources (CTAHR)

The Cooperative Extension Service (CES), CTAHR, University of Hawai'i at Mānoa, is an outreach agency with partnerships between the Federal, State, and local governments. The CES maintains faculty and staff on all major islands, except for Lanai, assisting farmers, ranchers, home owners, youth development, producers of food, fiber, ornamentals, and landscape plants, while protecting the environment.

On Molokai, the CES maintains a full-time staff of Agricultural County Agents who are also CTAHR faculty. The County Agents provide assistance to producers on Molokai in all areas of agriculture production, processing, marketing, and rural community development. They also provide educational programs for sustenance and commercial agriculture operations. They are a direct link to other University of Hawai'i researchers, instructors, extension workers, and other resources.

The 2004 Hawai'i State Legislature provided CIP funding in the amount of \$1.1 million to construct a new office facility on Molokai. This facility will replace the current substandard temporary facility. The new office facility will be located on a parcel of land leased from the Department of Hawaiian Homes Lands (DHHL).

This parcel is part of two existing DHHL parcels that would be subdivided to create a new third parcel, where the new office would be located. DHHL is in the concurrent process of modifying the existing lease agreement that would create the new parcel. The current lessees, the U.S. Postal Service and the First Hawaiian Homes Federal Credit Union, have agreed to the modifications to allow for a new third parcel.

The DHHL has verbally agreed to lease the above parcel to the University of Hawai'i and will finalize a formal lease agreement once the above subdivided lease agreements are finalized and the County issues a new TMK number for this parcel*. The proposed lease is for a parcel that is approximately 53,258 square feet (1.218 acres) for a period of 30 years.

The annual lease was agreed to be for ONE THOUSAND AND FIVE HUNDRED DOLLARS (\$1,500) per year for the first ten years. The lease rent will be reopened and predetermined by an independent appraiser to determine the fair market rental value at the time of the reopening at ten-year intervals.

CTAHR strongly recommends that the lease be approved in order to maintain and enhance its outreach mission through the CES on Molokai. The facility will serve all of the residents of the island of Molokai in non-traditional education in

farming, aquaculture, adult and youth programs, programs addressing healthy diets and nutrition, and many other programs. The facility will also serve as a community resource by providing a safe, comfortable, and internet-connected meeting place for all members of the community. The facility will also provide better learning conditions than the current substandard facilities.

Dean Andrew Hashimoto said that currently, they have three agents on Moloka'i and they serve the community very well. One of the agents is funded by the Department of Hawaiian Home Lands (DHHL). The agents were housed with the Hawaiian Home Lands offices but that building was condemned. In 2000, the office then moved to a storage building on a farm managed by Maui Community College on Moloka'i. The current facility does not have potable water and high speed internet access, and it is relatively remote and inaccessible to the clientele that they serve. This arrangement with Hawaiian Home Lands will facilitate all of these things. This request was reviewed by the University General Counsel's Office and has been approved by the Board of the Hawaiian Home Lands for acceptability. Director Kane has indicated that he will sign this if it is approved by the Board of Regents.

Regent Migita moved to approve the lease at Hoolehua, Moloka'i from the State Department of Hawaiian Home Lands for College of Tropical Agriculture and Human Resources. Regent de la Peña seconded the motion.

In response to Regent Tanaka regarding the current lease, Dean Hashimoto said that an assessment was done of the land. Part of the land has been leased by the Post Office and as they subdivided the parcel, a fair market assessment was done and \$150 is the current market value.

Regent Hapai said that she has been to the current facility and it is urgent that they are moved. Working out of Matson containers is totally unacceptable. Hawaiian Homelands has put in some new facilities with infrastructure already so this is a good arrangement. Chairperson Lagareta added that Regent Haynes had a minor concern about the thirty-year length of the lease. Dean Hashimoto said that it was originally proposed for twenty years. A fifty-year lease was actually requested but they are comfortable with the thirty-year lease.

Upon call, the motion was carried.

Regent Tatibouet moved to enter into executive session. Regent Hapai seconded the motion which was unanimously carried.

Friday, August 25, 2006

The meeting was reconvened at 9:00 a.m. on Friday, August 25, 2006.

President McClain acknowledged the presence of Georgina Kawamura, Director of the State Department of Budget and Finance.

President McClain asked Vice President Johnsrud to come forward with a real-time update on how enrollments are faring this fall and, in particular, to describe for the Regents the capabilities they have in this regard – to give a real-time update.

Vice President Johnsrud said that the dynamic reporting model that President McClain referred to is live on the website. Once you access the system web page, click on the Institutional Research Office and get immediately to this model which

is updated three times a day, 7:30 a.m., noon, and 4:30 p.m. As of 7:30 this morning, there were at least 49,788 students systemwide enrolled and this is the fifth day of instruction. Compared to the fifth day of instruction last year, they were down 89 students. Vice President Johnsrud said that they have been monitoring this very carefully because this is the first semester of the new tuition schedule. Campuses have been doubling their recruitment and financial aid efforts. There are enrollment variations across the campuses - Mānoa is down by about 350, and the community colleges, West O'ahu and Hilo are all up about that comparable amount. Students are making rational choices perhaps starting at the community colleges before they move on. Vice President Johnsrud said that she is delighted with this - it is very good news for all of them.

Agenda Items (Continued)

Lease Agreement with DJSM LLC for Office Space at 1437 Kilauea Avenue, Hilo

Chancellor Tseng requested that the Board of Regents authorize the University of Hawai'i to enter into a five-year lease with DJSM LLC to lease approximately 4,898 square feet of office space to accommodate University of Hawai'i at Hilo staff.

Additional cost to the University of Hawai'i at Hilo (UH-Hilo) is \$138,124 per annum, which includes an annual lease rent of \$117,552, and annual common area maintenance (CAM) fees of \$20,572. The total annual least rent amount is included in UH-Hilo's annual operating budget.

The proposed office space known as the Kilauea Financial Plaza, located at 1437 Kilauea Avenue, is comprised of approximately 4,898 square feet. This office building is in close proximity to UH-Hilo's main campus, and ideally suited to accommodate staff from UH-Hilo's Administrative Affairs, Office of Technology and Distance Learning, Human Resources, Development Office, and University Relations departments.

The Lessor, DJSM LLC is offering a five-year lease at a cost of \$2.00/sq ft. in lease rent and \$0.35/sq ft. for CAM fees, which is comparable to lease rent charged for new buildings on the Big Island. There is currently no suitable and/or available new or older office space located as close to UH-Hilo's main campus as the Kilauea Financial Plaza. In addition to the comparable lease rent and ideal location, the Lessor is including all office improvements required to complete the unfinished space pursuant to UH-Hilo's specifications for the individual offices at no additional cost to the University.

Chancellor Tseng said that they will be needing about five years as the various buildings are in different stages in being built. She said that they are adding positions in nursing, teacher education, library, agriculture, astronomy and business.

In response to Regent Migita's inquiry, Chancellor Tseng confirmed that the lease rent was competitive.

Regent Albano said that this is fixed for five years at \$2.00 base rent and asked if it were a Class A building. Regent Albano said that he thought \$2.00 was

a little high for base rent as compared to downtown Honolulu's cost of about \$1.60 - \$1.80 per square foot.

Regent Landon inquired whether as a tax-exempt institution, the University will have the benefit of a reduced base rent.

Vice President Callejo said that on Regent Albano's question on the fixed rate, the CAM is fixed only for the first year, the \$.35 a square foot and after that, it will be adjusted based on actual. As far as the tax breaks, the lessee may obtain an exemption from real property taxes and upon the granting of that exemption, the rent will be reduced accordingly, pro rata share.

Regent Albano asked if they felt that the rate that is being charged is competitive. Vice President Callejo said that he did not check other Hilo rates but he will.

Regent Hapai said that she checked on the rates on the Big Island and found buildings that were built in 2005 with base rents of \$3.00 - \$4.00. She said that CAMs were not that high but the rents per square foot were high. Regent Albano suggested that in the future, it might be wise to show a matrix of the various buildings. Chancellor Tseng said that she has a copy of the comparison of other costs and will provide a copy to the regents.

Chairperson Lagareta said that Regent Haynes was not able to attend the meeting but had a couple of questions. Regent Haynes questioned the high rent in Hilo and whether there were any conflict of interest with entity.

Regent Landon suggested a process whereby the chairperson or a designated regent could review the competitive rents for the rest of the regents so that the University can move on. Chairperson Lagareta designated Regent Albano.

Regent Landon moved, subject to Regent Albano's review of the competitiveness of the rent and assuming that it is in a reasonable range that he feels comfortable with, to authorize the University to enter into a five-year lease with DJSM LLC of approximately 4,898 sq. ft. of office space to accommodate University of Hawai'i at Hilo staff. Regent Migita seconded the motion.

Regent Hapai said that the Astronomy Center, when it was being built, had an office downtown and was paying \$6,000 a month for 3,000 square feet. It was about that same price, \$2.00 a square foot.

Upon call, the motion was unanimously carried.

Biennium Budget Workshop

President McClain reported that during this Biennium Budget Workshop, the Board will be presented with the budget that came out of stock-taking process which was then reviewed by the biennium budget committee. The next steps involve putting a little bit tighter priorities on what the committee has generated and any special presidential initiatives. The Board, as it has done in years past, may want to modify the budget as presented. The budget request will be on the agenda for final approval at the next board meeting on Kaua'i, September 21-22, 2006.

Framework for the Budget Process

Vice President Johnsrud said that budget request is a result of taking a very careful look at the biennium priorities, what the university wants to accomplish in the next two years and the objectives for the operating and CIP budgets. These priorities and objectives emanate directly out of campus strategic plans and campus facilities plans, all of which are grounded in the UH system plan. All of the priorities and objectives are based on the mission of the University as a whole and the various campus missions. This model of planning and the intersection between planning and budgeting has been part of the university's operations for years. The Board was briefed in January 2006 on the Second Decade project, which was an effort to systematically look at the demographic data for the state and determine what the state needs from its public university system. The Second Decade project identified which of those needs should be met by the respective campuses within the system and to determine the means by which those responsibilities should be financed. The first stage of the project was to determine the relative priority of state higher education needs by regions of the state. The project made an effort comparing the needs of Maui, Kaua'i, the Big Island, and O'ahu and finally to use this information for the FY07-09 biennium budget proposal development.

Vice President Johnsrud said the State needs the University to increase the educational capital of the state. In the State of Hawai'i today, the educational attainment of the population, age 25-40, is less than the attainment of the population, age 40-55. What that says in terms of educational attainment is that the state is moving in the wrong direction. At a time when more educated citizenry is needed, the younger cohorts are not as well educated as the older cohorts, and that is something the University needs to focus on and address. More specifically, there are work force development needs in the State for teachers, nurses, other health care professionals, and construction workers. The State also needs more jobs that pay a living wage. The University has a role to play in diversifying the economy and the research enterprise plays a significant role in this regard. And, finally, there are regions and populations of the State that are not being as well-served as other regions and populations. The attainment of native Hawaiians continue to lag and deserves the University's particular attention. Regionally, western O'ahu and west Hawai'i, as the Second Decade project affirmed, really do need the University to expand their educational offerings in the respective regions. This information was used then to frame the University's budget planning. Each campus was asked to address these four questions:

1. How can UH expand service to better meet State needs?
2. How can UH increase student participation and success?
3. How will you know that you have succeeded?
4. How will they pay for these initiatives?

With that, she turned it over to Vice President Todo to explain the budget process.

Vice President Todo said he and Vice President Johnsrud were tasked with leading the process which began with developing a budget paper that was presented to the Board. The campuses then went through a rigorous budget process and developed proposals that were presented in stocktaking presentations.

These presentations were made to the biennium budget advisory committee, the executive budget advisory committee and now the Board of Regents' workshop.

Vice President Todo reported that the budget includes general funds, tuition fees, and special funds. The University is embarking on a significant increase in tuition. The campuses were asked to review their general fund and special funds base before asking for new monies out of general funds. The campuses were also asked to categorize and prioritize along State needs. For the first time, they should look at how they can better meet State needs. Financial ceilings were also used to begin deliberations.

Chairperson Lagareta asked for a clarification from Vice President Todo on his statement that this is the first time that the budget was being in the context of State needs. Vice President Todo said that this was correct. Chairperson Lagareta said that this is a phenomenal change which focuses on data from a statewide perspective. Vice President Todo said that the Second Decade project of Vice President Johnsrud provided the data and definitions of statewide needs. Vice President Todo said that, hopefully, what this does is allows the University to frame the University System budget request cohesively for all the campuses.

Since the Council of Revenues had projected revenue increases of 7.1 percent and 5 percent for the respective biennium years, the University ceilings were 15 percent the first year and 10 percent for the second year with the ceilings viewed as maximum, rather than as a goal or as a minimum.

Vice President Todo said that systemwide groups and campuses were requested to coordinate their budget requests. The systemwide groups made their presentation over two days, March 20 and 21. The campuses made their stocktaking presentations over three afternoons on April 24, 25 and 26. One followup meeting was held on June 6. All of these stocktaking presentations were open.

Vice President Todo said that the results of the presentations were then turned over to the biennium budget committee which included members from the All Campus Council of Faculty Senate Chairs (CCFSC), Pūko'a Council, the Student Caucus, UH-Mānoa; UH-Hilo, UH-West O'ahu, Community Colleges, and the System. This group consisted of about thirty people who met weekly from June through August. Some members participated through polycom. The discussions in those meetings focused first on setting the ceiling. Everyone was asked to submit a budget request with an increase of no more than 15 percent for the first year and no more than 10 percent for the second year. The first year ceiling of 15 percent is about \$54 million. The initial budget increases totaled \$67 million. The biennium budget advisory committee discussed whether the University's request will be \$67 million or something less? There was no unanimity of thought on this. Vice President Todo said that the conclusion they reached was that the budget request needs to be responsible and reasonable, not just a wish list. Part of the data of the Second Decade project showed that the enrollments, after a surge during the early 2000's, have leveled off and reached a plateau. The data also indicated that while enrollments have been increasing, the percentage of the University's share of general funds has been decreasing. Vice President Todo said that for '05-'06, this was the first time that the general fund appropriations exceeded the 1994-1995 level of general fund appropriations.

Chairperson Lagareta said that this is part of a national trend -- Universities are going from State-funded to State-supported to State-assisted. Vice President Todo reviewed how the University did in the last biennium. In the last biennium, \$51 million was requested, the Governor included \$30 million in her budget request, and the University received \$42 million which included \$31 million of emergency appropriations for the Mānoa flood. In the second year of the biennium, the University asked for \$38 million, the Governor's budget included \$15 million, and the University received \$13 million. In the supplemental budget this past legislative session, the University asked for \$41 million, the Governor's budget was \$44 million, and the legislature authorized \$29 million.

Vice President Todo reviewed the state revenue projections by the Council of Revenues. The legislature and the State administration are restricted to approving a balanced budget which means that their appropriations cannot exceed the state revenues that are based on the Council of Revenues' projections. Historically, the trend has been that the projections are lower than the actual revenues received.

Vice President Todo stated the committee discussed differential budget increases versus "across the board" increase. The thought was to allow for some differential increases between campuses in order to maximize the use of funds to meet system-wide priority needs. The budget requests reflect a combination of proportional increases to the base funding with priority differentials. The differentials that were discussed and agreed to were:

- UH-West O'ahu. There is a need for West O'ahu, and there are plans there to build a new campus. There is support for additional funding beyond the base level for UH-West O'ahu to meet the geographical needs.
- At the community colleges, formula funding was supported for growth in enrollment.
- Information technology services to campuses were supported by all of the committees. These are online learning; human resources and payroll consolidation; financial system development; data warehousing; disaster recovery; and ADA support.
- University Centers to support those areas that do not have campuses.
- Vice President for Student Affairs for additional services for students.
- Systemwide groups' requests such as leadership development and student caucus.
- Funding for additional positions in Internal Audit and the Western Interstate Commission for Higher Education.
- President's differentials along the lines of "Access with Success" initiatives.
- Board of Regents' differentials

As a result of these discussions, the initial budget requests of \$67 million was reduced to \$37 million for the first year which represent a little less than 10 percent of the current budget of \$383 million. If the \$37 million was received for the first

year of the biennium, the budget would then be at \$420 million. The request for the second year of the biennium would be in line with the Council of Revenues' projection of five percent for the second year which would be \$21 million.

Chairperson Lagareta asked if there is any way that the people could get their "pet" projects that "died" on the floor during the budget process. President McClain said that they have consistently said to the Governor's office and to the legislature that the University does not have a corner on the market on good ideas for the University. If a particular legislator or the Governor or a member of her staff thinks of a good idea for the University, the University would ask them to vet the idea with the affected chancellor. As part of the President's relationship with the chancellors, he expects the chancellors to let him know about these initiatives. If the chancellor(s) and the President agree, the University will entertain the idea. If the chancellor(s) and the President disagree, it is not a priority for the University. The University relies on the chancellors to be responsible to their campuses and their communities they serve but they also have to understand a system context.

Vice President Todo said that budget categories came from the Second Decade project which include: increase educational capital of the State; expand work force development; assist in economic diversification; and address underserved regions/populations. Other categories were added: infrastructure and support services consistent with the campuses' strategic and long range development plans and technical adjustments that provided full funding for positions that were partially funded in the previous budget request.

Vice President Todo reported that Director Kawamura met with the biennium budget advisory committee and shared some of her thoughts about the budget process. She said that the University will need to analyze its base budget and explain it. Subsequently, Vice President Todo met with Director Kawamura to discuss the University's Second Decade project. Director Kawamura suggested revising the University's program structure to align it with the state needs outlined in the Second Decade Project. At President McClain request, Vice President Todo shared the current program structure. Vice President Todo said that the highest program level is education which includes both lower and higher education. The University is higher education and within that, there are basically seven appropriation codes: 1) community colleges; 2) UH-Mānoa; 3) UH-West O'ahu; 4) UH-Hilo; 5) University system; (6) small business development centers; and 7) Waikiki aquarium. Within the campus appropriations, there are sub programs such as instruction, public service, academic support, student services, institutional support.

Director Kawamura's suggestion, while appealing, would require much effort from an accounting perspective. The University may take a pilot approach in re-framing the budget request along state needs. Vice President Todo said that a lot more discussion needs to take place regarding revising program structures.

Vice President Todo reported that the same process was used to develop the CIP budget.

CIP Budget Request

Vice President Callejo said that the CIP budget is funded by general obligation bonds(C). The CIP plan for biennium shall focus on the following priorities: maintenance of existing facilities; completion of current projects; court

orders and critical needs for public safety and health; improvements for energy efficiency and Governor's priorities. In addition to general obligation bond appropriations, the CIP budget includes other means of financing: federal funds (N); revenue bond funds (E); revolving funds (W); special funds (B); private funding or contributions (R) and other funds (X). The CIP budget lapses two fiscal years after the start of the second year of the biennium budget while the operating budget lapses annually.

Vice President Callejo said that the initial project list from all of the campuses totaled over \$1.4 billion. The Office of Capital Improvements worked with all the campuses and prioritized the list to the top twenty-six projects, totaling \$718 million of which \$515 million is funded by general obligation funds. In the proposed CIP budget, the means of financing of the general obligation fund for the first year is \$318 million and the second year is \$196 million for a total of \$515 million. The Campus Center Renovation Project that the students testified in support of is funded through revenue bonds.

Vice President Callejo listed the priorities:

1. Health safety and code requirements.
2. Capital renewal and deferred maintenance. The amounts listed are the maximum sustained level of funding for the campus facilities offices: \$1 million for the Office of Capital Improvements; \$30 million for Mānoa; \$10 million for UH-Hilo; \$200,000 for UH-West O'ahu; and \$15 million for the community colleges.
3. West O'ahu Campus Development. The request is for \$100 million of B funds, \$35 million of C funds and \$34.359 million of X funds.
4. Leeward - Waianae Education Center for Leeward Community College. Funds to purchase the building where the current Waianae Education Center is housed.
5. Native Hawaiian Success Centers - Planning funds are requested for Leeward Community College, Windward Community College and Hawai'i Community College native Hawaiian centers.
6. Infrastructure Improvement Projects - for energy conservation measures for UH-Mānoa encompasses twenty-four buildings. Coconut Island - shore protection and sea wall repair.
7. UH-Hilo Entrance Improvements - Funds are requested for the theater and Kapi'olani entrance.
8. UH-Hilo. Funds requested for a data communications distribution building at the University Park.
9. Major CIP planning - This includes planning for the College of Education, West Campus Master Plan, Honolulu Community College, Kapi'olani Community College, and the recently acquired parcel at UH-Hilo.

10. System Information Technology Center - The request is for \$50 million. Previous appropriations include planning funds. This request is the design and construction funds.
11. Work force development projects - Temporary facilities for nursing programs at Leeward, Maui, Kaua'i and Hawai'i Community Colleges. At Leeward Community College – a social sciences teacher education facility.
13. UH-Mānoa - new classroom building. Increasing the education capital of the State.
14. UH-Hilo Student Services Building - Additional renovation to this 25-year-old building.
15. UH-Hilo Hawaiian Language Building - construction funds in the first year of the biennium with equipment funds in the second year.
16. Windward Community College - Construction funds for the library.
17. Maui Science Building - Their current Science Building was built in 1970. Construction of a 44,000 square foot new building.
18. UH-Mānoa College of Education New Building - Replacement of the building that was destroyed by the fire. Planning and design funds the first year; construction, the second year.
19. UH-Hilo - Campus Center. Additions and renovations
20. Honolulu Community College - The Pacific Aerospace Training Center. The roof at the current hangar in Kawailoa needs to be replaced.
21. UH-Mānoa - Gartley Hall renovation. This is part of the renovation of old buildings. Gartley Hall is 85 years old.
22. Law School expansion and renovation - Some planning funds received last year. The request is for more design funds.

The next five are just funding authorizations:

1. UH-Hilo - the College of Pharmacy building. Design funds of \$2.5 million in private funds.
2. UH-Mānoa - Campus Center renovation. The request is included in the second year of the biennium of \$28 million of revenue bonds.
3. UH-Mānoa - Enclosure of the courtyards of Holmes Hall and Biomed Building for research laboratories from revolving funds.
4. UH-Mānoa - A feasibility study for Waahila Faculty Housing funded by revolving funds.
5. UH-Hilo, U. S. Geological Survey building, federally-funded dollars

In summary, the total request is for \$459 million the first year and \$258 million, the second year – all methods of funding for a total of \$718 million.

Regent Tanaka asked if item No. 1 was the first priority of the University system for all of the projects and asked if priority no. 8 could jump to be priority No. 1. Vice President Callejo said that basically health and safety and capital renewal falls under the highest priority.

Regent de la Peña asked about the status of the John A. Burns School of Medicine (JABSOM). Vice President Callejo said that there are no capital improvements at JABSOM at this point and time.

Regent Dahilig said that under the UH-Mānoa campus center renovation expansion, he noticed that it is \$28.7 million in revenue bond project. He asked what the revenue stream was that the administration is proposing to pay for the revenue bonds. Vice Chancellor Cutshaw said that the Campus Center Board is proposing to use student fees increases to fund the revenue bonds. Regent Dahilig asked if there was a projected student fee increase that would potentially meet the \$28.7 obligation and asked if there was an amount that they were looking at right now. Vice Chancellor Cutshaw said that she did not have that data available.

Regent Hapai said that teacher education is usually handled by a four-year institution. She asked why so much funds are being requested for a teacher education facility at Leeward Community College. Chancellor Quigley said that Leeward Community College has an Associate in Arts program in teaching. The College has hired staff and hundreds of students are going through that program now to address the educational assistant job needs in the district for the Department of Education. Chairperson Lagareta said that this is a program which was approved at last year's meeting on Kaua'i. It is an important and intriguing program that has a variety of outside funding. Regent Landon added that this is a supplemental program that works in concert with UH-Mānoa programs which has a cohort program. Chancellor Quigley said that in addition to focusing and preparing people for upper division degree programs, the two-year program prepares people to work in the Department of Education as educational assistants. They are also working with West O'ahu.

Regent Albano asked if the long-range development plans (LDRP) include the new dorms. Vice President Callejo said that the plan will be brought to the Board and then to the City Council. The normal process is to complete the LDRP. In the case of Frear Hall, an exception was requested while the LRDP is being updated. Vice President Callejo said that part of the conditions of the current Frear Hall PRU is to update the LRDP. Regent Albano said that this project should be urgent because he would not want to see future dorms being delayed because the amendment to the LRDP had not received approval. Vice President Callejo said that the Chancellor reminded everyone of the urgency of the project at last week's meeting held with the LRDP consultants and staff.

Regent Dahilig asked whether there have been discussions in the past about what is the relationship between the Lab School and the University and whether the Lab School is an important part of the College of Education. There is a request for \$45 million for a new building. He wanted to know if those kinds of discussions had been fleshed out before moving forward with such a big CIP request. Chancellor Konan said the University is still looking at the master plan for that whole area. There is a need for a new building for the College of Education and they have not

yet defined exactly the amount and kind of square footage the Lab School would have in that building. There was substantial research that was being housed in the building that burned. Right now, they are thinking in a very flexible way about this issue. A little more time is needed to do a more thoughtful, strategic plan on the future of the Lab School. Regent Dahilig asked if they were looking at more generic buildings versus something that is more tailor-made. Chancellor Konan responded they have a space need with the College of Education activities and right now, they have a flexible concept.

Regent Landon said that it looks like an extraordinary request for the upcoming year of the biennium but a large measure of that increase is driven by build-out on West O'ahu which, in one sense has to be approved and in another sense, is kind of a carryover from some earlier plans and it really is kind of critical to where they are going with all of its expectations for the next several years. Regent Landon said that this is a sort of a once in a generation kind of thing or maybe even longer since it will be quite a while, given the demographics of the State's population, before they would ever have to think about something like this again.

Regent Migita wanted to know if all of the housing needs were being addressed for the students as well as the faculty. Vice President Callejo said that there are \$100 million in revenue bonds that have been authorized and based on the numbers that they are receiving now from ACC (American Campus Communities) Frear Hall, there still would be \$50 million available for additional student housing. As far as faculty housing, funds are being requested for the feasibility study for Waahila Faculty Housing in this biennium budget but other than those two areas, there are no other CIP requests that are being recommended at this time.

President McClain asked if Mānoa had any requests that did not survive the budget process in the student housing or the faculty housing area. Vice Chancellor Smatresk said that in student faculty housing, they haven't had any requests that did not survive. In student housing, the next phase is looking at the Johnson Hall. President McClain said that it would be interesting for the Board to hear what is the plan for further faculty and student housing requests in the supplemental and in the next biennium. Vice Chancellor Smatresk said that as soon as they get all the footprints and zoning issues resolved, they can move ahead with the Johnson Hall project. President McClain reported that the senior staff has discussed the need for more flexibility for the University to engage in bonding certain projects. It will allow the University to respond more quickly to opportunities that come along. There are issues from budget and finance such as if the University would ever default on any of its debt, is the State responsible for the debt. The State is, therefore, reluctant to give the University this authority. Chancellor Konan said that there is a need for faculty housing for visiting faculty and new faculty coming in that is in proximity to campus. President McClain pointed out that the University could use revenues from rental of properties. If they could have more flexibility, they could take advantage of opportunities.

Regent Albano inquired whether the University had looked further into private/public partnerships. It may mean looking to the private sector to fund these projects even it is a little more expensive than public funding and asked if this is being considered. Chancellor Konan responded that there have been discussions about how to take advantage of public/private partnerships. There have been discussions on the Kaka'ako project. They need to bring a mix of tools to this real

estate problem. Regent Albano said that part of the private/public partnerships include letting the developer manage these projects. President McCain said that there is the example on Maui where private developers are building student housing. There is a connection to Maui Community College but it is not in any sort of procurement model.

Regent Migita said that a plan is needed. For some years, they have heard about the Moiliili area turning into a University community and Kamehameha Schools owns a lot of land in that area. President McClain said the control over some of the lands has just been turned back to Kamehameha Schools and the University is in discussion with Kamehameha Schools.

Chancellor Konan said the goal is to move from their current room inventory of 3,000 beds which is 15 percent of the student population to the target set in the Board policy of dorm beds for 25 percent of the student population. There is just a huge demand. They are looking to move forward to 6,000 beds as soon as possible. In the next five to eight years, they hope to double student housing. Regent Tanaka asked if Frear Hall was going add 800 rooms near future. With \$50 million left from the \$100 million appropriation, he asked what are the plans for the next four hundred to six hundred rooms. Chancellor Konan said that she has made this Vice Chancellor Francisco Hernandez's number one task to come up with a plan for student housing. President McClain requested that Vice Chancellor Hernandez be present at the September meeting and as part of the discussion of the final version of the biennium budget, perhaps Vice Chancellor Hernandez could share his thinking about these matters with the Board.

Regent Landon said that it might be useful for the Board to explore whether there is some structure that the Board could utilize for quick reaction to opportunities. There may be other opportunities and if the Board can capitalize on those opportunities when they come up, it might make it a little easier to take something that looks infeasible and turning it to be more feasible. It may be something that the public/private partnership task group can look into as to how can the University capture opportunities for future housing. Regent Albano said that this is a good idea.

Chairperson Lagareta said that she noticed that on item No. 2, one of the issues was the amount of work that the staff felt that they could handle. She asked if they were still under some tough constraints because of the construction industry being so tight right now. Vice President Callejo said that this is correct.

Operating Budget Request

Vice President Todo said that the next item is the operating budget and said that the first four pages of the operating budget are the details that are summarized by State need.

Vice President Todo explained that the Operating Budget request is general funds – funds that they get appropriated. The special funds request is a ceiling request for authorization to spend generally up to the limit of the projected revenues for the special funds. The first thing is the general funds request. The budget request the first year is \$37 million. The budget request for the second year totals \$57 million which includes the \$37 million in the first year plus \$20 million in the second year. The budget details listing the 200 program change requests (PCR) were distributed. The PCRs were prioritized by campus.

President McClain said that unlike the CIP request, there is no systemwide priority list yet for these 200 PCRs.

Regent Landon said that it is always easy to look at big numbers and maybe that would be useful here. He said that he saw a line for student learning and success in the chancellor's office at Mānoa for \$2.5 million this year and \$3 million next and attached to that are significant numbers of FTE. He said that this sounds like a significant program and may be worth a little bit of elaboration on something like this.

Vice Chancellor Smatresk said that a number of requests are bundled together that are in related areas of academic and student affairs. The request includes more advising help, more financial aid help, and more IT help. In addition, the request includes clinical counseling for students and a student learning success center. President McClain said that it would help the Board to understand how Mānoa compares with its peer institutions on student advising and even with the assist on the supplemental last year where they are now.

Vice Chancellor Smatresk said that a university of this size should have twenty-seven financial aid people; Mānoa has eleven; and they are hiring a few more and will be closer to seventeen after the supplemental budget request. With regards to advising, the nationwide standard recommendations from the Advising Association is about one for 250 students. Vice Chancellor Smatresk said that one for 500 students is not too bad and Mānoa is closer to one for 1,000 students. In addition, there are international student services and a number of other academic offices like institutional research offices (IRO). The budget request is all 100 percent directed to student support and student success. President McClain suggested that the PCR will be posted on the Regents' website and the Regents will be able to look at this in detail. Regent Landon said that this would be quite helpful. This is the biggest item and the most obvious one in the category of increasing educational capital. The explanation helps put a more tangible face to that component. It is about the success of the student education process. Chancellor Konan said that they have been looking at their success in a number of different ways – retention rates, graduation rates relative to peer institutions. They have looked at *U.S. News and World Report* rankings. Areas of strength include faculty support for students and favorable class sizes, but they are not providing enough student support in certain key areas. This is one of their highest priorities and it goes towards their goal of not just to get students in the door but to make sure that they are supporting them in their needs.

Regent Landon said that there is a theory that says success is not so much determined by how you take care of your best candidates but how you take care of average or marginal candidates. Chancellor Konan said that they feel that it is particularly important with tuition increasing that they are providing this kind of support for students. The better they are able to get their program in a reasonable amount of time, the better off they will be financially. Regent Landon added that the pushback on this, is how much is spent on overhead. Chancellor Konan said that they found, when reviewing national standards, that their faculty to staff ratio is disproportionately too few staff per faculty members. Chairperson Lagareta recalled that during the audits of the federal financial aid programs that this is one of the areas that was criticized and the concern was expressed of the levels of services offered in these areas. Regent de la Peña asked if there were counselors working with students. Chancellor Konan said that counselors are an important part and they are not at a level of where they should be in terms of the ratio of counselors to

students. This is particularly important because they are finding more cases of students with issues of mental health or disability.

Regent Landon asked about another major budget request - work force development. Vice President Morton said that these requests are by campus but in some cases they are addressing statewide need; for example, nursing. The University was not successful this past year in having the legislature fund 14 new nursing faculty positions. Three positions were funded – one each on Maui, Hawai'i and Kaua'i. The request includes funding for much smaller work force areas. For example, there is a need for a small number of workers trained in optics. Faculty is working across the system to develop a strategy that will allow for delivery systems to these different needs. Regent Landon commented that it looks like nursing would be the number one priority. Vice President Morton confirmed that nursing is the highest priority. Regent Landon asked about construction industry needs. Vice President Morton said the Construction Academy Initiative which includes all of the apprentice training programs was funded by the legislature with \$5.5 million this past session so there is a major effort gearing up for that right now.

Vice President Morton said that Vice President Todo asked him to address the addition for the community colleges which is called formula-funding for enrollment growth. Community colleges need to expand the number of students if they are going to meet the work force needs, not just specific in construction or nursing, but across the board. The difficulty is that the community colleges, even on the margin, cannot add classes. The tuition moneys cover only the marginal costs so every class that is added, the colleges lose money. The request is to basically fund the equivalent of a 5 percent growth in the community colleges in year one and an additional 5 percent in year two. It's difficult to predict exactly where those demands are going to come from – are they going to be on Maui? In automotive? Are they going to be at Leeward, in education, or are they going to be at Windward, in remedial education? Vice President Morton said that the community colleges will pool the funds and then offer it out as classes where there is a demand. The colleges want to maximize the participation rates and then fill those classes. If there is no demand, the colleges will lapse the money.

Director Georgina Kawamura thanked the Board for giving her the opportunity to address the board. She commended the staff and faculty of the University who are involved in putting together this budget request which is in line with her hopes of how a budget should be presented. In reviewing the major categories of the budget, her comments are to urge the Board to review the request in terms of where are they now and what does the additional request mean in terms of objectives and how you are going to measure performance. She said that keeping the six major themes such as work force development and the plans to increase access or increase graduation rates will bring about a more focused discussion. Chairperson Lagareta said that in previous conversations over the years, Director Kawamura and the Governor have requested that if additional funds are requested that the requests explain exactly what is needed and what the benefit is to the State and the public. President McClain thanked Director Kawamura for attending the board meeting and indicated that he will be meeting with her in the near future. He expressed the appreciation of the entire team. All the faculty and staff appreciate her enthusiasm for this budget approach. Her comments are a terrific lead into the last part of the presentation which is on performance indicators.

Vice President Johnsrud said that since 1996, the University has been reporting to the Board of Regents, the legislature, the executive branch and the

public on a number of outcome measures. They have long had a focus on access, which meant a long focus on enrollments. There is a need to not just enroll students but ensure that, more than in the past, the students are successful - that they increasingly are retained and increasingly graduate. Finally, there is a need to use benchmarks. Where peer data are available, they should be used and should become a goal. Where peer data are not available, then colleges need to benchmark against themselves over time. Four indicators are being proposed that relate primarily to increasing educational capital in the state. They are relevant to work force development; they are relevant to underserved regions but for the most part they are about increasing educational capital. Enrollment is one of the indicators. The current 2005 actual enrollment of 50,000 has returned the University to the level of the early 1990s. The enrollment projections are flat. These projections are done by the Institutional Research Office and are based on both historical and available data. The Hawai'i high school graduate rate is going to start going down in 2008, the college going rate has been pretty flat, the economy has been robust and then there is the tuition increase. The State needs the University to increase the number of enrollments in order to have any increase in the number of graduates. In particular, the need is to increase the number of resident enrollments. In 1995, 13 percent of the 50,000 students were non-residents. In 2005, 22 percent of that 50,000 are non-resident students. As a University, non-resident students are desired for the diversity that they bring to the campus. If they stayed in the state, they would actually contribute to the work force. The problem is that the attrition of non-resident students is high, especially among undergraduates. The University's goal has to be to increase the number of resident students, in particular, the number of resident undergraduate students. There is also a need to increase the number of students who begin at the community colleges and transfer to the upper division campuses. What is a realistic target for transfer rates? The colleges also need to focus on retaining the students that are recruited. The average one-year retention rate of first-time full-time freshmen at Mānoa and at Hilo was shown. In comparison to their peers, both institutions have room to improve in this regard. West O'ahu is an upper division. They don't have first time full-time freshmen so they don't have that same kind of comparable data. West O'ahu looked at a cohort of first-time transfer students, four years after entry and the green bars are the number who graduated and the additional 10 percent are still enrolled. West O'ahu can benchmark that data against themselves with the goal of increasing that over time. Similarly, the community colleges have data on graduation and retention rates. The average across all the community colleges is about 15 percent graduation rate after three years with another 20 percent still enrolled. Part of the University's goal needs to be to increase the number and rate of students' graduation and retention. One way to calculate the graduation rates is on the cohort basis. In the case of Mānoa and Hilo, the graduation rate is six years after entry so Mānoa, in the final cohort, is up to 60 percent, Hilo is about 30 percent, and community colleges is at 14 percent. The institutions can benchmark themselves over time but they can also add their peers to their performance.

Vice President Johnsrud said that they cannot look just at graduation rates. They also need to focus on absolute numbers. The next graph showed the number of degrees and certificates earned since the mid-1990s. There is a steady increase since a low in 2001-2002. The State simply needs the University to continue to increase its output in this regard. The University needs to set a goal that is reasonable and realistic. She emphasized that none of these measures can be dramatically changed in the short run but they can increase their productivity. The goals can be reached if there are sufficient resources and if the resources are deployed in ways that make a difference. The focus is on quality. The accreditation

efforts of the community colleges are certainly focused on quality. The University is very conscious about the need for quality education but in terms of showing productivity and efficiency to the State, these quantifiable measures are needed.

Regent Landon agreed with Vice President Johnsrud that both the rate and the quantity need to be improved. He said that this was very well said because one can get into a rate game that is shrinkage and but what is needed is to expand and improve in both.

Regent Hapai asked if Vice President Johnsrud would be looking closer into what actual areas have greatest needs – specific majors, specific programs. Vice President Johnsrud said that in the second decade project, in some areas, they did have the average UH output over a three-year period and the State needs in some of those areas.

Regent Migita inquired about the college going rate of high school seniors. Vice President Johnsrud said that as part of the Second Decade project, she found that the college-going rate in the State of Hawai'i has decreased over time. It was higher in the 70's and 80's and it has gone down in the last decade. Regent Migita asked if the influx of immigration numbers has an impact on this. Vice President Johnsrud said that it would contribute - the larger the percentage of population that migrates in that has lower educational attainment, is going to affect the outcome. Regent Migita said that as the unemployment level drops, the economy is booming, people tend to start working rather than going to school. Vice President Johnsrud said she was pleasantly surprised that the enrollment at the community colleges were actually up relative to last year because when the economy booms, her generalization is that it hits the community college population hardest. They are most likely to trade that community college program for a job outside. Regent Landon said that this is a comment on the value of what the system delivers as its product relative to all other products available in the environment, whether it is monetary or whether it is non-monetary value. It just says that they value something else more than they value what we are delivering. Vice President Johnsrud said that this is why she portrayed this as pretty good news today. She also reported on the first recipients of Gear-Up scholarships provides support for the students. There are also the B+ scholarships initiated this Fall and the University's own increase in financial aid. The University has really made an effort to offset the tuition increase with increases in financial aid.

President McClain said he is taking a look at all that has come forward from the biennium budget committee and mentioned the need to have some priorities systemwide on the operating budget request. He highlighted more about the access with success initiative. He mentioned that the University has been great on access but it needs to improve its ability to turn that access into a successful completion of a degree in a timely fashion. This is a complicated challenge but the key is that they need to have students who come to the University being ready to do college-level work and then when they are here, the University needs to make sure that it is efficient as possible internally to allow them to move them through the system in a timely fashion.

President McClain said that he thought that there were four or five dimensions that the University could work on here to improve both of these things. There is a centennial coming up next year and thought it would be appropriate for the University to have a Centennial Scholars Program that would have a merit dimension, very much in the spirit of the Regents and Presidential Scholars program

that was started in 1987. President McClain and the senior staff recognized that with the B+ scholarship, they have a combination of merit and need based scholarship. The campuses have need-based scholarship that they always need to provide. They have put in place now an overarching structure that the Board approved several months ago for new scholarship initiatives on a campus-by-campus basis. President McClain said that he is expecting to come forward with a Centennial Scholars Initiative.

President McClain said that there are problems with readiness for college and timely completion. The University received approval from the Governor to join the American Diploma Project which aspires to align the curriculum that is taught in high school with the curriculum that the University's instructors who teach Math and English expect to have in 100 level courses. It involves putting University faculty together with high school instructors to talk about exactly how this works and to make sure that the standards that are in place in the high schools are appropriate. The organization that is involved in this initiative is called Achieve which has already been involved with the Department of Education in helping to evaluate its standards.

The third initiative that comes from the All-Campus Council of Faculty Senate Chairs (ACCFSC) is more communication across the campuses among faculty. There are about 500 University faculty on the neighbor islands. The All-Campus Council of Faculty Senate Chairs said that they would like to have a funding mechanism by which half of these faculty members, every year, could come to O'ahu and meet with their colleagues in their various disciplines. The cost of this is about \$60,000/year which is not a lot of money and it is a very creative initiative on the part of the faculty systemwide to try to provide a setting where people could sort of routinely come together. President McClain said that their chancellors are willing to support this but chancellors are subjected to a variety of needs. Here would be an earmarked source of funds that could be focused on bringing faculty in similar disciplines together.

President McClain added that the final piece of an access for success initiative is the P-20 initiative. The University has had good experience with the P-20 initiative with funding from the Kellogg Foundation. The University has a major request with Kellogg and President McClain will be meeting with them in the fall. The University needs to continue to enhance the P-20 initiative which is not only UH and the DOE but it is also the Good Beginnings Alliance under the leadership of Liz Chun in Early Childhood Education.

President McClain said that all of this is part of the Access for Success initiative that needs to be worked on. The Mānoa request that Regent Landon spoke about - the \$2 million to \$3 million more for better counseling, better advising - is very consistent with making it possible for the students who come here to complete their degree in a timely fashion. He was pleased to see that transfers from community colleges to four-year institutions are on the rise. The Mānoa campus streamlined its core a few years ago to make it easier to move through Mānoa in a timely fashion. Hilo and West O'ahu have been very receptive to students coming from community colleges so the University is on the right track on this.

President McClain mentioned a few initiatives didn't make it into the biennium budget and that he will be taking a look at these initiatives. One is a systemwide initiative - a Hawai'i Tourism Institute which is similar to what the University has done in Nursing. The system funded nursing educators around the State to come

together to address the work force demands in Nursing. Tourism continues to be responsible for about one-fourth of the State's gross state product. The University has faculty around the system who are interested in putting together this collaboration. There is another item that came from UH- Hilo and is included in Hilo's budget. Funding for the Imiloa Astronomy Center on the Big Island has a systemwide influence. This is an initiative that Senator Inouye played a key role. Chancellor Tseng has played a key role in implementing this. Regent Hapai is the former director of that Center. President McClain said that he appreciated the Hilo Campus' willingness to take the project on as part of their budget but he thought that this has some systemwide dimension as well so he will take a close look at this budget request.

President McClain noted that UH-Hilo had a budget item for support of students of Hawaiian heritage that was not able to make it into the Hilo budget. He will review the request as he reviews the Imiloa funding to see if there might be some room for that initiative because, first and foremost, as you look at the University's goals, educational capital of the State work force development, diversifying the economy in underserved populations and regions, the University's strategic plan is grounded in native Hawaiian values and if it doesn't do right by those who came to these islands first and their ancestors, the University would be losing their way. He said that the University needs to continue to make this prominent. He added that he was pleased to see the biennium budget committee on the CIP side put in place funding for planning for Native Hawaiian Success Centers around the region. This is an initiative that came from the Pukoa Council over the last year and he was pleased to see that this got in there.

President McClain will be meeting with Director Kawamura in early September. The Director understands this preliminary budget meeting is subject to the Board's final review and approval of budget at its September 21-22 meeting.

V. 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 listed on Attachment #2, of the Board of Regents' agenda dated August 24, 2006, with the exception of the name on the bottom of the first page. He said that the individual requested that his name be withdrawn due to a family health crisis that would prevent that person from accepting this assignment.

UNIVERSITY OF HAWAI'I, SYSTEM

Executive

IHA, Y. DAVID
Executive Administrator and Secretary
to the Board
Office of the Board of Regents
Incentive Early Retirement Appointment
October 1, 2006 - September 30, 2009

PANG, PRESLEY
Interim Executive Administrator and Secretary
to the Board
Office of the Board of Regents
October 1, 2006 - September 30, 2007,
or unless sooner relieved

UNIVERSITY OF HAWAI'I AT MĀNOA

Executive

TANAKA, PETER
Interim Dean, UHM
Outreach College
Reappointment and Salary Adjustment
October 1, 2006 - September 30, 2007,
or unless sooner relieved

MOUGINIS-MARK, PETER
Interim Director of Research Institutes
Hawai'i Institute of Geophysics and
Planetology, UHM
Reappointment
July 1, 2006 - June 30, 2007 or until the
appointment of a regular director, whichever
occurs sooner

UNIVERSITY OF HAWAI'I AT HILO

Executive

STOCKSTILL, MICHAEL
Dean, UHH
College of Continuing Education and
Community Service
September 1, 2006 - August 31, 2007

Emeritus

HEMMES, DON
Professor, I5
Biology
August 1, 2006

COMMUNITY COLLEGES

Executive

MULLIKIN, LINKA
Dean of Instruction, CC
Windward Community College
September 1, 2006 - August 31, 2007

Regent Hapai moved to approve the personnel actions as listed above. Regent Migita seconded the motion which was unanimously carried.

Chairperson Lagareta said that with the personnel actions that the Board just approved, she wanted to note a couple of items of major significance. After forty years of extraordinary service to the University of Hawai'i, Board Secretary David Iha had opted for the Incentive Early Retirement (IER) program. He will be continuing with the Board at about 40 percent time at least for the coming year and maybe at some level after that. Chairperson Lagareta expressed on behalf of the Board of Regents their deep appreciation for the amazing dedication to the University and to the State as a whole, to his institutional knowledge and support that have been absolutely vital to the performance of this Board through some very challenging years. David Iha served the Board of Regents in this capacity since 1998. He previously served for sixteen years as provost of Kaua'i Community College. He was awarded, in 1986, the State of Hawai'i Governor's award for Employee of the Year. She added they are all very grateful that they are able to do this transition in a way that keeps David available to the Board and to have him available to use his expertise in some new ways. He will be doing some special projects for the Board, some things that they have been trying to get to as they improve their operations and streamline some of their activities. He has had years of involvement with the Association of Governing Boards, with WICHE, and with other organizations that have given him a real true depth of expertise in Board management and Board services and overall governance. She acknowledged that the Board has accepted this transition which will take effect on October 1st.

Secretary Iha thanked the Board for entertaining his request to participate in the University's incentive early retirement program and working in an orderly transition of Board staffing. He said he couldn't help but reminisce about his experience with the University. His first encounter with the University was when he was in high school when Hank Vasconcellos, then the head football coach offered him a full scholarship to play football for the University. He opted to attend Wheaton College in Illinois and if you saw the Princeton Review last week, it was ranked second next to BYU as the "stone-cold sober school", the opposite of the "best party school". He added that he did have a chance to play football there. During that same time period, the University of Hawaii's football program was eliminated. Later, Governor John Burns supported the re-establishment of the football program. It was a good choice for him. When he left his plantation home on Koloa, he didn't realize that he would have a career in higher education but is thankful for all the opportunities that he has had with the University. He said that he joined the University in 1965 as a legislative intern, funded by Ford Foundation Grant through the Department of Political Science and spent a year working full time in the Department of Budget and Finance, House Finance Committee and the Office of the State auditor. That experience provided a good grasp of the operation of State government. A few years later, he was selected to participate in an educational program by the American Association of Community Colleges, spending two months in Washington, D.C. to understand the federal system. The relationships that were developed then continues to today. A few years ago, he was able to work with the congressional delegation to include an amendment to the Higher Education Act that set aside funds under Title III for institutions that serve Native Hawaiians. Approximately \$5 million annually is set aside for the institutions in Hawai'i. In his forty years service, Mr. Iha took one professional improvement leave to work on his Masters' at the College of Education. At that time, the College did not have any outreach program to the neighbor islands so he commuted for a year and received his Master's degree. He expressed his pleasure that the College of Education

currently has an outreach programs to the neighbor island. These professional development opportunities prepared him for some of the challenges he faced serving Kaua'i Community College for 27 years, first as director of administrative services and subsequently as provost. One of the challenges was to change the perception of the community when Kaua'i Technical School which was part of the DOE became a community college under the University of Hawai'i System. Thanks to the generosity of Grove Farm Company and the Wilcox Family that donated 200 acres of land at Puhi, the college was able to build a brand new campus. The gift was one of the largest corporate gifts to the University. Mr. Iha said that he was part of the team that had the opportunity to build the new campus. Another highlight in changing the community perception of Kauai Community College was the college's participation in a solar car race on the mainland. The smallest community college campus in the system designed and built a solar car soon after Hurricane Iniki and competed with all the best engineering schools on the mainland - Michigan, Berkeley, Arizona State - and raced from Austin, Texas to Minneapolis, Minnesota – and came in seventh and beat a lot of other engineering schools. This effort changed the community perception of the college because the community raised about \$140,000 for this project. The community learned that Kauai's students can compete with the best students nationally. Mr. Iha said it has been a personally rewarding time to be a part of the University of Hawai'i system. Serving in the community colleges was especially rewarding since the community colleges served the people in the community who are most in need. Kaua'i Community College had the opportunity through the federally-funded, job training programs to reach those who were unemployed or laid off because of business closures or who were on welfare. When these individuals were exposed to being on the community college campus they were motivated to continue a long-term education program. One of the most heartwarming experiences was to participate in their graduation ceremonies and to see the life changes that were the result of obtaining higher education. It is those instances where the community college has really made a difference in reaching those who are most in need that has been most rewarding to him.

Mr. Iha said that as he moves on to his next stage in life, he was reminded of the words used by one of his mentors, his college football coach, who said, "60 minutes of action, no alibis and no regrets," and he added that he has no regrets in his forty years of service to the University.

President McClain said that he is in awe of all that David Iha has contributed to this University. He has been certainly a mentor to him as he has been in the president's role for the last couple of years. He is speaking about Dr. David Iha because he was conferred an honorary doctorate by the University of the Ryukyus at ceremonies here in Honolulu a few years ago. One of the first things he would ask Mr. Iha would be to consider attending the every five-year Uchinanchu celebration that is held in the Ryukyus, Okinawa, in mid-October. President McClain said that when they experienced the Mānoa flood, the Mānoa campus including former Chancellor Englert did a fine job in responding to that disaster. David Iha has been through two hurricanes, 1982 and 1992. President McClain said that he is struck by the eloquence in the remarks that David just made and thought that says a lot about him. He said that it has been a privilege to have been able to work with him.

Chairperson Lagareta said that Presley Pang, a University of Hawaii Associate General Counsel, accepted the appointment to be the interim Executive Administrator and Secretary of the Board and he will have a month of transition before he officially assumes that title. He will be stepping in September 1st to work

closely with Mr. Iha solidly for the first month and when Mr. Iha's transition begins to 40 percent time, he will take over as the Board secretary.

Chairperson Lagareta also thanked David Lassner who has been helping the Board office with some technology changes so that they can be more effective in the office using technology information. She also thanked Carl Makino who will be changing roles in the University as a part of the changes in the Board office.

Resignations and Retirements of Board of Regents' Appointees

The list of resignations and retirements of Board of Regents' appointees and retirements of Civil Service employees was presented for information. (The list of resignations and retirements is presented in Attachment #2 of the Board of Regents' agenda dated August 24, 2006.)

X. NEW OR OTHER BUSINESS

There was no new or other business.

XI. ANNOUNCEMENT

Next Meeting

Chairperson Lagareta announced that the next regularly scheduled meeting of the Board would be held on Thursday, September 21, 2006, at Kaua'i Community College.

Regent Tatibouet moved to enter into executive session to consider personnel and legal matters and to consult with the Board's attorney in accordance with Chapter 92, Hawai'i Revised Statutes, with the stipulation that collective bargaining would not be discussed in the executive session. Regent Hapai seconded the motion which was unanimously carried.

XI. ADJOURNMENT

The meeting was adjourned at 12:05 p.m.

Respectfully submitted,

David Iha, Executive Administrator
and Secretary of the Board