MINUTES OF REGULAR MEETING OF THE
UNIVERSITY OF HAWAI‘I BOARD OF REGENTS

June 3, 2004

I. CALL TO ORDER

The monthly meeting of the Board of Regents was called to order by Chairperson Patricia Y. Lee on Thursday, June 3, 2004 at 8:40 a.m., in the Campus Center Conference Chamber, Room 220, University of Hawai‘i at Mānoa.

Attendance

Present were Regents Byron W. Bender, James J. C. Haynes II, Trent K. Kakuda, Charles K. Kawakami, Kitty Lagareta, Walter Nunokawa, Jane B. Tatibouet, Alvin A. Tanaka, and Myron A. Yamasato; President Evan S. Dobelle; Executive Administrator and Secretary of the Board David Iha; and Executive Assistant Carl H. Makino.

Also present were Mr. Walter Kirimitsu, University General Counsel; Mr. Sam Callejo, Chief of Staff; Dr. Doris Ching, Vice President for Student Affairs; Dr. James Gaines, Interim Vice President for Research; Dr. David McClain, Vice President for Academic Affairs; Dr. Linda Johnsrud, Interim Associate Vice President for Planning and Policy and Acting Chancellor, University of Hawai‘i at West O‘ahu; Mr. James Sloane, Vice President for Administration; Ms. Carolyn Tanaka, Associate Vice President for External Affairs and University Relations; Ms. Peggy Cha, Chancellor, Kaua‘i Community College; Dr. Shirley Daniel, Interim Chancellor, Hawai‘i Community College; Dr. Chris Lu, Vice Chancellor for Academic Affairs, University of Hawai‘i at Hilo; Dr. Angela Meixell, Chancellor, Windward Community College; Dr. John Morton, Chancellor, Kapi‘olani Community College; Mr. Ramsey Pedersen, Chancellor, Honolulu Community College; Dr. Suzette Robinson, Acting Assistant Vice Chancellor, Maui Community College; Mr. Rodney Sakaguchi, Vice Chancellor for Administration, Finance and Operations, University of Hawai‘i at Mānoa; Dr. Neal Smastrek, Vice Chancellor for Academic Affairs, University of Hawai‘i at Mānoa; Dr. Mark Silliman, Chancellor, Leeward Community College; Dr. flo wiger, Vice Chancellor, Maui Community College; Mr. David Lassner, Chief Information Officer, Information Technology Services, University of Hawai‘i at Mānoa; Dr. Andrew Hashimoto, Dean, College of Tropical Agriculture and Human Resources Administration; University of Hawai‘i at Mānoa; Mr. J. N. Musto, Executive Director, University of Hawai‘i Professional Assembly; and others.

II. APPROVAL OF MINUTES

Upon motion by Regent Kakuda and second by Regent Nunokawa, the Board approved the minutes of the March 15, 2004 and April 16, 2004 meetings, as circulated.
III. RECOMMENDATIONS FOR ACTION AND GENERAL INFORMATION

Rebalancing of Investment for the University of Hawai'i Endowment Fund

Chief of Staff Callejo recommended that the Board of Regents approve Wachovia Securities' proposal to rebalance the investment in international equities for the University of Hawai'i’s Endowment Fund from the current 11% to the benchmark weighting of 8% of the total fund. Wachovia further recommended the reallocation of the proceeds to NWQ, a large cap value balanced managers.

Wachovia Securities, LLC advised that, because of the increased volatility and uncertainty in the world financial markets, it would be prudent to lower the exposure in this more volatile asset class of international securities. The international assets have appreciated significantly, up 88% over the past 12 months ending March 31, 2004.

After reviewing Wachovia’s recommendations, the administration concurs with the rebalancing.

Regent Tatibouet moved to authorize the rebalancing and subsequent reallocation of investments in international equities for the University of Hawai'i Endowment Fund as recommended by Wachovia Securities, LLD, as presented in Item A-1 of the Board of Regents’ agenda dated June 3, 2004. Regent Haynes seconded the motion which was unanimously carried.

Reassignment of Money Management Duties for ASUH Stadium Stock Fund

Vice Chancellor Sakaguchi requested that the Board authorize the reassignment of money management duties of the Associated Students of the University of Hawai'i (ASUH) Stadium Stock Fund from fund managers Rittenhouse Financial Services Inc. and Laurel Capital Advisors, LLP to Lord, Abbett & Co., PIMCO/NFJ, and Neuberger Berman, LLC.

Board policy states that the ASUH-M~noa portfolio management performance will be measured on a year-to-year basis and will be evaluated over a three-year moving average. The current managers have managed the ASUH Stadium Stock Fund for three years from October 2000 to October 2003. Over this period, the annualized total return has been ~6.2% ending September 2003.

Analyses by ASUH Stadium Stock Fund third party monitor, Merrill Lynch, revealed that Rittenhouse Financial Services Inc., and Laurel Capital Advisors, LLP underperformed their benchmarks since October of 2000 by 12.1% and 1.7%, respectively. Both Rittenhouse and Laurel had negative active management scores, and ranked low to very low in performance relative to managers of the same asset classes. The proposed new fund managers, Lord, Abbett and PIMCO/NFJ have had very high performances. Lord, Abbett, PIMCO/NFJ, and Neuberger Berman had positive 5, 10, and 13 year returns.

The third party monitor suggests a model asset allocation for a growth portfolio to be 10% cash, 25% fixed income, 55% equities, and 10% international equities.
Using this asset allocation, Merrill Lynch recommends a style allocation for growth with the following asset classes:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>Large-Cap Value</td>
<td>25%</td>
</tr>
<tr>
<td>Large-Cap Growth</td>
<td>20%</td>
</tr>
<tr>
<td>Mid/Small-Cap Value</td>
<td>5%</td>
</tr>
<tr>
<td>Mid/Small-Cap Growth</td>
<td>5%</td>
</tr>
<tr>
<td>International</td>
<td>10%</td>
</tr>
</tbody>
</table>

Based on past performance, a portfolio holding the rebalancing assets is expected to have an approximate standard deviation of 9.5%. Past returns on a portfolio of this allocation have had an approximate average gross (10-year) return of 10%.

The ASUH Stadium Stock Fund will be rebalanced with the following style allocation, well in alignment with Merrill Lynch’s recommendation for style allocation and in compliance with Board policy.

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Percentage</th>
<th>Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large-Cap Value</td>
<td>22%</td>
<td>Lord Abbett</td>
</tr>
<tr>
<td>Large-Cap Growth</td>
<td>22%</td>
<td>Regent</td>
</tr>
<tr>
<td>Global Equities</td>
<td>14%</td>
<td>INVESCO Global</td>
</tr>
<tr>
<td>Mid/Small-Cap Value</td>
<td>10%</td>
<td>PIMCO/NFJ</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>32%</td>
<td>Neuberger Berman, LLC</td>
</tr>
</tbody>
</table>

The ASUH Senate had determined that the rebalancing of the ASUH Stadium Stock Fund will reflect ASUH investment policies by effectively keeping the portfolio in line with ASUH’s intended asset allocation targets, and improving performance to achieve expected average annual portfolio returns “over a 5-10 year period of 10.5%.” At its meeting on February 3, 2004, the ASUH Senate approved Senate Resolution 13-04, “Urging the Board of Regents to Approve a Rebalancing of Asset Allocation for the ASUH Stadium Stock Fund.”

Regent Tatibouet moved that the Board of Regents, upon advice from the third party monitor, authorize the reassignment of money management duties for the ASUH Stadium Stock Fund from Rittenhouse Financial Services Inc. and Laurel Capital Advisors, LLP to Lord, Abbett & Co., PIMCO/NFJ, and Neuberger Berman, LLC, as presented in Item A-2 of the Board of Regents’ agenda dated June 3, 2004. Regent Kakuda seconded the motion which was unanimously carried.

Lease Agreements with Kenneth A. Bansemer and Patricia A. Bansemer, Christa Limberg Trust, Hawaiian State Enterprises Located in Kealakekua, Hawai’i

Chief of Staff Callejo requested that the Board authorize the Administration to execute three lease agreements with Kenneth A. Bansemer and Patricia A. Bansemer, the Christa Limberg Trust, and Hawaiian State Enterprises, for classroom and office facilities at the Central Kona Center and Kealakekua Business Plaza for the University of Hawai’i (UH) Center, West Hawai’i. This will permit the University to continue the leases essential to the operation of the West Hawai’i Educational Program at its existing location in Kealakekua.

The UH Center, West Hawai’i was established by Board action in June 1996. The Center establishes a permanent UH presence in a community that otherwise lacks access to programs offered elsewhere in the UH system. The Center is a site at which qualified students who are unable to travel to other UH campuses can enroll in courses
or credential programs offered by one or more of the University’s accredited institutions.

While the primary purpose of the UH Center, West Hawai‘i, is instructional, it also serves as the receiving site for various research and public service programs. UH Centers are assigned for administrative purposes to existing University campuses. While UH Centers are not separately accredited, their program offerings derive accredited status because they are provided by accredited UH campuses.

The Center has been based in Kealakekua since 1988 and currently occupies approximately 12,435 square feet of space at a monthly cost of $18,727. This is approximately $1.50 per square foot. All of the current lease agreements were previously approved by the Board of Regents and are scheduled to terminate on June 30, 2004.

The leased premises are utilized for offices, classrooms, a culinary arts center, a library and learning center, a computer lab, and a multi-purpose science laboratory. As proposed, continuation of the three current leases with Kenneth A. Bansemer and Patricia A. Bansemer, Christa Limberg Trust and Hawaiian State Enterprises would be for a term of two years commencing on July 1, 2004, to and including June 30, 2006 with the option to extend the term of the leases for two (2) additional one-year terms. This option would enable the University to occupy the facilities through June 2008 if necessary.

The first proposed lease for approximately 7,126 square feet of space in the Central Kona Center, Buildings 3 & 4, is being leased from Kenneth A. Bansemer and Patricia A. Bansemer. This lease would remain fixed at its present rent of $8,900.00 per month, which includes common area maintenance fees. This lease is for approximately $1.25 per square foot.

The second lease for approximately 3,151 square feet of space in Central Kona Center, Building 2, is being leased from the Christa Limberg Trust. This lease would remain fixed at its present rent of $5,310.70 per month, which also includes common area maintenance fees. This lease is for approximately $1.69 per square foot.

The third lease for approximately 2,158 square feet of space in the Kealakekua Business Plaza is being leased from Hawaiian State Enterprises. The current monthly rent is $4,516.78 per month, which includes annual adjustable common area maintenance fees. This arrangement is being proposed to continue during these new periods. The total rent under this lease would be approximately $2.09 per square foot. It should be noted the rent under this lease, as opposed to the Central Kona Center leases, covers utility expenses attributable to the educational operations in the leased premises.

The lease prices noted above are reasonable. For example, in the new buildings recently constructed at the shopping center and fully occupied, the rate is $1.75 per square foot including common area maintenance with the requirement that the tenant install required improvements. In an older building in the shopping center, an available space of 950 square feet is priced at $1.65 square foot including common area maintenance excluding an air conditioning unit which the tenant would need to install.

Regent Tatibouet moved to authorize the administration to enter into the described three (3) lease agreements in Kealakekua with Kenneth A. Bansemer and Patricia A. Bansemer, the Christa Limberg Trust, and Hawaiian State Enterprises in
support of the University of Hawai‘i Center, West Hawai‘i, as presented in Item A-3 of the Board of Regents’ agenda dated June 3, 2004. Regent Yamasato seconded the motion which was unanimously carried.

**Extension of Contract with Cassidy and Associates, Inc.**

Associate Vice President Tanaka requested that the Board authorize a six-month extension of the current contract with Cassidy & Associates, Inc., (Cassidy) of Washington, D.C. for consultant services to assist the University in obtaining federal funding for new and continuing initiatives. The term of this contract would be from July 1, 2004 to December 31, 2004 at the estimated cost of $134,718. Funds are to be provided by the Research and Training Revolving Fund.

The proposed issuance of the six-month contract extension will enable the University to: 1) secure the continued services of Cassidy in the University’s efforts to obtain federal funds for new and continuing programs for FY 2005; 2) adjust the contract period to better coincide with the federal appropriations process; and 3) provide an opportunity for the University to solicit proposals pursuant to a new Request for Proposals for the consultant contract for a period of five years with annual renewal.

The new initiatives being requested in FY 2005 are: 1) Authorization and appropriations for the Cancer Research Center, $80 million; 2) Portable Electro-Optical Suite for Rapid Detection of Chemical and Biological Threats, $4.76 million; and 3) Monitoring Technology Research Program, $10 million. These new program requests total $94.76 million.


Cassidy was selected because it offered the University widely-acknowledged expertise in securing building and programmatic funds for universities. The current contract was awarded to Cassidy following a February 23, 1996 issuance of a formal Request for Proposals (RFP). Cassidy submitted a proposal that was evaluated according to the categories and thresholds published in the RFP. Under this contract, the Board approved renewals through June 30, 2004.

Pursuant to this contract, Cassidy has worked closely with the University and the Hawai‘i congressional delegation to identify and describe the University’s needs and to assist Hawai‘i’s Congressional delegates guide funding requests through complicated negotiations over several legislative sessions. Over the 18 years in which Cassidy has assisted the University in securing federal funds, there have been many
successes. More recently, Cassidy assisted in obtaining a total of $34.35 million for the University in FY 2004.

Funding requests for FY 2005 have been submitted to the Hawai‘i delegation, and the University is now working with the delegation and Cassidy in attempts to obtain special authorization and appropriations from Congress. The requests total $166.7 million. Considering that Cassidy is currently assisting in these ongoing efforts, it is in the best interest of the University to continue contracting for their services in order to maintain continuity of effort. A further need for these consulting services exists, because of the University’s interest in obtaining federal funding for continuing and new initiatives as listed above.

The proposed fee to Cassidy for the contract extension will remain at the current monthly rate of $22,453 for a six-month fee of $134,718. Payments will come from the Research and Training Revolving Fund as they have in the past.

During the six-month extension period, a Request for Proposals will be advertised and a new contract will be awarded for services to assist the University in obtaining federal funds. Prior to award, the new contract will be submitted for approval of the Board of Regents.

Regent Tatibouet moved to approve an extension of the contract for consultant services with Cassidy and Associates, Inc., of Washington, D.C., for a six-month period from July 1, 2004 to December 31, 2004 at a cost not to exceed $134,718, as presented in Item A-4 of the Board of Regents’ agenda dated June 3, 2004. Regent Haynes seconded the motion which was unanimously carried.

**Request for Approval to Competitively Procure the Server Used by the University’s Financial Management Information System on a Budget-Neutral Basis**

Chief Information Officer Lassner requested that the Board approve a budget-neutral competitive procurement of a server to replace the nearly obsolete server on which the University runs its Financial Management Information System.

There are no additional costs associated with this action. The cost to continue to maintain the current nearly obsolete server for the next five years is higher than the combined cost of a five-year lease/purchase and maintenance of a more modern server. The current server is over five years old. Vendor support for the operating system that this server can run will not be available after September 2004 and this server cannot run newly-released versions of the operating system. In addition, as the current machine continues to age, the cost of maintaining the hardware will continue to increase faster than the cost of maintaining more current hardware technology.

The total five-year cost of this requested procurement is expected to be approximately $1.13 million and, therefore, requires Board approval.

The University of Hawai‘i Financial Management Information System (FMIS) was adapted from a best-in-class financial system in the late 1980s and early 1990s to run in a Natural/Adabas software environment on the IBM MVS operating system. MVS was later upgraded/renamed to OS/390, and FMIS currently runs on OS/390 on an IBM 9672 server. This five-year-old server is now two generations older than current technology. The IBM 9672 cannot run current versions of the IBM operating system, and the version of OS/390 now in use will no longer be maintained or updated
by IBM after September 2004. At this point the University will be exposed to a relatively low level of immediate risk, but that level of risk will grow over time as other software components are updated to levels that require current versions of the operating system.

Last fall, the University established a new Business Process Council (BPC) and, as its first order of business, charged the BPC to develop a recommendation on the future of FMIS. The full BPC Report is provided as an attachment to this request. In brief, the BPC recommends that the University not acquire a new commercial financial management system at this time. Rather, the BPC recommends that UH retain FMIS and invest in the development of new web-based end-user services that leverage FMIS as the core financial system. The BPC further recommends that when/if a national-scale open source financial initiative emerges, UH should participate as a partner in this effort as the eventual replacement of FMIS. The BPC therefore recommends that a new server be acquired, on a budget-neutral basis, to ensure the effective and reliable continued operation of FMIS. The BPC sees this as a five-year recommendation that should be reassessed toward the end of that period. At that time the environment and options for financial management systems in higher education may have changed. And through following the BPC recommendation, by then the University will have made substantial improvements in its financial information and services.

The University considered a number of alternative approaches before requesting approval of the competitive procurement of a new server. Multiple vendors were requested to provide information about outsourcing options. None of the vendors willing to discuss possible out-source solutions believed they could economically compete against the University’s in-house options, and the only vendor willing to provide an estimate of their price for an outsourced solution provided a preliminary quotation in the range of $3.5 million per year. The University also considered rehosting FMIS to less expensive server technology using some other operating system. It turns out this would require a multi-year reprogramming effort that would more than eliminate any cost savings associated with moving to a completely new hardware and operating system platform. It would also consume all available technical resources, so the rehosting activity would therefore supplant the ultimate goal of providing improved financial services and information as quickly and cost-effectively as possible. Finally, the University considered the purchase of used hardware. Unfortunately, this would not provide the recommended five-year window since it would be obsolete much sooner than a new system. In addition, maintenance costs on older hardware would escalate much more quickly over a five-year period and would likely eliminate any cost savings associated with the lower initial cost of the used hardware itself.

Independent of the “end-of-life” position of the current server’s operating system, the estimated cost to simply maintain the current server over the next five years is approximately $1.22 million. The estimated cost of a competitively procured five-year lease/purchase of a new system, including maintenance for five years, is approximately $1.13 million. The reason for this overall cost differential is that the cost of maintaining new systems is much less than the cost of continuing to maintain old technology. In addition to being a roughly budget-neutral solution, this recommendation provides improved capabilities, ensures support and improvement of the operating system and will allow greater focus on the ultimate goal of improving financial information and services for the University.
Regent Tatibouet moved to authorize the budget-neutral competitive procurement of a server for the University’s Financial Management Information System, as presented in Item A-5 of the Board of Regents’ agenda dated June 3, 2004. Regent Yamasato seconded the motion which was unanimously carried.

**Grant a Lease Extension to the U.S. Department of Agriculture for its Research Facilities on Woodlawn Drive in Ṃnoa**

Dean Hashimoto requested that the Board authorize the Administration to amend the current lease with the U.S. Department of Agriculture, Agricultural Research Service (USDA-ARS) for approximately 32,000 square feet of University of Hawai‘i land located at 2727 Woodlawn Drive in Ṃnoa, by extending the termination date to December 31, 2009. The current lease with the USDA-ARS terminates on June 8, 2004. The requested lease extension is needed to allow USDA-ARS to complete its new facilities in Hilo.

The USDA-ARS presently leases approximately 32,000 square feet of UH property located at 2727 Woodlawn Drive, Honolulu, Hawai‘i, TMK (1)2-9-23: Por 1. This site is used by the USDA-ARS for research on fruit fly pests.

Fruit fly pests have been a major roadblock to agriculture in Hawai‘i since the introduction of the melon fly to Hawai‘i in 1895. Since that time three additional species have invaded the islands: the Mediterranean fruit fly in 1912, the oriental fruit fly in 1944, and the Solanaceous fruit fly in 1983. Together, these fruit fly pests limit production of tropical fruits and vegetables, result in increased usage of pesticides on farms, and require costly postharvest quarantine treatments to allow Hawai‘i-grown commodities to be shipped to the U.S. mainland.

USDA-ARS has had a long history of collaboration with the University dating back to 1930 when the then-named Bureau of Entomology and Plant Quarantine of the USDA joined forces with the University to build and house fruit fly researchers on campus. In 1949, several fruit fly field stations were established on all of the major islands. In 1973, USDA-ARS on Oahu moved to its present location on Woodlawn Drive in Ṃnoa. USDA-ARS continues to work cooperatively and collaboratively with the University community to develop technologies for use in fruit fly detection, control, and eradication. This long association has benefitted both the University and USDA-ARS over more than 70 years. The most recent successful collaborative program is called the "Hawai‘i Fruit Fly Area-Wide Pest Management" (AWPM) program.

Growers who have been educated in the AWPM program have already been able to cut organophosphate pesticide use by 75-90 percent. Using the AWPM program rather than chemical pesticides, growers have been able to reduce fruit fly infestation from 30-40 percent to less than 5 percent. Growers are extremely pleased with the success of the program.

The College of Tropical Agriculture and Human Resources (CTAHR) strongly supports the lease extension requested by USDA-ARS. The lease extension will insure that the USDA-ARS fruit fly research program at the Ṃnoa facilities will continue without interruption. Continuity of this program is especially important at this critical juncture because the technologies developed by USDA-ARS are being applied to directly benefit agriculture in Hawai‘i.

CTAHR also strongly supports the lease extension requested by USDA-ARS because CTAHR and USDA-ARS work cooperatively on a wide range of programs and
activities. The current Director of USDA-ARS, Pacific Basin Agricultural Research Center (PBARC) and three PBARC research leaders received degrees from CTAHR. In addition, numerous USDA-ARS scientists and their technical staff have graduated from or worked previously for CTAHR. USDA-ARS scientists have appointments as graduate affiliate faculty in CTAHR and participate in graduate student theses and dissertation committees.

USDA-ARS hires undergraduate CTAHR students to work on various research projects. Many of the undergraduate students have gone on to federal employment at the USDA-ARS M-anoa facility after graduating from CTAHR. Over the years, USDA-ARS has provided CTAHR researchers with biological materials such as fruit flies and fruit fly parasites that are mass-reared at the M-anoa facilities at little or no cost. Scientific publications resulting from these biological materials have added to the stature and quality of research for which CTAHR is known worldwide. The best example of previous USDA-ARS and CTAHR work is the development of a transgenic papaya variety that is resistant to the papaya ring spot virus. This work saved the papaya industry on the island of Hawai‘i.

Regent Tatibouet moved to extend the USDA-ARS lease of approximately 32,000 square feet of University of Hawai‘i property located at 2727 Woodlawn Drive in M-anoa, Honolulu, Hawai‘i, Tax Map Key (1)2-9-23: Por 1 to December 31, 2009, with the understanding that the administration shall conduct annual inspection of the facilities, as presented in Item A-6 of the Board of Regents’ agenda dated June 3, 2004. Regent Haynes seconded the motion which was unanimously carried.

Termination of the Graduate Certificate in Construction Engineering and Management, Department of Civil and Environmental Engineering, College of Engineering, University of Hawai‘i at M-anoa

Vice Chancellor Smatresk recommended that the Board approve the termination of the Graduate Certificate in Construction Engineering and Management in the Department of Civil and Environmental Engineering, in the College of Engineering, on the M-anoa campus effective Fall 2005.

In accordance with Board policy, the Council on Program Reviews (COPR) reviewed the provisional Graduate Certificate in Construction Engineering and Management. The Certificate was approved by the Board of Regents in 1994 as a provisional program. The program was intended to train students interested in construction engineering and management who could not afford the time to complete a master's degree in engineering. The program review report, submitted by the Graduate Division, noted that only fourteen certificates had been awarded since the program was initiated in 1995 and concluded “while this is a well-designed program created to meet an apparent industry need, the demand for this certificate does not justify continuing to offer it.” Based on its review of the report, COPR unanimously recommended that the program be terminated. This recommendation was discussed with both Dean Wai-Fah Chen and Department Chair H. Ronald Riggs who both concur with this recommendation.

Board of Regents Policy 5-8 and UH Executive Policy E5.205, Academic Minors and Certificate Credentials, delegates the approval (and terminations) of academic subject certificates to the Chancellors. However, as this certificate program was approved by the Board prior to the delegation, Board approval is sought to terminate the program.
This program was designed in response to a 1987 survey conducted by the General Contractors Association of Hawai’i which indicated the need for such a certificate program. The survey projected that more than fifteen students would be enrolled in the program annually. In its initial years, the three or four students completed the certificate program annually. However, between 2000 and 2002, no students completed the program. In fact, since its initiation in 1995, only fourteen students have completed the program. Clearly the demand for the certificate program has waned. In addition, instead of training students quickly for positions in the industry as intended, eight of the program’s graduates went on to complete either a master’s or doctoral program. Only four graduates were employed in the construction industry after completion of the program. While potentially the program may provide a service to the construction industry, it has not met expectations in terms of student demand. Discussions with industry personnel suggest that the greatest demand for training of construction managers is primarily at the undergraduate, not graduate, level.

Due to extremely limited enrollment in the program and since the program does not appear to meet the need for which it was created, termination of the program is recommended effective Fall 2005. The delayed effective date will provide the sole student in the program sufficient time to complete it.

Regent Nunokawa moved to approve the termination of the Graduate Certificate in Construction Engineering and Management in the Department of Civil and Environmental Engineering of the College of Engineering, on the Mānoa campus, effective Fall 2005 provided that those currently in the program will be allowed to complete their academic objective, as presented in Item A-7 of the Board of Regents’ agenda dated June 3, 2004. Regent Kakuda seconded the motion which was unanimously carried.

Regent Haynes said that it would be helpful to see an inventory of the degrees and certificates offered at the University of Hawai’i, systemwide.

Regent Nunokawa asked if there is any aspect that focuses on a sustainability index and if there is enough money to cover the many degrees and courses. Vice Chancellor Smatresk stated that in all requests for new programs and, particularly, the ones that are crossing his desk, comprehensive business plans or cost analyses are being requested.

Chairperson Lee suggested that another major factor to include in the inventory would be enrollment for particular courses.

Established Status for the Undergraduate Certificate in Peace Studies, Spark M. Matsunaga Institute for Peace, College of Social Sciences, University of Hawai’i at Mānoa

Vice Chancellor Smatresk requested that Board grant established status to the Undergraduate Certificate in Peace Studies offered by the Spark M. Matsunaga Institute for Peace, College of Social Sciences, on the Mānoa campus.

The Undergraduate Certificate in Peace Studies has completed its provisional cycle. In accordance with Board policy, it has been reviewed for established status. The program is designed to increase awareness of the necessity and means of finding alternatives to violence for resolution of conflict; to foster a planetary outlook on human
affairs; to stimulate critical thinking about peace, justice, and world order; to encourage creative thinking and “imaging” about the future of humankind; and to encourage active participation in the process of peace building.

The certificate program is offered by the Spark M. Matsunaga Institute for Peace. Owing to changes in Institute leadership and a transfer for the locus of the Institute from the then Executive Vice Chancellor’s office to the College of Social Sciences, a review of the program was delayed.

In 2002, the Council of Program Reviews (COPR) conducted a review of the programs of the Spark M. Matsunaga Institute for Peace, including the Undergraduate Certificate in Peace Studies. While COPR found the other programs of the Institute to be robust, it expressed concerns regarding the continued viability of the undergraduate certificate program. COPR described the program as one of the “best-kept secrets” for students at M~noa and noted that only 12 certificates had been awarded since the program’s inception in Fall 1990.

The Academic Affairs staff worked with the College of Social Sciences since 2002 to strengthen the program’s of the Institute. An interim director was hired and tasked with developing a strategic plan for the institute. While the number of certificates awarded continues to be low (two certificates were awarded in both 2002 and 2003), there are currently nine students enrolled in the certificate program. In addition, the number of students enrolled in Peace Studies undergraduate courses has increased from 96 students in Fall 2000 to 137 students in Fall 2003. These enrollments show that while students may not be completing the certificate program, student interest in peace studies is growing.

The recent requirement that all Arts and Sciences students complete a breadth (12 credits spread over the four Arts and Sciences colleges) or a depth (completion of a minor or certificate program separate from their major) component should also serve to increase the number of students seeking to complete the certificate program.

Further, the Undergraduate Certificate in Peace Studies utilizes existing courses from the BA program in Interdisciplinary Studies, the College of Social Sciences, and other Arts and Sciences colleges. Termination of the program will result in no cost savings to the University.

The increased enrollment in Peace Studies courses and the new graduation requirements for students in Arts and Sciences indicate increased interest in the program. Since the events of September 11, teaching and learning about peace is more important than ever. The Undergraduate Certificate in Peace Studies provides one vital pathway for students to explore and understand the multiple facets of peace.

Regent Nunokawa moved to grant permanent status to the Undergraduate Certificate in Peace Studies offered by the Spark M. Matsunaga Institute for Peace, College of Social Sciences, on the M~noa campus, subject to the Regents’ policy on established academic programs and as presented in Item A-8 of the Board of Regents’ agenda dated June 3, 2004. Regent Kakuda seconded the motion which was unanimously carried.
Establishment of an Interdisciplinary Graduate Certificate Program in Disability and Diversity Studies, College of Education, University of Hawai‘i at Mānoa

Vice Chancellor Smatresk requested that the Board approve the establishment of an interdisciplinary Graduate Certificate Program in Disability and Diversity Studies in the College of Education on the Mānoa campus to be effective Fall 2004.

The proposed certificate program will provide professionals with skills grounded in the interdisciplinary process that are needed to promote effective, efficient, and culturally sensitive services for persons with disabilities of all ages. It is intended to complement existing graduate programs in education, health, human services, and related disciplines with career goals in or interacting with the disability field. The proposed certificate will provide students with interdisciplinary experiences where they will acquire skills for joint planning, decision making, and goal setting, and learn to respect the contributions of other disciplines. There are many departments at University of Hawai‘i at Mānoa that provide some professional training related to disabilities. This will be the only program that provides leadership and training across disciplines.

The foundation for the program is a set of interdisciplinary competencies that students use, with the help of core faculty, to develop and design an individualized program plan. The program will be jointly administered by two units within the College of Education—the Department of Educational Foundations and the Center on Disability Studies (CDS). In addition, cooperating faculty for the program are drawn from numerous fields including special education, psychology, public health, political science, educational psychology, nursing, and social work.

The proposed program is designed to meet personnel needs in the fields of health, education, and human service both in Hawai‘i and nationally. Changes in social policy, systems of care, and laws, including the Individuals with Disabilities Education Act, Americans with Disabilities Act, and the Felix Consent Decree, have increased the complexity of providing services and care for persons with disabilities of all ages and their families. Service providers and leaders with skills grounded in the interdisciplinary process are needed to promote and provide effective, efficient, and quality services for persons with disabilities.

Substantial interest is projected for the program. The State Department of Education has hired 300 Student Service Coordinators (SSC) to provide interdisciplinary leadership in implementing comprehensive school-based services in every public school. The DOE has requested and partnered with CDS to offer all SSC the opportunity to earn the proposed interdisciplinary certificate. In addition to the 300 SSC, all members of the Student Support Team, including general education teachers, special education teachers, psychologists, mental health personnel, counselors, speech pathologists and audiologists, and other service providers are encouraged to participate in the interdisciplinary certificate training. The need for training will continue with SSC and Support Team turnover.

The proposed certificate has been positively reviewed by the Graduate Council. Further, it has been endorsed by the College of Education and Mānoa Faculty Senate. Board of Regents Policy 5-1(a) provides that all new academic programs, once
approved, shall have provisional status until a review is conducted. Reviews are
initiated once a full cycle of graduates has been completed. As a graduate certificate
program, the required review will be conducted in the 2006-2007 academic year.

The proposed program will not require any additional resources or funding from
the University as a number of extramurally funded CDS projects provide funding for
training personnel and student stipends. Federal funding is already in place to support
this effort for the next few years. CDS will seek additional extramural funding to support
the program, as required. Currently, CDS receives between $4 and $6 million annually
for training, research, evaluation, technical assistance, and dissemination.

Regent Nunokawa moved to approve the establishment of an interdisciplinary
Graduate Certificate Program in Disability and Diversity Studies in the College of
Education on the Manoa campus effective Fall 2004, subject to the Regents’ policy on
provisional academic programs, as presented in Item A-9 of the Board of Regents’
agenda dated June 3, 2004. Regent Kakuda seconded the motion which was
unanimously carried.

**Proposed College of Pharmacy at the University of Hawai‘i at Hilo**

Agenda Item A-10, “Proposed College of Pharmacy at the University of Hawai‘i
at Hilo (UH-Hilo), was withdrawn at the request of UH-Hilo.

**IV. GIFTS, GRANTS AND CONTRACTS**

Interim Vice President Gaines reported that during the period March 16, 2004
to April 15, 2004, the University of Hawai‘i system received a total of
$22,590,458. The University of Hawai‘i at Hilo received a total of $505,000 during the
same period. He also reported that Dr. David Karl, Professor of Oceanography, had
just been named the first recipient of the Gordon and Betty Moore Foundation award
in Marine Science. This particular award is for $3.85 million spread over five years.

Regent Tatibouet moved to accept with thanks the gifts and grants and ratify the
actions of the administration in executing the necessary contracts as presented in
Attachment #1 of the Board of Regents’ agenda dated June 3, 2004. Regent Haynes
seconded the motion which was unanimously carried.

**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, PRICING**

Chairperson Lee recused herself from discussion and vote on this item, turning
the meeting temporarily over to Vice Chairperson Lagareta.

Acting President McClain recommended the 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 as follows:
UNIVERSITY OF HAWAI’I AT MANOA

Executive

WILLS, JAMES R. JR.
Interim Dean
College of Business Administration
Reappointment
July 1, 2004 - June 30, 2005, or until a permanent dean is appointed, whichever occurs sooner.

Managerial

TOYAMA, JEAN
Interim Associate Dean for Acad Aff
College of Languages, Linguistics, & Literature
Reappointment

UNIVERSITY OF HAWAI’I AT HILO

Professor or equivalent

TSENG, ROSE
Professor, I5
College of Agriculture, Forestry and Natural Resources Management
Tenure
Upon Board approval

COMMUNITY COLLEGES

Managerial

HEU, NANCY
Interim Assistant Dean (CC)
Windward Community College
July 1, 2004 - June 30, 2005, or until the position is filled, whichever occurs sooner.

QUIGLEY, PETER S.
Dean of Instruction (CC)
Leeward Community College
July 1, 2004 - June 30, 2005
Emeritus

AINSWORTH, GAIL E.
Professor
Library
Maui Community College
Upon Board approval

TANAKA, KAREN
Professor
Food Service
Maui Community College
Upon Board approval

Regent Tanaka moved to approve the personnel actions as recommended in Attachment 2 of the Board of Regents’ agenda dated June 3, 2004. Regent Nunokawa seconded the motion which was unanimously carried.

Resignations and Retirements of Board of Regents’ Appointees

The list of resignations and retirements of Board of Regents’ appointees and retirements of Civil Service employees was presented for information. (The list of resignations and retirements is presented in Attachment #2 of the Board of Regents’ agenda dated June 3, 2004.)

VIII. REPORT OF EXECUTIVE OFFICER

Acting President McClain reported that, thanks to the dedicated efforts of the faculty and staff, several thousand students graduated from the ten campuses. Also honorary degrees were awarded to David Cole, Earl Bakken, and Charles Nishioka and many of the Regents were present at these graduation ceremonies.

Presentation by College of Education, University of Hawai'i at Mānoa

Dean Randy Hitz of the College of Education reported on the progress of the outreach programs to prepare teachers for the neighbor islands. The implementation began in 2000 and it has far exceeded the promise that was made to the neighbor islands in 2001.

Dean Hitz introduced Dr. Paul McKimmy who implemented this program. He informed that successes of this program include increased accessibility, aggregated demand, faculty presence on neighbor islands and faculty support. Outreach is also done on O‘ahu – statewide programs are not closed to O‘ahu students. Priority is given to students who don’t have access to other teacher preparation programs. There are programs in four O‘ahu districts including a few specific cohorts. Delivery strategies include internet course management tools, streaming media, interactive TV, poly com, audio conferencing, travel, and programs are created in hybrid formats.
Dean Hitz emphasized that this is a systemwide effort and that this could not have been accomplished without the support of the University centers and the community colleges.

Chairperson Lee asked how many teachers graduated either through the certificate or the Bachelor’s program per year. Dean Hitz said that the College of Education, in the last few years, has prepared 350 teachers. This is the number that was actually recommended for licensure in the State. This year, the number will be closer to 400 and with this outreach program, it will probably be 450 very soon. This will have a very positive impact on the number of people who will be recommended for licensure. This is different from the number of people who graduate; there are many graduates because of the programs for in-service teachers. Preparing teachers is really one part of the need for outreach. The other part which is very important is ongoing professional development for teachers. Overall, there will be over 500 students a year total who will graduate in the College of Education.

Vice Chancellor Lu stated that Hilo has two programs, a teacher’s certificate program and a master’s of education program. There are about 40 graduates every year from these programs and the need for the Big Island is about 80 teachers per year.

Dean Hitz stated that a report was prepared for the legislature for 2001 and that report was a system report and it included a plan for Hilo as well as for Mānoa. The Mānoa plan has been funded; the Hilo plan has not but the original plan, and it is still viable, is to also have Hilo involved in more outreach as well.

Regent Lagareta inquired about the need for teachers in Hawai‘i. Dean Hitz responded that in the last several years, it has been upwards of 1,500 people per year. All the teacher education programs combined in the State of Hawai‘i prepare fewer than 600 teachers in a given year. The Department of Education is able to recruit some students who are actually Hawai‘i kids who go to mainland campuses and come back but for the most part, people that are brought in from the mainland tend not to stay very long. A few years, Maui did a study and what they found was if they brought somebody in from the mainland, after a three-year period of time, there was a 1 in 5 chance they would still be there. And, if the University of Hawai‘i prepared someone on Maui (a Maui resident), after three years, there was a 4 in 5 chance they would still be teaching in Maui county.

IX. ANNOUNCEMENT

Chairperson Lee announced that Jim Haynes and Jane Tatibouet had been confirmed by the Senate.

Chairperson Lee said that it was suggested that a task group be formed to address the issues of the impending contract with the University of Hawai‘i Foundation. Regent Tatibouet proposed that the mission of the task group be to address the Board of Regents’ policies, the University of Hawai‘i contract and the memorandum of understanding regarding the University of Hawai‘i Foundation. The task force would also be empowered to engage consultants if necessary. Chairperson Lee appointed Regent Jane Tatibouet as Chair, incoming Regent Andres Albano, and Regent Byron Bender.
Next Meeting

Chairperson Lee announced that the next monthly meeting of the Board of Regents would be held on Wednesday, June 16, 2004 at 8:30 a.m. at the University of Hawai‘i at Mānoa.

X. ADJOURNMENT

There being no further business before the Board, the meeting was adjourned at 9:35 a.m.

Respectfully submitted,

David Iha, Executive Administrator and Secretary of the Board