MINUTES
UNIVERSITY OF HAWAI'I BOARD OF REGENTS'
MEETING OF
February 16-17, 2006

I. CALL TO ORDER

The meeting was called to order by Chairperson Kitty Lagareta on Thursday, February 16, 2006, at 9:00 a.m. in Room 201, Building 2, Honolulu Community College.

Attendance

Present were Regents Andres Albano, Jr., Byron W. Bender, Michael A. Dahilig, Ramón S. de la Peña, James J.C. Haynes II, Allan R. Landon, Ronald K. Migita, Alvin A. Tanaka, Jane B. Tatibouet, and Myron A. Yamasato; Interim President David McClain; Executive Administrator and Secretary of the Board David Iha; and Executive Assistant Carl H. Makino.

Also present were Mr. Walter Kirimitsu, University General Counsel; Mr. Sam Callejo, Vice President for Administration; Dr. James Gaines, Interim Vice President for Research; Dr. Linda Johnsrud, Interim Vice President for Academic Planning and Policy; Mr. Howard Todo, Vice President for Budget and Chief Financial Officer; Ms. Carolyn Tanaka, Associate Vice President for External Affairs and University Relations; Dr. John Morton, Vice President for Community Colleges; Dr. Gene Awakuni, Chancellor, University of Hawai‘i at West O‘ahu; Peggy Cha, Chancellor, Kauai Community College; Dr. Denise Konan, Interim Chancellor, University of Hawai‘i at Mānoa; Dr. Angela Meixell, Chancellor, Windward Community College; Dr. Peter Quigley, Interim Chancellor, Leeward Community College; Dr. Leon Richards, Acting Chancellor, Kapi‘olani Community College; Ramsey Pedersen, Chancellor, Honolulu Community College; Dr. Rose Tseng, Chancellor, University of Hawai‘i at Hilo; J. N. Musto, Executive Director, University of Hawai‘i Professional Assembly (UHPA); Dr. Mary Tiles, President, UHPA, Ms. Lei Desha, Field Representative, Hawai‘i Government Employees Association (HGEA); and others.

II. APPROVAL OF MINUTES

Regent Haynes offered a correction to page 4 of the January 19, 2006 minutes. The phrase should be “bought by Akaku” and not “sought.”

Upon motion by Regent Landon and second by Regent Haynes, the Board unanimously approved the minutes of the January 19, 2006 meeting and the January 20, 2006 informational meeting, as corrected and circulated.
III. PRESENTATION BY RAMSEY PEDERSEN, CHANCELLOR OF HONOLULU COMMUNITY COLLEGE (HCC)

Chancellor Pedersen updated the Board on the progress of its Construction Academy. He explained that what was being attempted was to create a seamless system of learning, starting at least in the junior year of high school to get students career-oriented and ensure that they obtain the necessary skills to be successful. The middle ground in this is HCC’s Academy. He added that there are academy concepts already in Hawai‘i but they do not have an articulated college connection. HCC’s Academy is a partnership between the State Department of Education, the high schools, and their students. It’s also between the community college faculty, industries, career specialists, and the businesses served.

In developing the program, HCC first did an analysis to find out from the industry what the needs and variables were. It then provided a curriculum based on industry standards. Chancellor Pedersen informed that currently, there are eight high schools on O‘ahu and with the pilot, that might expand to fifteen, four on Maui, four on Kaua‘i and seven on the Big Island prepared to enter into a memorandum of understanding (MOU) to engage in this program. In addition, apprenticeship training programs will be expanded on all islands.

The program is currently envisioning more than 1,000 high school students taking these courses across the State. About 400 students would be enrolling in construction apprentice programs or associate degree programs. If HCC can complete that amount, that will help solve some of the long term labor problem in the construction industry and give the unions with their programs high quality candidates.

Chancellor Pedersen concluded by mentioning that other academies utilizing this model are being considered such as in information technology and nursing.

Regarding the anticipated 400 completion rate, Regent Tanaka questioned as to how long it would take students to actually start working. Chancellor Pedersen responded that once they graduate from high school, they could enter apprenticeship training. As apprentices, they are on the job.

Regent Lagareta expressed the Board’s appreciation for the progress made on this program.

IV. PUBLIC COMMENT PERIOD

1. Mr. Kaipo Pomaikai, expressed support for retaining President McClain in his position.

2. Dr. J.N. Musto, representing UHPA, expressed concern over the filling of the Vice President for Student Affairs. He added that UHPA believed that the resources could be better utilized at the campuses. UHPA has consistently testified against the creation and filling of executive level
positions at a time when new faculty with Ph.D’s are still earning less than $50,000 annually.

3. Chair of the Mānoa Faculty Senate Robert Bley-Vroman conveyed a resolution passed by the Mānoa Faculty Senate, asking for a thorough review of the Office of Vice President for Student Affairs, to include alternative uses of the funds to meet student needs and that the position be held vacant until the review was completed.

4. Ms. Beverly Keever expressed that the administration has not released information to the public in a timely manner relative to the University Affiliated Research Center (UARC) contract.

5. Mr. Kyle Kajihiro, testifying on UARC, reported that he has yet to receive documents he requested relative to three University contracts currently under investigation.

(Note: During the testimonies relative to UARC, Regent Tanaka had recused himself from the meeting due to a declared conflict of interest.)

V. REPORT OF EXECUTIVE OFFICER

President McClain acknowledged the return of Vice President Morton from convalescent leave. He then shared a letter received from ACCJC informing that Hawai‘i Community College and Honolulu Community College were taken off warning status.

The National Center for Higher Education Management Systems (NCHEMS) had earlier ranked Hawai‘i 47th in performance relative to funding. After further analyses, two adjustments were made. The first one was the cost of living index that was used assumed that Hawai‘i was no more expensive than the most expensive mainland state while in fact we are much more expensive. The second adjustment involved the double counting of $100 million in fringe benefits. As a result of these adjustments, the rankings were adjusted from 47th in the nation to 27th, and funding for full-time students in the public research sector decreased from over $25,000 to about $17,000.

The Western Association of Schools and Colleges (WASC) sent a letter summarizing a report sent to them last October from the University of Hawai‘i system. WASC found the progress report clear, comprehensive, and informative. They recognized that progress has been continuing in several areas particularly in the Board’s relations with the administration. The University had concluded its biennial budgeting process, resulting in a small increase in state funding and an increase in tuition support. Strategic planning was continuing with stocktaking exercise and consultations which impressed WASC. The WASC panel recognized the value of increased financial support to the University but recommended that the impact of tuition increases needed to be carefully monitored.

The University was selected for a higher education work force project. This is a WICHE initiative called “Escalating Engagement, the State’s Policy to Protect
Access to Higher Education.” It is a project funded by the Ford Foundation to assist states in preparing the competitive work force for the high skills global economy of the future and to ensure that populations disenfranchised in the past have access through education to high skilled jobs.

President McClain reported that he had attended the American Council on Education meetings in Los Angeles and had the opportunity to visit with his colleagues from the University of Maryland and the University of Wisconsin to discuss system issues.

Recommendation Concerning the University Affiliated Research Center
(Note: Regent Tanaka recused himself from this portion of the meeting.)

President McClain explained that fifteen months ago, responding to a recommendation from UH-Mānoa Chancellor Peter Englert, the Board gave provisional approval to a U.S. Navy University Affiliated Research Center (UARC), subject to consultation and the negotiation of a contract. Subsequently after a thorough process of consultation on her campus, Chancellor Konan recommended against proceeding with the UARC on the Mānoa campus. During these consultations, the Mānoa Faculty Senate, the undergraduate student association (ASUH), and the Kualii Council all recommended against proceeding with the UARC.

The Mānoa Faculty Senate ad hoc committee report, compiled with the assistance of outside counsel provided by the Mānoa administration, offered a thorough review of the issues surrounding the UARC. It noted that several concerns that were generally felt, for example, dealing with the complexity of administration required with publication restrictions with classified research, that these concerns were often not matters of concern to researchers likely to participate in the UARC.

President McClain recommended that the Board:

1. Accept Chancellor Konan’s recommendation;

2. In its place and in the tradition of EPSCoR (Experimental Program to Stimulate Competitive Research) and P-20 grants and contracts, and in the tradition of the Maui High Performance Computing Center which is funded by the U.S. Air Force, approve the establishment of the UARC as an administrative unit attached to the University of Hawai‘i system;

3. Provide that the UARC will perform no classified task orders during its first three years of operations;

4. Provide that the UARC will retain the option to terminate a task order should the research involved become classified after the task order begins; and

5. Provide that the University of Hawai‘i will evaluate the UARC during its third year in terms of the financial and research returns received and the cost and risks incurred including the administrative burden associated with
managing the UARC. He added that should the UARC receive a favorable evaluation, UH would invite the Navy to exercise its option for renewal of the contract for an additional two years. If not or if the U.S. Navy elected not to exercise its option, UH would discontinue the UARC.

With this unclassified UARC approach, faculty can continue to pursue defense-related research and funding and can continue to perform naval research activities which the Chancellor supports. UARC contracts would be like other grants and contracts with the exception that they would be sole-sourced and costs would be more generously reimbursed.

Regent Haynes asked if the University had any ongoing classified research. President McClain informed that limited classified research was being conducted.

Regent Yamasato asked what the Navy’s reaction would be to the recommendation. President McClain responded that members of his staff had preliminary conversations with the Navy. Regent Albano inquired about the University’s position should the Navy decide not to enter into a contract because of the provision for no classified research. President McClain responded that the University would not proceed with the UARC.

UH-Mānoa Professor Joel Fischer who had asked to testify following the President’s recommendation, expressed displeasure over the recommendation on UARC.

A recess was declared at 10:55 a.m. and the meeting reconvened at 11:24 a.m.

VI. AGENDA ITEMS

Audit Reports

a. Consolidated Financial Statements, June 30, 2005 and 2004

Chief Financial Officer (CFO) Todo explained that he would present the financials to be followed by Mr. Jim Hasselman of PricewaterhouseCoopers (PWC), the University’s external auditor. The University’s financial position remains strong at June 30, 2005, with assets of $1.6 billion, liabilities of $400.7 million or net assets of $1.2 billion. This is a $124 million increase from fiscal year 2005. Based on new formatting requirements, State appropriations, private gifts and investment income, all fall under the non-operating revenues section. The statement therefore shows an operating loss of $474 million but that, according to CFO Todo, is before State appropriations, private gifts and investment income. Once added, there is a positive change in net assets of $124 million.

Mr. Hasselman explained that the external auditor completed its audit and came up with no major findings or major issues. He noted that the University implemented some new accounting policies and PWC will be looking at methodologies and processes. He noted that there were adjustments related to unrecorded liabilities and the reclassification of student loan auction rate
securities out of cash into investments. PWC had not found any evidence of fraud or illegal acts during its audit.

Regent Haynes questioned how the University could accumulate $87 million in receivables. Mr. Hasselman clarified that the number was primarily federal contracts and grants where costs are initially incurred and the University reimbursed later.

Regent Landon moved to receive the audited financial statement for the period ending June 30, 2005 as performed by PWC. Regent Yamasato seconded the motion which was unanimously carried.

b. University of Hawai‘i at Mānoa Intercollegiate Athletics Draft

Director Frazier said he would be discussing PWC audits and reports. He noted that the June 2003 audit had noted that the Department was $2.4 million in debt. After the 2003 season his staff developed a five-year plan for financial recovery. He stated that while the Department has made tremendous strides towards recovery, there are still ways to go and this was due to the up and down nature of the business. One reason for their progress has been their ability to raise funds to supplement budget shortfalls with the assistance from Koa ‘Anuenue programs.

Mr. Hasselman added that PWC did complete its audit of the Athletic Department. PWC was pleased to see that the internal controls of the Department improved significantly. He noted that last year, the Department was without a fiscal officer. They have since corrected the problem and made some improvements to back office reporting systems and take advantage of technology to write some management reports that are more efficient, and they are working on that as well. He said the Department was not out of the woods yet financially but certainly on a favorable trend.

Regent Dahilig commented that collegiate athletics from a student perspective is a service provided for the students’ entertainment. He stated that maybe balancing the books shouldn’t be the primary goal. Director Frazier acknowledged the importance of serving all students and not just the student athlete.

Regent Migita noted that a recent newspaper article had indicated that the Department was three months delinquent in paying the rent due to the Aloha Stadium. Director Frazier attributed the delay on the ongoing discussion over the possibility that the University might not have to pay any rent this year.

Regent Tanaka inquired about the premium plan for football tickets and attendance at the games. Director Frazier explained that when he introduced the premium plan, the plan involved 650 seats which were sold out. With a more exciting schedule he expects to keep football attendance and revenues up. Regent Tanaka followed regarding the Department’s cash position and the $1 million borrowed from Mānoa. Chancellor Konan informed that she had been in discussion with Director Frazier over the financial relationships with the Athletics
Department, and a more detailed plan on how the Athletics Department will repay the loan to Mānoa is forthcoming.

Regent Yamasato noted that the financial audit provides a good idea about the revenue and expenditure trends in all sports.

Regent Migita moved to receive the agreed-upon procedures, financial statements, and internal control report of the University of Hawai‘i at Mānoa Athletics Department for the period ending June 30, 2005 as submitted by PWC. The motion was seconded by Regent de la Peña and unanimously carried.

University of Hawai‘i Endowment Fund, Quarterly Performance Report

CFO Todo introduced Mr. Peter Backus and Mr. Ted Jung of Smith Barney Citigroup, University third party monitors of the Endowment Fund.

Mr. Backus reported that for the quarter ending December 31, 2005, the Fund was up 1.9% which outperformed the benchmark of 1.5%.

Among the three balance managers, Bank of Hawai‘i underperformed both for the quarter and for the year. NWQ outperformed the index for both the quarter and the calendar year, up 2% over the benchmark’s 4.4%. This was due to their equity performance. Neuberger Berman outperformed 9.1% versus the index 5.2%. Most of the underperformance and overperformance for the balance managers came from their performance in the equities sector.

Bank of Hawai‘i, which manages on a growth style, underperformed for the trailing year by about .9%, most of that taking place earlier in 2005, according to Mr. Backus. He further informed that NWQ, a large cap value manager, had a very good year up 11.9% versus the benchmark of 7% due to their choices in energy and other stock selections. Neuberger Berman is a core manager which means they tend to have more than half of their money in mid to small caps. They also outperformed the index due to their performance in energy.

Brandes, the international manager, according to Mr. Backus, underperformed in 2005 by about 2%. This is their first year of under-performance following very strong performances over the trailing three and five years. They were basically a little early in some calls, one being to get out of energy. In the fixed income performance, all three accounts did fairly well. Pacific Capital Ultra short fund returned 2%.

Mr. Backus concluded by reporting that the Endowment Fund began the year valued at $55.3 million. $1.3 million was withdrawn and loss and income combined for $3.1 million leaving the Fund at $57.1 million.

President McClain suggested some changes to Smith Barney’s presentation.

Regent Migita requested that the University’s investment policies be reviewed at a future meeting.
Acquisition of Real Property, Waiakea, South Hilo, Hawai'i

Chancellor Tseng requested that the Board of Regents authorize the Administration to enter into negotiation for a long-term, nominal rent lease with the Department of Land and Natural Resources (DLNR) for 54.99 acres, more or less of Government land. She explained that the proposed lease with DLNR to acquire 54.99 acres of State land in close proximity to the University of Hawai‘i at Hilo (UH-Hilo) campus is desired to further UH-Hilo’s academic and program expansion, to include the College of Pharmacy, additional facilities, classrooms and labs, a recreational field, and bikeways that traverse the acreage that connect and access Mohouli Street.

In October of 2005, UH-Hilo entered into discussions with DLNR to lease approximately 54.99 acres of State land for a term of sixty-five years. The subject property is situated in close proximity to the UH-Hilo campus (off Lanikaula Street, behind the U.S. Army Reserve Center), an ideal location for the operation and expansion of UH-Hilo. In addition to this property, UH-Hilo is also pursuing acquisition of the soon-to-be decommissioned U.S. Army Reserve Center (approximately 3.75 acres), which will revert back to the State of Hawai‘i in accordance with the terms of the deed.

Currently, the county of Hawai‘i is pursuing funds to extend Kapi‘olani Street between Mohouli and Lanikaula Street with basic infrastructure installed. This will open up the said property for development without funding from the University.

Regent Haynes asked if the State ever transferred the fee interest in land to the University rather than leasing. Chancellor Tseng informed that DLNR used to transfer land in fee but now prefers a lease where the State is able to control the long-term use of public lands. She clarified for Regents Albano and Migita that the lease would be for a long-term 60-year lease and provides an opportunity for expansion that was not anticipated. The acquisition would be incorporated in UH-Hilo’s long-range development plan. Preliminary thoughts are to use the property for the Pharmacy and Science buildings’ parking and to expand the Science area.

Regent Dahilig moved to approve the acquisition of the Waiakea property as requested. Regent de la Peña seconded the motion which was carried unanimously.

Termination of the Graduate Certificate in Religion, Department of Religion, College of Arts and Humanities, University of Hawai‘i at Mānoa

Vice Chancellor Ostrander recommended that the Board terminate the Graduate Certificate in Religion in the Department of Religion, College of Arts and Humanities, University of Hawai‘i at Mānoa. He explained that data on this program indicates that it has not been able to serve its intended role for students at Mānoa. There is no clear need to continue to offer the Graduate Certificate in Religion.

The Graduate Certificate in Religion in the College of Arts and Humanities has awarded only three certificates since it was created in 1994. Board of Regents’
Policy 5-1(a) provides that all new academic programs, once approved, shall have provisional status until a review is conducted. This certificate is provisional and has had the provisional review deferred while waiting for a significant number of students to complete the program. The Council on Program Reviews is the campus-wide council that recommended that this program be closed a number of years ago; however, then President Dobelle asked that the program remain open and it has. In the twelve years that the program has been in existence, it has issued only three certificates, the last in 2004. Those involved in overseeing the program do not object to its closure. He added that currently, there are no students enrolled in this program and no students are applying. While it is noted that the program creates no additional cost beyond the existing Master of Arts program in Religion, the lack of students over twelve years provides strong evidence that there is no substantial reason to continue to offer the certificate. The Dean of the College and the Graduate Council recommend that this program be terminated.

Regent Landon moved to terminate the Graduate Certificate in Religion in the Department of Religion, College of Arts and Humanities, Mānoa campus, effective Fall 2006. The motion was seconded by Regent Haynes and unanimously carried.

Termination of the Provisional Associate in Science in Opticianry at Leeward Community College

Vice President Morton requested that the Associate in Science degree in Opticianry be terminated at Leeward Community College and removed from provisional status. He explained that the program had been started several years ago. The expected cohort of students never materialized and it is no longer appropriate to reallocate funds to the program.

The action is not anticipated to have any adverse impact on the College or its students. No students are currently enrolled in the position, and there is no faculty currently on staff to teach the program.

The number of positions needed to be filled in the state is approximately twenty workers per year. Currently, the need for these workers is being met by on-the-job training. As a result, demand for the program never really materialized and the program has not been offered beyond its initial experimental year.

Regent Albano moved to terminate the Associate in Science degree in Opticianry at Leeward Community College. The motion was seconded by Regent Haynes and unanimously carried.

Hawai‘i Public Television Foundation Lease Extension
(Note: Regent Landon recused himself from this portion of the meeting.)

Vice Chancellor Cutshaw requested that the Board extend the lease with the Hawai‘i Public Television Foundation for one year to continue to allow them to occupy University facilities located at 2350 Dole Street, Honolulu, Hawai‘i 96822. She informed that in the early 70’s, educational TV which was part of the University of Hawai‘i, spun off into a state-run public television station. They are now a private non-profit operation and continue to occupy space on the Mānoa campus.
The current lease agreement began in 2001 and expired in December 2005. The current partnership is being continued on a month-to-month basis. This lease allows Hawai'i Public Television to use University facilities and property in exchange for video production services. The action before the Board officially extends the lease for one year allowing the University and Hawai'i Public Television to explore the pros and cons of a long-term lease agreement. The Mānoa campus is requesting that the Board approve a one-year extension of the lease with Hawai'i Public Television.

Vice Chancellor Cutshaw explained that there will be no additional costs associated with this request and the intent of the request is to provide sufficient time to develop a comprehensive long-term lease agreement for continued use of the facility.

The agreement allows the Hawai'i Public Television Foundation to utilize approximately 42,400 square feet of land and improvements to operate the business of Hawai'i Public Television. In exchange for the use of University facilities and property, the Hawai'i Public Television Foundation agreed to provide the University, as rent, other rate card service in the amount of $111,023.00 annually which will remain fixed for the initial term of this lease. Pending any documentation to the contrary, the current lease agreement with the Hawai'i Public Television Foundation for the use of the above-mentioned facilities and property will terminate on December 31, 2005. The lease agreement does include a holdover clause that allows the Lessee to possess the premises beyond the date of expiration on the lease agreement on a month-to-month tenancy.

Regent Tatibouet moved to extend the lease agreement with the Hawai'i Public Television Foundation for a period of one year effective January 1, 2006 through December 31, 2006, based on current conditions for rent consideration with the lessee. Regent Haynes seconded the motion which was unanimously carried.

Regent Tatibouet moved to enter into executive session to consider matters pertaining to personnel and legal matters and to consult with the Board’s attorney. Regent Dahilig seconded the motion which was unanimously carried.

The meeting was recessed at 12:34 p.m. and reconvened in open session at 9:24 a.m., February 17, 2006 in the same location.

**Friday, February 17, 2006**

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

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

University of Hawai'i Foundation (Foundation) President Donna Vuchinich reported that the Foundation closed the year at $17.9 million, putting it over the $100 million mark in the campaign. She added that the Foundation is working toward $40 million for this year. Chairperson Lagareta expressed the Board’s appreciation for the Foundation’s efforts and particularly the final push at the end of the year.
Alumni Director Takamori reported the retention of Direct Line Technologies to provide fundraising and membership services to the Alumni Association. He announced that the International Golden Key Honor Society as well as the College of Business Graduate Student Organization were the first recipients of grants from the Association. The College of Business’ graduate students had come up with a proposal to have a reception with the Law School and Medical School students. The Alumni Member Luncheon will take place on March 1st at the Honolulu International Country Club.

Finally, he announced that the Alumni Association will be organizing a trip to southern France. Regent Emeritus Patricia Lee has designed this trip for about twenty or more individuals. The dates for the trip will be from September 11th to the 22nd. Chairperson Lagareta expressed the Board’s appreciation to the Association on its efforts to build a base of “reconnection” between the University and its alumni.

VIII. APPOINTMENTS, CHANGES IN APPOINTMENTS, LEAVES OF ABSENCE, PROMOTION, TENURE, WAIVER OF MINIMUM QUALIFICATIONS, EMERITUS TITLES, SHORTENING OF PROBATIONARY PERIOD, SALARY ADJUSTMENTS, POSITION ACTIONS, CLASSIFICATION AND PRICING

President McClain recommended the following personnel actions.

UNIVERSITY OF HAWAI‘I, SYSTEM

Executive

JOHNSRUD, LINDA
Interim VP for Academic Planning and Policy
Office of VP for Academic Planning and Policy
Reappointment
March 1, 2006 - February 28, 2007 or until a permanent appointment is made, whichever occurs sooner

IHA, YOSHIMITSU DAVID
Executive Admin & Secretary of the Board
Office of the Board of Regents
Performance Incentive Award
Upon Board Approval

Managerial

MATSUI, BRUCE Y.
University Associate General Counsel
Off of the VP for Legal Affairs and University General Counsel
Upon Board Approval
Regent Landon moved to approve all of the personnel actions as listed above. Regent de la Peña seconded the motion which was unanimously carried.

**Resignations and Retirements of Board of Regents’ Appointees**

The list of resignations and retirements of Board of Regents’ appointees and retirements of Civil Service employees was presented for information. (The list of resignations and retirements is presented in Attachment #3 of the Board of Regents’ agenda dated February 16, 2006.)

**IX. GIFTS, GRANTS AND CONTRACTS**

Vice President Gaines reported that research grants finished out the first six months ahead of last year. Indirect cost recovery is about $18 million this year as opposed to $16 million last year. UH-Hilo recorded about $1 million and is having a good year also.

Regent Tatibouet moved to accept with thanks the gifts and grants and ratify the actions of the administration in executing the contracts as presented in Attachment #2 of the Board of Regents’ agenda dated February 16, 2006. Regent Haynes seconded the motion which was unanimously carried. Regent Haynes inquired if any of the grants involved classified research. Vice President Gaines informed that the University has never applied for grants if they involved classified
research. There are some projects that became classified once they began and are managed by a University classified research managerial group.

President McClain asked that Vice President Gaines work with Mānoa Chancellor Konan on a presentation on space constraints facing researchers.

AGENDA ITEMS (Continued)

Amendment of Executive Class, Vice President for Student Affairs

President McClain requested the approval of an amendment of the Executive Class, Vice President for Student Affairs, in conjunction with the updating of the position description.

The Vice President for Student Affairs position is currently vacant and will be recruited for in the near future. Responsibilities of the vice president position include providing executive leadership in student affairs policy decision-making, advising the President and senior University staff on student affairs matters, serving as the administrative liaison to the Board of Regents on student affairs matters, and representing the University on student affairs matters with various State and federal agencies and academic educational associations and boards.

President McClain explained that the intent was to have a description of this class which better reflects the systemwide administrative responsibilities assigned to the Vice President for Student Affairs. The amendment removes the responsibility of this position for running student affairs at the University of Hawai‘i at Mānoa.

Regent Tatibouet moved to approve the amendment of the Executive Class, Vice President for Student Affairs. Regent Haynes seconded the motion which was unanimously carried.

Presidential Search

Chairperson Lagareta reported that the members of the Task Group on the Presidential Search are Regents Bender, Dahilig, Landon, Tanaka, and Yamasato. She then gave the following report:

“As you know in September 2005, the Board raised the issue of asking Interim President McClain to consider being appointed for an extended period of time after he received an outstanding rating by unanimous vote by the Board at his one-year review. After an initial conversation, Interim President McClain counseled us to proceed with the search because he believed a national search was the best practice for the selection of a President. In late November 2005, Interim President McClain officially announced that he would not be a candidate in the search, noting that in his view a full term as president involves at least a seven-year commitment, one which he and his wife, Wendie, are not prepared to make. His statement read, “Wendie and I have been grateful for the opportunity to lead UH, and have found the experience to be very fulfilling. Still, there are other goals we’d like to try to achieve, some of a personal nature, and some of which are professional and
community-based.” He went on to state, “if I were to be chosen as the UH President, it’s likely that I’d only serve until 2009.”

The suggestion that the Board had to do a national search was consistent with advice that former Board Chair Patricia Lee received after seeking counsel from some national experts, as well as the accreditors, immediately after the termination of the former president nearly two years ago.

In mid-December 2005, the Board office sent out a Request for Proposals (RFP) to executive search firms specializing in high-level searches for colleges and universities. Proposals were received from most of the top firms that conduct nationwide searches of this type.

The Task Group on the Presidential Search immediately began reviewing the credentials and proposals of the search firms that had responded to the RFP. In early January, the Task Group selected two highly qualified national firms as its short list and scheduled interviews with them. These interviews were conducted in Honolulu in mid-January on separate days. The Task Group spent approximately six hours with each firm. These discussions were intense, enlightening, and particularly helpful in further defining the range of roles and responsibilities of system presidents. Each firm also spent time separately with Interim President McClain to gain his perspective on the role of the system president. It should be noted that, according to these search firms, the job description for system presidents ranges from a coordinating executive with virtually no campus oversight to the situation in Hawai’i, that of a statewide leader on all higher-education issues whose direct reports include all of the chancellors of campuses in the system.

After interviewing these two firms, the Task Group identified two tracks to follow simultaneously. The Board office was asked to begin checking references for the two search firms which were interviewed, and developed a short list of individuals whose counsel the Task Group wanted on the credentials of both search firms and, more importantly, on the roles and responsibilities of system presidents nationally. The individuals whose advice was sought included people who know the University of Hawai’i and/or have a credible, comprehensive perspective on the role of system presidents such as: Richard T. “Tom” Ingram (just-retired president of the Association of Governing Boards of Universities and Colleges and someone who came here to do a workshop with the Board about a year ago) and Raymond Cotton (a nationally recognized attorney specializing in higher-education issues). The Task Group conducted lengthy teleconferences with each of these individuals and some others during the last week of January and first week of February.

From these discussions, the Task Group gained some new information:

- There is no “best practice” method for selecting a system president because there are so many versions of the position, each tailored to the circumstances and priorities of a particular set of higher education institutions.

- System presidents are quite different, in all of these versions, from campus chancellors who have direct campus leadership roles and responsibilities.
It is extraordinarily challenging to find outstanding system presidents, according to the search firms and some of the experts that the Task Group members talked to because they often combine business savvy and leadership with strong academic credentials. In other words, you don’t look for people like these only in the upper echelons of academia.

Finally, all of the people the Task Group members spoke with, including the search firms, asked them why they weren’t trying to convince David McClain to remain on the job. When they explained that they wanted to do things properly and they had been advised that a search was the only way to do that, the Task Group members got some interesting feedback:

• “Your chances of finding another system president that you would rate ‘outstanding’ are less than 50 percent.” This is from the search firms.

• “Someone who has been doing the job extremely well for almost two years should not have to participate in a cattle call to keep the job; the Board should just appoint him.”

• “If I were in your shoes, I would not proceed with a search until I knew the door was absolutely nailed shut with David McClain.”

• “No matter who tells you what to do, you have to do what is best for your university system and follow your instincts.”

Subsequently, the Task Group members discussed their perspectives and the fact that each of them, if not everyone on the Board, has heard consistently from constituencies inside and outside the University of Hawai‘i that somehow they should find a way to convince David McClain to stay on the job.

The Task Group talked about:

• The fact that Interim President McClain has had solid and consistent support from the Board of Regents since he became interim president;

• The momentum and progress the University of Hawai‘i has achieved under Interim President McClain’s leadership during the past year-and-a-half;

• The opportunities and challenges that lie ahead, including the University’s centennial celebration and fundraising campaign and a plethora of academic and development issues; and

• The leadership needed at the system level as the University searches for candidates to fill many other key positions.

The Task Group concluded by asking Chairperson Lagareta and Regent Landon to meet with David McClain to discuss some of the new information the Task Group had acquired in its research and to see if the door was indeed “nailed shut.”
On Friday, February 10, Chairperson Lagareta and Board Secretary Iha conducted teleconferences with Ralph Wolff of the Western Association of Schools and Colleges (WASC) and Barbara Beno of the Accrediting Commission for Community and Junior Colleges (ACCJC). The purpose of these conversations was to let the accreditors know that the Task Group was planning to recommend to the Board of Regents that David McClain be appointed President of the University of Hawai’i. Both Dr. Wolff and Dr. Beno expressed their full support and endorsement of this plan.

With all of this in mind, the Task Group on the Presidential Search officially recommended to the Board of Regents that it suspend the national search for the University president. The Task Group further recommended that the Board appoint two individuals – the Board Chair, Kitty Lagareta, and Regent Landon, Task Group member, to offer David McClain an appointment as president of the University of Hawai’i and to negotiate mutually acceptable terms and conditions.

Regent Haynes moved to receive the Task Group’s report and recommendation and to schedule subsequent duly-noticed meetings at the earliest possible date for the purpose of deliberating and acting on the Task Group’s recommendation as required by the Hawai’i Sunshine Law. Regent Migita seconded the motion.

President McClain expressed his appreciation to the Board for its confidence in his leadership.

X. ANNOUNCEMENT

Next Meeting

Chairperson Lagareta announced that the next regularly scheduled meeting of the Board would be held on Thursday, March 16, 2006, at Leeward Community College.

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

Regent Tatibouet moved to enter into executive session to discuss personnel, legal and collective bargaining matters and to consult with the Board’s attorney. Regent Haynes seconded the motion which was unanimously carried.

The meeting was recessed at 9:56 a.m. to enter into executive session.

XI. ADJOURNMENT

The meeting was reconvened in open session at 11:35 a.m. at which time the meeting was adjourned.

Respectfully submitted,

David Iha, Executive Administrator
and Secretary of the Board