

**MINUTES OF REGULAR MEETING OF THE
UNIVERSITY OF HAWAI'I BOARD OF REGENTS**

June 20, 2003

I. CALL TO ORDER

The monthly meeting of the Board of Regents was called to order by Chairperson Bert A. Kobayashi on Friday, June 20, 2003, at 8:41 a.m., in the Campus Center Conference Chamber, Room 220, University of Hawai'i at Mānoa.

Attendance

Present were Regents Everett R. Dowling, Ted H. S. Hong, Charles K. Kawakami, Duane K. Kurisu, Kitty Lagareta, Patricia Y. Lee, Ah Quon McElrath, Walter Nunokawa, Capsun M. Poe, Kathleen K.S.L. Thurston, and Myron A. Yamasato; President Evan S. Dobbelle; Executive Administrator and Secretary of the Board David Iha; and Executive Assistant Carl H. Makino.

Also present were Dr. Doris Ching, Vice President for Student Affairs; Mr. Walter Kirimitsu, Vice President for Legal Affairs and General Counsel; Dr. David McClain, Interim Vice President for Research; Dr. Deane Neubauer, Interim Vice President for Academic Affairs; Ms. Colleen Sathre, Vice President for Planning and Policy; Mr. James Sloane, Vice President for Administration and Chief Financial Officer; Ms. Carolyn Tanaka, Associate Vice President for External Affairs and University Relations; Ms. Peggy Cha, Chancellor, Kaua'i Community College; Dr. Peter Englert, Chancellor, University of Hawai'i at Mānoa (UH-Mānoa); Dr. Angela Meixell, Chancellor, Windward Community College; Dr. John Morton, Chancellor, Kapi'olani Community College; Dr. William Pearman, Chancellor, UH-West O'ahu; Mr. Ramsey Pedersen, Chancellor, Honolulu Community College; Ms. Sandra Sakaguchi, Chancellor, Hawai'i Community College; Dr. Mark Silliman, Chancellor, Leeward Community College; Dr. Rose Tseng, Chancellor, University of Hawai'i at Hilo; Dr. flo wiger, Acting Chancellor, Maui Community College; Dr. Karl Kim, Interim Vice Chancellor for Academic Affairs, UH-Mānoa; Mr. Michael Rota, Vice Chancellor for Academic Affairs, Community Colleges, UH-Mānoa; Dr. Rolf Kudritzki, Director, Institute for Astronomy, UH-Mānoa; Mr. Sam Callejo, Director of Capital Improvements; Mr. Herman Frazier, Athletic Director, UH-Mānoa; Ms. Betsy Sloane,

President, University of Hawai'i Foundation; Mr. Prescott Stewart, Executive Assistant to the President; and others.

II. APPROVAL OF MINUTES

Upon request by Regent Lagareta, the May 16, 2003 minutes were amended to include her comments regarding Agenda Item A-4, "Agreement to Purchase Land and Develop the Institute for Astronomy's Advanced Technology Research Center on Maui". Upon motion by Regent McElrath and second by Regent Nunokawa, the minutes of the May 16, 2003 minutes were approved as amended.

III. ITEMS FROM PRESIDENT'S MEMORANDUM NO. 20 **RECOMMENDATIONS FOR ACTION AND** **GENERAL INFORMATION**

Release of Men's Basketball, Men's Volleyball, and Baseball Season Tickets to Ahahui Koa Anuenue and Adoption of a Tiered Pricing Range Schedule for Men's Basketball, Wahine Basketball, Men's Volleyball, Baseball, Softball, Water Polo and Soccer

Athletic Director Frazier requested the Board's approval to release additional season tickets to the University of Hawai'i (UH) Athletic Department's master booster and fundraising organization, Ahahui Koa Anuenue (AKA). The tickets affected are as follows:

1. 1,942 additional men's basketball season tickets (currently allocated 1,437 season tickets - total season tickets 3,379)
2. 2,771 additional men's volleyball season tickets (currently allocated 608 season tickets - total season tickets 3,379)
3. 2,137 baseball season tickets (currently allocated 32 season tickets - total season tickets 2,169)

This would remain in effect for as long as the premium prices remain in the range as set forth in this proposal. In the event there are changes, the Athletic Department will obtain the Board's prior approval.

The proposed plan is to once again make available additional season tickets to AKA, which will be made available to members of the general public as part of its fundraising efforts for the Athletic Department through its reorganized membership program. For this year, the additional season tickets will first be made available to current season ticket holders with a contribution of \$80 for men's basketball and \$60

for men's volleyball for seats in the lower level of the Stan Sheriff Center, and \$40 for baseball for seats in the blue and orange levels of Les Murakami Stadium. These tickets will also be available to the general public (non-season ticket holders) with a contribution required to purchase priority seating in designated sections. No premium contributions will be required for ticket holders in the sports of wahine basketball, softball, soccer, and water polo. Director Frazier reiterated that no premiums will affect University of Hawai'i students and in some sports, the student prices have been reduced from what they were in the past.

In addition, Director Frazier requested that the Board adopt a proposed tiered pricing range schedule for men's basketball, wahine basketball, men's volleyball, baseball, softball, water polo, and soccer. As noted above, in the event there are changes in the ticket prices, the Department will obtain the prior approval of the Board.

Regent Kurisu moved to approve the transfer of additional season tickets to Ahahui Koa Anuenu and adopt the tiered ticket pricing range schedule, as presented in President's Memorandum No. 20 (Agenda), Item A-1, dated June 20, 2003. Regent Yamasato seconded the motion which was unanimously carried.

Extension of Contract for Consultant Services with Cassidy and Associates, Inc.

Interim Vice President Neubauer requested that the Board approve a one-year extension of the current contract with Cassidy & Associates, Inc., (Cassidy) of Washington, D.C. for consultant services in accordance with Section 8-1(c) of the Board of Regents' policy. The term of this contract would be from July 1, 2003 to June 30, 2004.

The proposed issuance of the contract extension will enable the University to secure the continued services of Cassidy in the University's efforts to obtain federal funds for new and continuing programs.

The new initiatives being requested in FY 2004 are: 1) authorization and appropriations for the Cancer Research Center, \$80 million; 2) the Institute for Astronomy Giant Segmented Mirror Telescope, \$7 million; and 3) Hyperspectral Imager for the Space Station, \$5 million. These new program requests total \$92 million.

For FY 2004, the continuing programs for which funding is currently being sought are: 1) Mauna Kea Astronomy Education Center, \$6.4 million; 2) Panoramic Survey Telescope and Rapid Response System, \$15 million; 3) Warfighter Sustainment Advanced Technology, \$5.4 million; 4) Hawai'i Energy and Environmental Technology, \$4 million; 5) Hawai'i Coral Reef Initiative Research Program, \$1.5 million; 6) University of Hawai'i at Hilo Pharmacy Program, \$1

million, 7) International Pacific Research Center, \$2 million; 8) Marine Mammal Hearing Research, \$2.19 million; 9) Computational Proteomics, \$5 million; and 10) Environment for Design of Advanced Marine Vehicles and Operations Research, \$5.5 million. These program requests total \$47.99 million.

The proposed fee to Cassidy for the contract extension will remain at the current monthly rate of \$22,453 for an annual fee of \$269,436. Payments will come from the Research and Training Revolving Fund as they have in the past. 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 Board of Regents approved a two-year contract with Cassidy in May 1987 to acquire federal matching funds for the Pacific Ocean Science and Technology (POST) facility. Cassidy was selected because it offered the University widely-acknowledged expertise in securing building and programmatic funds for universities, and the Board has since approved the renewal for that contract for the periods July 1, 1989 to June 30, 1991; July 1, 1991 to June 30, 1993; July 1, 1993 to June 30, 1995; and July 1, 1995 to June 30, 1996. The current contract was awarded to Cassidy following a February 23, 1996 issuance of a formal Request for Proposals (RFP) under the provisions of the Hawai'i Revised Statutes, Chapters 103 and 103D. Cassidy submitted a proposal that was evaluated according to the categories and thresholds published in the RFP. A copy of the RFP and the proposal are on file with the Board of Regents office. Under this contract, the Board approved renewals for the periods July 1, 1996 to June 30, 1998; July 1, 1998 to June 30, 2001; July 1, 2001 to June 30, 2002; and July 1, 2002 to June 30, 2003.

Pursuant to this contract, Cassidy personnel have worked closely with the University and the Hawai'i congressional delegation to identify and describe the University's needs, to match these needs with related federal priorities, to present all relevant details to the U.S. Congress, and to assist Hawai'i's Congressional delegates guide funding requests through complicated negotiations over several legislative sessions.

Over the 15 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 \$32.3 million for the University in FY 2003.

Funding requests for FY 2004 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 \$139.99 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.

Regent Lagareta asked how often this contract was put out to bid and whether a comparative analysis was done with some of the other firms. Interim Vice President Neubauer responded that the contract is renewed annually. An annual review with Cassidy is conducted on its performance. Information relative to this initial award process will be provided at the request of Regent Lagareta.

In response to Regent Hong's question as to whether Cassidy was a lobbyist firm, Interim Vice President Neubauer responded that it is a consulting group in Washington, D.C. and assists the University of Hawai'i with federal earmarked projects.

Regent Kurisu moved to approve an extension of the contract for consultant services with Cassidy and Associates, Inc., of Washington, D.C., for a one-year period from July 1, 2003 to June 30, 2004, as presented in President's Memorandum No. 20 (Agenda), Item A-1, dated June 20, 2003. Regent Poe seconded the motion which was carried by majority vote. Regent Lagareta abstained from voting.

University of Hawai'i at Hilo Service Order of Construction Funding to Research Corporation of the University of Hawai'i

Vice Chancellor Lu requested the Board's approval to service order the following to the Research Corporation of the University of Hawai'i (RCUH):

- 1) \$700,000 Repair & Maintenance (R&M) funds, and \$100,000 Housing Revolving funds for the renovation of portable buildings (PB) 10, 11 & 12;
- 2) \$2,000,000 Capital Improvement Program (CIP) funds for the Pacific Aquaculture and Coastal Resources Center;
- 3) \$2,500,000 CIP funds for the University Park, Phase IV (USDA Road) projects.

Board policy prohibits the service ordering of construction and R&M projects to RCUH without the prior approval of the Board. The campus must justify why it is necessary or advantageous to service order the project rather than having the University's facility and procurement units handle the project.

The University of Hawai'i at Hilo (UHH) received a \$1,645,467 federal award from the Department of Education for a Title III, Native Hawaiian Serving Institutions project. The federally-funded project was service ordered to the Research Corporation of the University of Hawai'i on October 1, 2000. The five-year funding period will expire on September 20, 2005.

The project budget for the current fiscal year is \$406,803, which includes \$200,000 earmarked for renovation expenses. The federal funds will be allocated toward the renovation of the portable buildings, PB-10, 11, and 12, which were recently vacated by other programs after the completion of the new University Classroom Building. The renovations include upgrading electric system data communications, walkway repairs, and cover for outdoor space. The total renovation costs are estimated at \$1,000,000. Funding sources include \$200,000 in federal funds; \$100,000 in UHH Housing revolving funds; and the balance from CIP R&M funds.

Since the federal award is currently with RCUH, the proposed plan is to service order the additional \$700,000 CIP R&M funds and the \$100,000 UHH Housing funds to RCUH to complete this renovation project.

UHH received a federal Economic Development Administration award in the amount of \$1,990,000 to construct the Pacific Aquaculture and Coastal Resources Center. The federal construction project was service ordered to RCUH on September 2000. The five-year funding period will expire on September, 2005. The project budget currently includes \$1,990,000 in federal funds and \$923,220 in State CIP funds. The Governor issued an Executive Order to the University to utilize the Keaukaha and Panaewa parcels for the PACRC project. In addition, the County of Hawai'i spent approximately \$750,000 to prepare the Keaukaha site for the Aquaculture facility. The Legislature recently approved an additional \$2,000,000 in CIP funds to complete the project, subject to Governor Lingle's approval to release the funds. The PACRC project is an existing RCUH project, with current funds held in an RCUH account. The proposed plan is to service order the remaining \$2,000,000 CIP funds to RCUH to complete the project.

The State leased 30 acres within the University Park for the Pacific Basin Agriculture Research Center and the Forestry Service facility. The State appropriated \$2.5 million in CIP funds to the UHH to build the roadway and infrastructure improvements required prior to constructing the PBARC facility. Timely completion of the roadway and infrastructure improvements is a critical component that must be completed before commencing with PBARC's construction. Delays in completing the roadway may result in the loss of more than \$50 million in federal funds.

The UHH has negotiated a consultant services fee proposal to provide the following services: 1) Master Plan; 2) EIS; and 3) design of the required roadway/infrastructure. RCUH is capable of fast tracking the contracting and procurement requirements to expedite the completion of the access road for the PBARC project. The proposed plan is to service order the \$2,500,000 CIP funds to RCUH.

Regent Kurisu moved to approve University of Hawai'i at Hilo's request to service order R&M funds and Housing Revolving funds to RCUH for the renovation of PB 10,11 & 12, and to service order CIP funds to RCUH for the Pacific Aquaculture and Coastal Resources Center, and the University Park, Phase IV (USDA road), as presented in President's Memorandum No. 20 (Agenda), Item A-3, dated June 20, 2003. Regent Yamasato seconded the motion which was unanimously carried.

Implementation of Revised Administrative Procedures for Procurement of Goods, Services and Construction

Agenda Item A-4, "Implementation of Revised Administrative Procedures for Procurement of Goods, Services and Construction" were deferred at the request of President Dobbelle.

Proposed Amendment to Board of Regents' Policy Relating to Research

Agenda Item A-5, "Proposed Amendment to Board of Regents' Policy Relating to Research" was deferred at the request of President Dobbelle.

Establishment of a Bachelor of Applied Science Degree in Applied Business and Information Technology (ABIT) at Māui Community College

Acting Chancellor wiger requested that the Board approve the establishment of a new four-year Bachelor of Applied Science degree in Applied Business and Information Technology (ABIT) to be offered through Māui Community College (MCC).

This request will address the Accrediting Commission for Community and Junior Colleges (ACCJC) and the Accrediting Commission for Senior Colleges and Universities (ACSCU) requirement that the decision to pursue the baccalaureate degree be approved by the University of Hawai'i and its Board of Regents. Approval of this action will also allow Māui Community College to proceed with filing required substantive change documents with the ACCJC and ACSCU to be considered for advancement to eligibility status.

In 1996, Act 51 amended Chapter 305 of the Hawai'i Revised Statutes by authorizing the community colleges to offer four-year vocational technical education programs. The recently approved University of Hawai'i System Strategic Plan supports the development and offering of selected baccalaureate degrees at the University of Hawai'i community colleges. The Strategic Plan for Māui Community College also has an action strategy that supports the development of selected baccalaureate degrees. In a prioritization exercise at a May 2003 Shared Governance retreat, this action strategy was identified as a top priority.

In August 2001, in support of the development of baccalaureate degrees at the community colleges, President Dobbelle committed \$500,000 to Project 2 + 4. Māui Community College received support for its Provost to be assigned to direct

Project 2 + 4 for the UH Community College System. Support was also included for the appointment of an acting provost and acting dean of instruction, faculty curricular and program development, baccalaureate faculty appointments, student services and library needs, travel, and other baccalaureate start-up requirements.

In November 2001, Maui Community College committed to develop and propose a single baccalaureate degree to their educational program. At this time two planning committees were formed, the Baccalaureate Advisory Committee (BACommittee) and the Baccalaureate Curriculum Development Team (BCDTeam), to assume the leadership and work collaboratively to develop an appropriate degree.

In Spring 2002, Maui Community College distributed a community response survey to residents of Maui County asking them to voice their opinions on a proposed four-year baccalaureate program. Approximately 63,000 surveys were mailed, and a total of 2,459 usable surveys were returned, for a response rate of 3.9%. The survey included questions on residence, attendance at MCC, family members' college attendance, educational background, and fields of academic interest. Results of the survey showed that Computer Science and Business were both high demand areas of study.

To respond to the needs of the community obtained from the survey and, at the same time, minimize duplication within the University of Hawai'i system, the ABIT degree was selected as a single business degree, emphasizing small to medium-sized business management, with a strong information technology component. The BCDTeam proceeded with the Authorization to Plan which was submitted to and approved by the University of Hawai'i Interim Vice President of Academic Affairs in September 2002. Further approvals of the Authorization to Plan, as well as this Program Proposal, were received from the BCDTeam, BACommittee, all units on the campus, various support groups, campus Curriculum Committee and Academic Senate during Fall 2002 and Spring 2003.

Approval of this request will permit Maui Community College to formally begin meeting the criteria required by ACCJC and ACSCU for the college to offer a baccalaureate ABIT degree, while continuing their respective accreditation as a community college. Additional ACCJC and ACSCU accreditation requirements will also need to be met prior to the degree being offered.

Regent Nunokawa moved to approve the program proposal as submitted, allowing Maui Community College to offer the Bachelor of Applied Science in Applied Business and Information Technology (ABIT), effective Fall 2003, subject to the Regents' policy on provisional academic programs and as presented in President's Memorandum No. 20 (Agenda), Item A-6, dated June 20, 2003. Regent McElrath seconded the motion which was unanimously carried.

Endowed Chair in Native Hawaiian Health

Chancellor Englert requested that the Board approve the establishment of an endowed chair at the Native Hawaiian Center of Excellence (NHCOE) of the John A. Burns School of Medicine (JABSOM) to be named the Myron "Pinky" Thompson Endowed Chair of Research. Funding for this chair is being provided by a three-year grant totaling \$4,687,500 from the National Institutes of Health (NIH).

The Chair at JABSOM will serve as the Director of Research at the NHCOE. The fund will be managed by the University of Hawai'i Foundation and administered by the NHCOE at JABSOM to recruit a Director of Research to develop a strong research program focused on health disparities of Native Hawaiians and other underserved populations. The Chair would help to establish a renewable source of funding for researchers engaged in disparities in Native Hawaiian health research, support for students, enhance educational and training programs and build infrastructure to support the objectives of the NHCOE and the health disparities research program.

The goal of this program is to develop an effective organization for promoting the physical and mental health of all Native Hawaiians and underserved populations in Hawai'i. The major objective is to close the gap between disparities in the burden of illness and death experienced by Asian Pacific Islanders and other underserved populations as compared to the nation as a whole.

The National Center on Minority Health and Health Disparities (NCMHD) Endowment Program for Increasing Research and Training Capacity has provided the NHCOE at JABSOM an opportunity to establish a research program through the recruitment of a Director of Research under the S21 funding mechanism and to pursue a renewable source of funding for infrastructure, programs, education and research. Both of these opportunities encourage efforts to reduce and eliminate health disparities in Native Hawaiians and other underserved populations. Although residents of Hawai'i enjoy one of the longest overall life span and the best health states in the nation, the comparative life expectancy of Native Hawaiians is the lowest of all major ethnic groups and is about five years less than the state average. The Native Hawaiians suffer the highest age-sex standardized mortality rates of any major ethnic group in Hawai'i and have more years of productive life lost due to heart disease, accidents, cancer, suicide, AIDS, stroke, diabetes, chronic lung disease and chronic liver disease.

The selection of Myron "Pinky" Thompson was approved by the Executive Committee of JABSOM at the October 18, 2002 meeting. The late Mr. Thompson was a former trustee of the Bishop Estate. He was responsible for establishing the organization, *Papa Ola Lokahi*, an agency which has had a major role in the improvement of the health of Native Hawaiians. He was the catalyst in the Native Hawaiian Educational Assessment project which was introduced to the United States Congress in 1987.

Subsequent funding for numerous community projects which improved the health disparities of Native Hawaiians came about because of Mr. Thompson's efforts.

Mr. Thompson served on the Admissions Committee of JABSOM for five years and was instrumental in increasing awareness of the medical school faculty concerning the under-representation of Native Hawaiian students in medicine without compromising admissions criteria.

The Thompson family, according to Chancellor Englert, was aware of the naming of this Endowed Chair after Myron "Pinky" Thompson and granted their approval.

Regent Nunokawa moved to approve the establishment of the endowed chair in Native Hawaiian Health to be named the Myron "Pinky" Thompson Endowed Chair of Research, as presented in President's Memorandum No. 20 (Agenda), Item A-7, dated June 20, 2003. Regent Thurston seconded the motion which was unanimously carried.

Associate in Science Degree in Digital Media Production at Leeward Community College

Chancellor Silliman requested that the Board approve the establishment of the Associate in Science Degree in Digital Media.

In August 1998, Leeward Community College (LCC) was granted approval to offer a Certificate of Completion in Digital Media Production contingent upon a successful review of the program. The College reallocated a position and hired an 11-month instructor in Digital Media who began in spring semester, 2000. Approval to continue the Certificate of Completion in Digital Media Production was granted in October 2001, and the authorization to plan an AS degree was granted in November 2002. From spring 2000 until the present, the College has developed curricula to support six separate Certificates of Competence in Digital Media Production in accordance with the guidelines of CCCM #6004. Because of the growth of the program, the college added a 9-month instructional position in DMED in spring 2003.

Chancellor Silliman requested approval of an Associate of Science degree in Digital Media Production that is in place, given the structure of the existing Certificate of Completion and the six existing Certificates of Competence. All the courses within the Digital Media Production field have been developed. An Advisory Board has been assembled and has actively contributed to the development of the degree program.

The College has provided the infrastructure and supplies needed for the development of the program via internal reallocation. The technology fund needed to support all of the College's technology-enriched disciplines has stretched to cover the needs of the Digital Media Production program. Additionally, the College reallocated an additional position and hired a 9-month instructional position in Digital

Media Production in the spring semester, 2003. The two positions will be sufficient to support the offering of the courses in the seven different certificate programs which taken *in toto* comprise all of the Digital Media courses required for the Associate of Science program. Any additional instructional support can be provided via lecturer assignments.

The College is offering

- 1) Spring semester - 45 credits of Digital Media courses and 18 credits of Art courses required for certificate programs being offered;
- 2) Summer 2003 - 6 credits in DMED and 6 in Digital Art;
- 3) Fall 2003 - 45 credits of DMED and 18 credits of Digital Art

Regent Lagareta asked about the marketability of the program and about the job market for students once they received the proposed Associate Degree. Chancellor Silliman responded that according to data from the Department of Business and Economic Development, there are well over 12,000 job opportunities; 50 percent of them in the telecommunications area and another 40 percent in the information technology area so there is a very strong demand. He stated that the digital media technology programs is one of the fastest programs at LCC and that his hopeful expectation is that by working with Chancellor Englert and Chris Lee, the guide and mentor hired by the University of Hawai'i for a proposed Academy of Creative Media, this program will be able to articulate in providing not only entry in immediate employment for those wishing to move from the Associate in Science into employment but also transfer opportunities. He said that it is anticipated that LCC will have 15 graduates in Spring 2004 and, thereafter, 20 graduates.

Regent Kawakami moved to approve the establishment of the Associate in Science Degree in Digital Media Production at Leeward Community College effective Fall 2003, subject to the Regents' policy on provisional academic programs and as presented in President's Memorandum No. 20 (Agenda), Item A-8, dated June 20, 2003. Regent McElrath seconded the motion which was unanimously carried.

Establishment of a College of Business and Economics, University of Hawai'i at Hilo

Agenda Item A-9, "Establishment of a College of Business and Economics, University of Hawai'i at Hilo" was deferred at the request of President Dobbelle.

Gifts, Grants, and Contracts

Interim Vice President McClain reported that during the period April 16, 2003 to May 15, 2003, a total of \$19.7 million in gifts, grants, and contracts were received by the University of Hawai'i system. The University of Hawai'i at Hilo received \$636,800. For the year-to-date, the University of Hawai'i has received \$260 billion in gifts, grants, and contracts and the University of Hawai'i at Hilo received \$22 million.

Regent Kurisu moved to accept with thanks the gifts and grants and ratify the actions of the administration in executing the necessary contracts, as presented in President's Memorandum No. 20 (Agenda), Item A-10, dated June 20, 2003. Regent Yamasato seconded the motion which was unanimously carried.

Appointments, Changes in Appointments, Leaves of Absence, Promotion, Tenure, Waivers of Minimum Qualifications, Emeritus Titles, Shortening of Probationary Period, Salary Adjustments, Position Actions, Classification and Pricing

President Dobelle requested that the agenda be amended to include the reappointment of University of Hawaii Head Football Coach June Jones for five years from July 1, 2003 to June 30, 2008.

Regent Lee moved to amend the personnel agenda to include the reappointment of June Jones as Head Football Coach. The motion was seconded and unanimously carried.

Chairperson Kobayashi called for testimonies on the personnel agenda items which included the reappointment of Coach Jones.

Testimonies were received by Dr. J. N. Musto, Executive Director of the University of Hawai'i Professional Assembly (UHPA); Ms. Ruth Horie; Ms. Sally Pestana, Professor at Kapi'olani Community College; Ms. Joan Peters, Professor at University of Hawai'i at Mānoa; and David Miller, Professor at University of Hawai'i at Hilo, who encouraged the Board of Regents to postpone the appointment of a Chief of Staff position at this time.

Dr. Musto suggested that the Board of Regents should take a stand right now and freeze the hiring of all new administrators.

Ms. Horie expressed that given the current level of university budget and the Hawai'i State economy, it would be prudent to exercise fiscal restraint about filling the Chief of Staff position.

Ms. Sally Pestana testified that if the Board left the Chief of Staff position vacant, it would send a very powerful message to the faculty about the Board's fiscal awareness and fiscal responsibility.

Ms. Peters expressed that because of the budget crises faced by this university, faculty at the University of Hawai'i have had to work harder and more creatively than ever. She asked that the Board not fill the Chief of Staff position.

Dr. Miller urged the Board to not appoint another system administrator due to the budget and higher priorities elsewhere throughout the university.

Regent Hong moved that the personnel appointments be discussed individually instead of collectively. Regent Lagareta seconded the motion which was unanimously carried.

Reappointment of June Jones, Head Football Coach

Director Frazier stated that Coach Jones is entering his 5th season at the helm of the Warriors football program sporting a record of 31 and 20 overall. He has a record of 19 and 12 in the Western Athletic Conference (WAC) and has participated in two postseason bowl game appearances in four seasons. He led the Warriors to the biggest turnaround in NCAA history and guided the Warriors through their first WAC title since 1992 breaking a 24-game WAC road losing streak which spanned some seven years.

Regent Hong inquired about the graduation rates with respect to the athletics programs at the University of Hawai'i at Mānoa. Director Frazier responded that he believed that the graduation rate for the football program was between 52 - 55 percent. The national rate was in the 40th percentile with the exception of institutions such as Notre Dame and Penn State. However, Director Frazier said that NCAA does a six-year rolling average for graduation rates and Coach Jones has only been in Hawai'i for four years. Regent Hong asked if this incentive could be included in future reappointments for coaches.

Regent Lee moved to reappoint UH Head Football Coach, June Jones, for five years from July 1, 2003 to June 30, 2008. Regent Kawakami seconded the motion which was unanimously carried.

The meeting was recessed at 10:25 a.m. Chair Kobayashi reconvened the meeting at 10:30 a.m.

Appointment of Simeon A. Callejo, Chief of Staff

Interim Vice President Neubauer reported that the position of Chief of Staff grew out of practices in the previous administration. He stated that Harold Masumoto came to the service of President Mortimer the year before President Dobelle and served as a de facto chief of staff for President Mortimer. When President Dobelle came to the University, he asked General Counsel Kirimitsu who at that time was not in the direct reporting to the Board of Regents to serve as his chief of staff. It became apparent that the demands of this job exceeded the capabilities that were permitted by someone who is holding another senior executive position and with that in mind, the chief of staff position was proposed and approved

by the Board on December 12, 2002. He also stated that throughout the United States, system presidents are finding themselves increasingly occupied in the necessity of raising external funds for their institutions.

Regent Lagareta inquired as to how the salaries of the University's faculty compared to national salaries. Dr. Musto stated that JBL and Associates found the Community Colleges ranked at the 18th percentile, UH-Mānoa at the 14th percentile, and UH-Hilo at the 33rd percentile. She stated that the Regents were told that they can expect higher accountability and a higher functioning university with these high positions and high salaries in place. She asked Dr. Musto what the faculty can expect from this new structure and what they are actually receiving as this new structure is put into place. Dr. Musto responded that President Dobbelle has said that this is the structure he needs to function and that his number one priority is raising faculty salaries before anything else to the 50th percentile and the 80th percentile. However, he felt that the University of Hawai'i does not have enough money to carry out the current programs that the Board of Regents has approved.

President Dobbelle stated that he is grateful for the relationship with the union and for Dr. Musto's comments. He reiterated that his highest priority is to have the salaries be competitive not only to attract new faculty members but to retain and reward faculty and researchers who are presently at the university.

Interim Vice President Neubauer stated that a reassessment of salaries will be done in August. He explained that the Board of Regents had long conversations about the reorganization with opportunities to have the reorganization addressed by the UHPA and the Hawai'i Government Employees Association (HGEA). At that time, UHPA responded that it is the President's right to propose the administrative structure with which he intended to run the institution and to use that mechanism for accountability which is essential to the Regents. In seeking to put the reorganization together, several goals were sought including those of widespread consultation and process for the individuals who would be chosen for those positions. He continued on to say that we also tried to be very sensitive to the issue which has risen today which he would characterize as what is the relative responsibility and commitment of the institution to faculty salaries and administrative salaries. What we have tried to do over the past months in consultation with the Board of Regents and presentations in Regents' Committee meetings is to look at an element which is essential in this context which is what is the relative salary share within the university which is expended on the administration and what is the relative salary share which is expended on the faculty. He further stated that the data between July 2001 and June 2003 shows that faculty salaries, as a result of all the mechanisms which are in place to do them, have increased by 13.5 percent. Total salaries increased from \$179.6 million to \$204 million. Between the period July 2001 and June 2003, Executive/Managerial salaries increased 4.6 percent.

In response to Regent Hong's request for a financial report regarding the University of Hawai'i's 903 budget, Vice President Sloane stated that there was no requirement to balance the budget. He stated that the University has multiple sources of income and indicated that the interest income may be used to offset any

shortfall of \$439,000. Regent Hong commented that interest income is not a guarantee.

Regent Thurston expressed that she was concerned about the wide range between administrative salaries and faculty salaries and the University being able to live within its means.

After the discussion, Regent Lee moved to appoint Simeon A. Callejo as Chief of Staff, as presented in President's Memorandum No. 20 (Agenda), Item B-1, dated June 20, 2003. Regent Dowling seconded the motion which was carried by majority vote. Regents Hong, Lagareta, Thurston and Poe voted against the motion.

Appointment of David S. McClain, Vice President for Academic Affairs

Interim Vice President Neubauer stated that David S. McClain was selected as the finalist for the Vice President for Academic Affairs through a nationwide search. The selection committee was comprised of faculty, administrators, APT (administrative, professional, technical) and clerical staff, and representatives from graduate and undergraduate student organizations.

Dr. McClain holds the Chair in the College of Business Administration in addition to being the Dean of the College of Business Administration at the University of Hawai'i at Mānoa. He graduated summa cum laude in economics and mathematics from the University of Kansas and has a Ph.D. in economics from the Massachusetts Institute of Technology. He has lived and worked in Japan and is familiar with Asia.

Regent Lee moved to approve the appointment of David S. McClain as Vice President for Academic Affairs, as presented in President's Memorandum No.20 (Agenda), Item B-1, dated June 20, 2003. Regent Kawakami seconded the motion which was unanimously carried.

Appointment of Jan S. Yokota, Director of Capital Improvements

Interim Vice President Neubauer stated that a vacancy in the position of Director of Capital Improvements was created by the appointment of Simeon Callejo as Chief of Staff. Upon advisement from the Office of Human Relations, Ms. Jan Yokota could still be considered for the position as she was on the list of finalists in the first active search when Mr. Callejo was selected.

Regent Lee moved to approve the appointment of Jan S. Yokota as Director of Capital Improvements, as presented in President's Memorandum No.20 (Agenda), Item B-1, dated June 20, 2003. Regent Nunokawa seconded the motion which was unanimously carried.

Appointment of Shirley Daniel as Interim Chancellor, Hawai'i Community College

Interim Vice President Neubauer reported that Chancellor Sandra Sakaguchi indicated her intention to step down from the chancellorship and in lieu of a search for a new chancellor at Hawai'i Community College, Dr. Shirley Daniel, who is a faculty member in the College of Business Administration and a holder of a chair, agreed to work in a multiple capacity with the Hawai'i Community College as the interim chancellor and also to set into place the search process for a successor chancellor on that campus.

Regent Hong expressed concerns that President Dobelle was intending to send Dr. Daniel to close the Hawai'i Community College. President Dobelle assured Regent Hong that this was not his intention. Regent Hong expressed further concerns that the new interim chancellor would be receiving a salary twice the amount of the current chancellor without any training and experience in the community college system. He added that he did not feel comfortable with President Dobelle's process in selecting Dr. Daniel. She would also be provided with a stipend for air fare and car rental. President Dobelle stated that her salary would be comparable to the salary she is currently receiving at the College of Business Administration.

Regent Hong referenced an April 21, 2003 letter from the Accrediting Commission for Community and Junior Colleges. He noted that the Accreditation Team left with the feeling that the University President does not fully support the multiple missions of the Community Colleges. The report goes on to encourage the President to learn more about the vocational/technical education and work force training missions of the colleges. The team found that the Community College stigmatization identified by the President appears to be narrowly held by the University President and within the University of Hawai'i system, exacerbated by the University of Hawai'i at Mānoa's failure to work out reasonable articulation agreements with the Community Colleges. For this reason, he was concerned about the appointment of Dr. Daniel who had no prior experience within the Community College system. Since the Accreditation Team was concerned that the Board of Regents meets its obligations as a governing board of the Community College system under the ACCJC standards of accreditation, Regent Hong asked President Dobelle if it was his intention to send Dr. Daniels to Hawai'i Community College as interim chancellor to close the campus. President Dobelle stated that it was not.

Regent Lee moved to approve the appointment of Shirley Daniel as interim chancellor of Hawai'i Community College from July 1, 2003 through December 31, 2003, subject to one additional extension of six months not to exceed June 30, 2004, as presented in President's Memorandum No.20 (Agenda), Item B-1, dated June 20, 2003. Regent Kawakami seconded the motion which was carried by majority vote. Regent Hong voted in opposition to the motion.

Appointments of Walter Jamieson as Dean, School of Travel Industry Management and James R. Wills, Jr., Interim, College of Business Administration, and Reassignment of Sandra Sakaguchi, Chancellor, Hawai'i Community College

Regent Lee moved to approve the remaining appointments as recommended. Regent Kawakami seconded the motion which was unanimously carried.

UNIVERSITY OF HAWAI'I, SYSTEM

Executive

CALLEJO, SIMEON A.
Chief of Staff
Office of the President
Upon Board of Regents' Approval

MCCLAIN, DAVID S.
Vice President for Academic Affairs
Office of the VP for Academic Affairs
July 1, 2003

YOKOTA, JAN S.
Director of Capital Improvements
Office of Capital Improvements
June 23, 2003

UNIVERSITY OF HAWAI'I AT M} NOA

Executive

JAMIESON, WALTER
Dean
School of Travel Industry Management
Multiple Year Appointment
August 1, 2003 - July 31, 2006

WILLS, JAMES R. JR.
Interim Dean
College of Business Administration
July 1, 2003 - June 30, 2004, or until
the position of Dean is filled, whichever
occurs sooner.

COMMUNITY COLLEGES

Executive

DANIEL, SHIRLEY
Interim Chancellor
Hawai'i Community College
July 1, 2003 - December 31, 2003 subject to one
additional extension of 6 months not to exceed
June 30, 2004.

SAKAGUCHI, SANDRA
Chancellor
Hawai'i Community College
Reassignment
July 1, 2003 - December 30, 2003

Resignations and Retirements of Board of Regents' Appointees and Civil Service Employees

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 President's Memorandum No. 20 (Agenda), Items C-1 and C-1, dated June 20, 2003.

IV. ORAL REPORT OF EXECUTIVE OFFICER

Report by University of Hawai'i Foundation

At the request of President Dobbelle to present a very brief report, Foundation President Sloane reported that the University of Hawai'i Foundation was well on its way to receiving \$22 million of which \$4 million will be for student aid and \$7 million for faculty support. She said that the additional information requested by the Board of Regents will be provided at the July Board of Regents' meeting. An overview of alumni relations will also be presented at that time.

Report on the Development of the Institute for Astronomy's Advanced Technology Research

Director Callejo stated at the May Board of Regents' meeting, he was asked to contact and enter into informal discussions with other land developers to see if there was any interest in the Institute for Astronomy's Advanced Technology Research project that is presently being designed for the University at the Kulamalu subdivision in Kula on Maui.

The new developer would be asked to purchase the land, assume the cost to date for the design documents, subdivision surveying, documentation, environmental assessment and some legal costs. The new developer would then take the existing documents, complete the design, and put the project out to bid for

the construction of the facility, manage the construction of the project, and turn over a completed facility ready for occupancy.

On Wednesday, May 28th, Director Callejo sent an e-mail outlining the information as stated above to four potential developers whose names he got from the Maui Chamber of Commerce website, along with a couple of other developers who had read about the project in the paper and who had called and voiced an interest in finding out more about the project. These developers were asked to respond by 4:30 p.m. on Friday, May 30. Director Callejo received two responses and also a notification that one of the developer's e-mail was not available and was returned undeliverable. Of the two responses, one was not interested. The other was interested and wanted to learn more about the project. Director Callejo had a meeting with the interested developer and shared the status of the project development, schematic design drawings, land cost, and costs incurred to date by the current developer. On Friday, June 13, Director Callejo received a letter stating that it would be not be financially prudent to assume the current developer's role when weighing limited compensation rewards against potential development risk. Therefore, the informal inquiry did not produce any other potential developers for this project.

Director Callejo presented the Board with two options:

1. Enter into a development agreement with the current developer to complete the project as mentioned in the May meeting.
2. The University would purchase the property, complete the design development documents in its current state and retain an architect to complete it. Then this would have to be put out to bid.

Director Callejo explained that the second option would increase the cost to purchase the property by the 4 ½ percent discount that the current developer is willing to pass on to the University. This amount of \$82,454 would then have to be used towards the construction and furnishings. In addition, the University would have to hire a project manager to assist with the permits in coordination with the County agencies and then hire a construction manager to assist with the construction management and inspection of the project.

In response to Regent Lagareta's question as to why this project was not sent out to bid, Director Callejo responded that the Maui IfA had identified the parcel and started the discussions with the developer. Regent Lagareta stated that it seemed that e-mailing was a bit of a cursory effort, and there could be a more aggressive way to solicit contractors. She stated that she fully supports the project but struggled with the fact that the means do not justify the end. She felt that the Regents would need to set a new standard for public service in this state. In her opinion, this deal did not meet that standard. Regent Hong concurred, adding his concerns about the entire process followed for this project.

Mike Maberry of the Maui Institute for Astronomy stated that one of the primary reasons that this parcel was chosen is that there is a severe water shortage in the upcountry area and this land has the water that is necessary to support a

facility - it has the zoning and has also gone through the long process of dealing with the community for developing an industrial area upcountry.

Regents Kurisu moved to amend the agenda to include the purchase of land from Kulamalu Science LLC as described by the Administration and the engagement of Kulamalu Science LLC for the development and construction of the research facility for IfA. Regent McElrath seconded the motion. The motion failed to obtain a majority vote with Regents Hong, Lagareta, Lee, Poe and Thurston voting against the motion.

Regent Kurisu then moved to amend the agenda to include the purchase of the land and all improvements from Kulamalu Science LLC. Regent Hong inquired whether under the Sunshine Law the Board's agenda could be amended to add such a matter. General Counsel Kirimitsu stated that the amendment could be considered. Regent Yamasato seconded the motion. The motion was carried by majority vote. However, the motion to purchase the land and all improvements from Kulamalu Science LLC failed to pass.

President Dobbelle stated that the Board would be presented with another proposal.

Report of The Regents' Committee on Personnel and Legal Affairs on the 2002-2003 Promotion and Tenure Recommendations

Regent Lee, Chairperson of the Regents' Committee on Personnel and Legal Affairs, reported that her committee, having been assured that the respective reviews for promotion and tenure were conducted in accordance with established University criteria and procedures, recommended approval of the 2002-2003 promotion and tenure recommendations.

The Committee congratulates those who were approved for tenure and promotion and extends its appreciation to them for choosing to make their professional commitments at the University of Hawai'i. The Committee looks forward to their continued excellence and contributions throughout the coming years.

Regent Lee moved to approve the recommendations for promotion and tenure for 2003. Regent Poe seconded the motion which was unanimously carried.

Report by the Subcommittee on the Graphic Identity for the University of Hawai'i

Regent Thurston reported that at the May Board of Regents' meeting, the Regents were briefed for the first time on a contract regarding the University of Hawai'i logo. At that meeting, Chair Kobayashi appointed Regents Thurston, Lagareta and Lee to a subcommittee to review the direction of the graphic identity for the University of Hawai'i system. The subcommittee was authorized to invite members of the community to participate in its review.

The subcommittee according to Regent Thurston sought input from members, both from the professional design community here in Hawai'i and the

University community. Some of these people have been members of the Hawai'i Chapter of the American Institute of Graphic Artists (AIGA), which is the oldest and largest membership association for professionals engaged in the discipline, practice and culture of visual communications and design. They are also authoritative in promoting and communicating standards for ethical conduct and professional expertise and in collecting and analyzing data about this profession.

While the subcommittee will continue in its deliberations and seek additional information to insure that the University moves forward in developing its graphic identity, the subcommittee recommended, with the advice of legal counsel, the termination of the contract with Robert Rytter and Associates.

Chair Kobayashi appointed Regent Lagareta to be the chair of the subcommittee; Regent Lee and outgoing Regent Thurston could continue to serve on the subcommittee.

Honoring of Outgoing Regents

1. Bert A. Kobayashi - Chair Kobayashi thanked his fellow Regents for their efforts in going beyond the call of duty. He recognized recently appointed Regents Lagareta and Hong for jumping in and getting up to speed.
2. Kathleen K.S.L. Thurston - Regent Thurston expressed that Regents have a responsibility, a fiduciary responsibility in decisionmaking but especially to care for the University. Regents have an opportunity to *malama* and with our host culture, the Hawaiians, to aloha each other and to respect each other in what we say, what we do, how we make decisions, and how we care for each other.
3. Ah Quon McElrath - Regent McElrath expressed that the last eight years were very challenging. Given the development in the national political economy and the outfall on the State's economy, the challenges to the remaining Regents and the new members of the Board will probably be tougher and the outlook bleaker. She wished the Regents well.
4. Capsun M. Poe - Regent Poe expressed thanks to his fellow Regents and stated that this was a tremendous educational opportunity. He thanked President Dobelle and Chancellor Englert for their commitment to Native Hawaiians and to improving their conditions throughout the State.

Chair Kobayashi also recognized former Regent and Chair Allan Ikawa.

President Dobelle thanked the outgoing Regents for their support. He also recognized Interim Vice President Deane Neubauer, who will be retiring from the University after 32 years of distinguished service.

VI. ANNOUNCEMENT

Next Meeting

Chairperson Kobayashi announced that the next regular monthly meeting of the Board of Regents would be held on July 11, 2003 at 8:30 a.m. at the University of Hawai'i at Mānoa.

VII. ADJOURNMENT

There being no further business before the Board, the meeting was adjourned at 12:30 p.m.

Respectfully submitted,

David Iha, Executive Administrator
and Secretary of the Board