

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

August 24, 2007

I. CALL TO ORDER

Chairperson Kitty Lagareta called the meeting to order at 8:48 a.m. on Friday, August 24, 2007, at Windward Community College, Hale 'Ākoakoa, Room 105, 45-720 Kea'ahala Road, Kane'ohe, Hawai'i 96744.

Regents in attendance: Chairperson Kitty Lagareta; Ronald K. Migita; Byron W. Bender, Ph.D.; Michael A. Dahilig; Ramón de la Peña, Ph.D.; Marlene M. Hapai, Ph.D.; James J.C. Haynes II; and Allan R. Landon.

Others in attendance: President David McClain, Ph.D.; Vice President for Academic Planning and Policy Linda Johnsrud, Ph.D.; Vice President for Administration Sam Callejo; Vice President for Budget and Finance/Chief Financial Officer Howard Todo; Vice President for Community Colleges John Morton, Ph.D.; Vice President for Information Technology/Chief Information Officer David Lassner, Ph.D.; Vice President for Legal Affairs and University General Counsel Darolyn Lendio, Esq.; Interim Associate Vice President for Student Affairs Karen Lee; Interim Executive Administrator and Secretary of the Board Presley Pang, Esq.; and others as noted.

II. PUBLIC COMMENT PERIOD

J.N. Musto, Executive Director of the University of Hawai'i Professional Assembly, expressed his concern over the new procedure of not publicly distributing meeting materials before the meeting begins. He stated that this practice does not benefit the Board, does not facilitate discussion, and is not in the public interest. He asked the Board to reconsider this procedure.

General Counsel Darolyn Lendio explained that the issue is whether action memoranda submitted to the Board for deliberation and decision should be released to the public prior to the Board's decision. This current practice of withholding the memoranda until after the Board has taken action has been and continues to be discussed. She noted that memoranda containing privacy information or legal material may be discussed in executive sessions. She said that the Office of Information Practices ("OIP") allows the withholding of materials as part of the deliberative process, where the Regents have not yet made decisions. She quoted from a publication of the OIP: "This privilege allows an agency to withhold recommendations, draft documents, proposals, suggestions and other opinion materials that comprise part of the process by which the agency formulates its decisions and policies. It protects the quality of agency decisions by encouraging the uninhibited exchange of ideas, recommendations and opinions within an agency."

Chair Lagareta indicated that the Regents will review the policy and address it at the September meeting.

III. REPORT OF THE PRESIDENT

President McClain reported on the following:

- Community College enrollments looked encouraging.
- The UH research efforts have tailed off a bit from last year, but the first seven weeks of the fiscal year averaged about \$10 million per week.
- The UH System Convocation will be held on September 5th, 2007.
- The President's Emerging Leaders Program will be launched September 6th, 2007.
- An agreement has been signed with the Hunt Corporation for the sale of land which will produce \$100 million to develop the UH West O'ahu campus in Kapolei. This sum will be supplemented by \$35 million from the Legislature.
- The development of a new campus in West Hawai'i includes a \$25 million in-kind contribution to be made by the developers of the adjoining parcel. There will be a groundbreaking ceremony for this adjoining Palamanui project.
- The public phase of the Centennial Campaign commenced on August 18, 2007, with an event at the Cannon Club. To date, the Campaign raised \$185 million toward the \$250 million goal.

President McClain asked Windward Community College (WCC) Chancellor Angela Meixell to report on activities on her campus. Chancellor Meixell highlighted the following:

- WCC was removed from warning status by the ACCJC.
- Fall 2007 enrollment is 1,826.
- The Library and Learning Center received \$41.579 million from the Legislature; construction is projected to start in 2009.
- Bernadette Howard is the new director of the Employment Training Center, which operates the cafeterias at both WCC and Honolulu CC, using them to train students in basic food service.
- WCC offered a Study Abroad course in New Zealand, where 11 students, 2 faculty, 5 *kupuna* spent a month in New Zealand for an intensive study of the Maori language and culture.
- The Lanihuli Observatory received \$800,000 from private donorship for its Center for Aerospace Education. The observatory finally received a new dome.
- The Pacific Center for Environmental Studies had a successful summer program for high school students from the Windward area. This program

partners with the Hawai'i Institute of Marine Biology and the NOAA, held on Coconut Island.

- The Atelier course, a six-week summer course, was held for the fifth year. This course teaches classic, realistic method of drawing and painting developed in the 18th century. The 25-student class was filled with national and international students.
- WCC's Bioprocessing Medicinal Garden Complex develops new biotechnologies and entrepreneurial opportunities. Three students have started businesses after taking this program.
- A new program, Urban Forestry, is being developed. The City has a program with demand for trained employees.
- The student newspaper received a special merit designation by the American Scholastic Press Association, the 12th consecutive year that Professor Libby Young and her students have been recognized.
- WCC is partnering with UH West O'ahu to offer elementary education courses.
- The Star Poets program is a partnership program with Starbucks, involving poetry-writing for 3rd to 12th graders, judged by WCC faculty. Over 3,000 poems were submitted. Starbucks donates prize checks to children and schools, and supported development of a manual on how to teach poetry.
- The Campus' extremely popular *Ho'olaule'a* is coming up on Sept. 22.
- WCC's Paliku Theatre continues to provide plays for the community, and wins *Po'okela* awards.
- Employment Training Center auto body repair instructor Donald Frost and his wife Melissa described the "Body and Sew" program. Students from the ETC and Honolulu CC's Auto Body Repair and Painting class voluntarily on their own time sew quilts, which are then given to the Ronald McDonald House. The Frosts donated the sewing machines for this program. The program started with a 3-hour weekly class, and evolved into 4 days a week totaling 25 hours, ranging from 5 to 12 students. The class teaches math, writing, visual arts, communication, team work. Chair Lagareta has been associated with the Ronald McDonald House, and expressed her appreciation for their support.

IV. AGENDA ITEMS

University of Hawai'i Supplemental Budget

President McClain presented his recommendations on the specific operating budget items and capital improvement projects requested by the campuses and the system for the 2008-2009 Supplemental Budget year. [Secretary's Note: Materials presented to the Board are posted on the Budget Office website.]

<http://www.hawaii.edu/budget/BP.html>] The President reviewed the guidelines issued to the campuses to prepare their requests. Generally, for both operating and CIP budgets, priority would be given to the following requests: items which were requested last year but were not funded by the Legislature; items related to emergency response and health and safety needs; items to address accreditation requirements; and deferred maintenance (which may be funded from the CIP budget).

The President summarized last year's request, the amounts funded by the Legislature, the resulting shortfall, and this year's request, as set forth in Tab A, noting that the campuses are requesting more than the shortfall. The President recommended an operating budget request of \$30 million (in response to the campus and system requests of \$52 million) and a CIP request of \$359 million (in response to the campus and system requests of \$504 million).

The President reviewed the specific campus requests for operating funds as set forth on pages 3, 4, 5, and 6 of Attachment 1 to Tab B.

Regent Haynes asked whether under the State's Budget guidelines, CIP funds could be used for repairs and maintenance. The President clarified that CIP funds are appropriate for "deferred" maintenance. As noted at Tab A, approximately \$7 million of the total campus operating requests for repair and maintenance can be shifted to the "Capital Renewal and Deferred Maintenance" item in the CIP budget.

Following a 10 minute recess, the President reviewed the specific campus requests for capital improvement projects, as set forth at Tab C. He distributed his recommendations in response to the campus requests. He noted that the system CIP requests includes items transferred from Manoa's CIP requests as well as repairs and maintenance items transferred from the operating budget requests.

Regent Dahilig and the President discussed the funding for improvements to the Mānoa Campus Center, noting that the plan currently envisions a mix of general obligation proceeds and revenue bond proceeds backed by student fees. The Board previously approved an increase in student fees, and the increased fees could support \$28 million in revenue bond proceeds. The original cost estimate was \$46 million. The President indicated that he and the Board will structure an appropriate and feasible supplemental CIP request in a manner that reflects last year's request of \$14 million general obligation bonds, of which \$7 million was authorized; last year's request for \$14 million in revenue bonds, of which \$14 million was authorized; and Mānoa's current proposal for \$15 million in general obligations bonds and \$5 million in revenue bonds.

Following the President's briefing, Regent Migita expressed his support for making health and safety the top priority in the budget request.

Regent Haynes asked for the status of obtaining private or federal funds for UH Hilo's College of Pharmacy. UHH Chancellor Tseng summarized the three phases of the building plan, which was devised to meet accreditation requirements. The Chancellor indicated the College was exploring the possibility of private funding for the permanent facility, which is the third phase of the building plan. UH Hilo's current CIP request is for \$5.5 million in General Obligation Bonds for planning and designing that facility. Regent Haynes noted that the Board's approval to establish the College was

premised on non-state funding, whether federal or private, for the permanent building. Regent Landon noted that several large construction projects involving pharmacy schools were currently underway nationwide, that there would be strong competition for donations from the private sector, and that the option of federal funding should be seriously considered.

In response to a question, UH Mānoa Vice Chancellor Kathy Cutshaw indicated that the purpose of UH Mānoa's \$3 million request for women's locker room improvements is to comply with Title IX.

In response to a question, Vice President David Lassner described that the System is requesting \$54 million in General Obligation Bonds to design and construct a facility that is dedicated for information technology purpose. Currently, the technology and student data are housed in converted space in Keller Hall, and staff are scattered throughout the campus. The proposed Information Technology Center should also be structurally resilient and appropriate to house the technology for emergency operations.

In response to a question from Regent Haynes, VP Sam Callejo indicated that projects related to the October 2005 Mānoa flood will be put out for bid in the next months. The projects are funded by various means of financing, including federal funds, state flood insurance proceeds and state CIP appropriations.

In response to a question from Chair Lagareta, VP Sam Callejo indicated that the University works with the State Civil Defense to identify safe buildings in the event of a hurricane. VP Lassner described the several methods the University uses to notify and contact students and staff in the event of an emergency, including using a contracted vendor for crises management communication. VP Lassner noted that no single method can guarantee delivery of the notice.

Regent Dahilig asked whether UH Hilo's requests for approximately \$6 million in CIP funds for the soccer and softball fields were required for Title IX compliance. The President noted that because UH Hilo ranked these requests relatively low in its priority, these requests were more appropriate for the next 2009-2011 biennium.

President McClain indicated that his presentation at this meeting was for information only. He will discuss and refine his recommendation in light of today's discussion, and he will present them to the Board for decision-making at the next Board meeting in September.

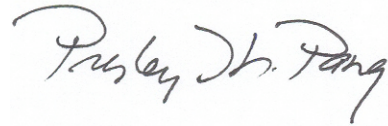
IX. NEXT MEETING OF THE BOARD

Following a brief comment by Regent Landon on a recent meeting of the Regents Candidate Advisory Council, Chair Lagareta announced that the next meeting of the Board will be on September 27-28, 2007 at the University of Hawai'i at Hilo.

X. ADJOURNMENT

Regent Haynes moved to adjourn the meeting, seconded by Regent de la Peña. The motion was unanimously approved. The meeting was adjourned at 11:26 a.m.

Respectfully Submitted,

A handwritten signature in black ink, reading "Presley H. Pang". The signature is written in a cursive, flowing style with a large initial 'P'.

Presley Pang

Interim Executive Administrator
and Secretary of the Board