

**MINUTES
UNIVERSITY OF HAWAI'I BOARD OF REGENTS'
MEETING OF
June 21-22, 2005**

I. CALL TO ORDER

The meeting was called to order by Chairperson Patricia Y. Lee on Tuesday, June 21, 2005, at 10:01 a.m. in Room 102, Fine Arts Building, Leeward Community College.

Attendance

Present were Regents Andres Albano, Jr., Byron W. Bender, Ramón S. de la Peña, James J.C. Haynes, Trent K. Kakuda, Kitty Lagareta, 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. Doris Ching, Vice President for Student Affairs; Dr. James Gaines, Interim Vice President for Research; Dr. Linda Johnsrud, Interim Vice President for Academic Planning and Policy; Ms. Carolyn Tanaka, Associate Vice President for External Affairs and University Relations; Dr. Gene Awakuni, Chancellor, University of Hawai'i at West O'ahu (UH-West O'ahu); Ms. Peggy Cha, Chancellor, Kaua'i Community College; Dr. Rockne Freitas, Chancellor, Hawai'i Community College; Dr. Angela Meixell, Chancellor, Windward Community College; Dr. John Morton, Chancellor, Kapi'olani Community College; Mr. Ramsey Pedersen, Chancellor, Honolulu Community College; Dr. Peter Quigley Interim Chancellor, Leeward Community College; Dr. Neal Smatresk, Vice Chancellor, University of Hawai'i at Mānoa (UH-Mānoa); Dr. Rose Tseng, Chancellor, University of Hawai'i at Hilo (UH-Hilo); Mr. Alvin Tagomori, Dean, Student Services, Maui Community College; Ms. Donna Vuchinich, President, and Mr. William King, Vice President, University of Hawai'i Foundation; Dr. Barbara White, Associate Director, State Board for Career and Technical Education (SBCTE); and others.

II. APPROVAL OF MINUTES

Upon motion by Regent Migita and second by Regent de la Peña, the Board unanimously approved the minutes of the May 19-20, 2005 meeting, as circulated.

Regent Tatibouet moved to enter into executive session to consider personnel, legal, and collective bargaining matters and to consult with the Board's attorney in accordance with Chapter 92, Hawai'i Revised Statutes. The motion was seconded by Regent Haynes and unanimously carried. The meeting was recessed at 10:03 a.m. to enter into executive session.

III. PUBLIC COMMENT PERIOD

The meeting reconvened in open session at 4:39 p.m. in the same location.

Mr. Jonathan Osorio, Director for the Center for Hawaiian Studies, requested to present testimony on item VII of the Board's agenda. He encouraged the Board to extend the contract of Chancellor Peter Englert for another three years. He said that despite his opposition to the Chancellor's stance on the proposed University Affiliated Research Center (UARC), he had confidence in Chancellor Englert. He added that Chancellor Englert had provided leadership beneficial, not only to Hawaiians, but the University as a whole and that the Kualii Native Hawaiian Council called for Chancellor Englert's contract to be renewed for no less than three years.

(Note: Chancellor Englert was not on the Board's agenda. However, President McClain later addresses this matter in his report.)

IV. AGENDA ITEMS

Chairperson Lee requested that the following agenda item be taken out of order. Regent Kakuda's motion to take this item out of order was seconded and unanimously carried.

Developer for the University of Hawai'i West O'ahu Campus Project

(Note: Chairperson Lee, Regent Lagareta, and Regent Tatibouet declared a potential conflict of interest with this item and recused themselves from the meeting.)

Regent Albano presided in the absence of Chairperson Lee.

Director Yokota requested that the Board approve the selection of West O'ahu Campus Development, LLC (WOCD) as the developer for the purpose of entering into exclusive negotiations for a comprehensive real estate development agreement (planning, design, finance, construction and management) for the University of Hawai'i West O'ahu Campus Project (the Project). WOCD is a limited liability company whose sole owner is Hunt LLP, Ltd. (Hunt) of El Paso, Texas. She introduced representatives from Hunt Ltd. including Mr. Woody Hunt, Chairman of Hunt LLP and Mr. Chris Hunt, Executive Vice President of Hunt Building. Also introduced was Mr. Ray Flatland, who was hired as a consultant to the evaluation process.

On December 29, 2004, the University issued a Request for Qualifications (RFQ) seeking expressions of interest and qualifications from developers of complex mixed use projects to partner and participate with the University to develop the Project. As a result of the University Evaluation Committee's (Committee) review of the Statement of Qualifications submitted by interested developers, four developers were invited by the University to submit Proposals in response to the University's Request for Proposals (RFP) issued on February 24, 2005. WOCD was one of three developers who submitted proposals.

In its evaluation, the Committee considered the written proposals, the presentations by the development teams and interviews with the team members,

supplemented by the due diligence findings and the advice and counsel of the University's consultant for the project.

Using the four Evaluation Factors described in the RFP, the Committee concluded that WOCD submitted the strongest overall proposal. Their concept was based on the Long Range Development Plan previously prepared for the University, but reflected thoughtful enhancements of the plan to effectively integrate residential and retail uses in a pedestrian-oriented community that would complement the University campus. The design conveyed sensitivity to the critical University priority of preserving long term expansion capability on lands closest to the initial campus. Their concepts offered the flexibility to accommodate growth beyond current planning levels to as many as 15,000 students in the future. In addition, the approach outlined by the WOCD team indicated its familiarity in working collaboratively with an institutional client.

WOCD submitted its proposed compensation structure and fee basis as requested in the RFP for its entire proposed team, with sufficient clarity and transparency to enable the University to understand its basis of compensation throughout the phases of the project. The fees are competitive, and WOCD has indicated a willingness to review and refine fees if the nature of services required of the developer or any of its proposed team members are modified. Their original proposal was based on strong equity participation, which resulted in a relatively high cost of capital. During its interview with the Evaluation Committee, WOCD discussed alternative financing strategies and confirmed its ability and willingness to customize the financing strategy to optimize the value of the land assets to the benefit of the University, which would allow the University various options that can be selected as more detailed plans are developed. The strategies appear to be realistic and achievable given current and forecasted financial market conditions. The revised pro forma submitted by WOCD indicated that sufficient value can be generated to support, at a minimum, the first two phases of campus development.

The market analysis, land use strategy and marketing plan submitted by WOCD in its proposal are well-conceived and appropriate. As with other elements of the Strategic Development Plan, the financial and marketing aspects will be refined in the initial phase of project activities. In addition, a review of Hunt's financial statements indicated a strong financial condition appropriate to the magnitude of the anticipated project.

WOCD is a Limited Liability Company whose sole owner is Hunt ELP, Ltd. of El Paso, Texas. Hunt is a privately held real estate development and construction firm, with particular focus on the development of traditional and privatized military housing, with over 40,000 units developed to date. Hunt has also developed housing through the Low Income Housing Tax Credit Program and has a number of mixed use and retail developments to its credit. Hunt's most relevant current experience is its involvement with the Navy at Ford Island, where it is developing infrastructure and housing of a similar scale to that anticipated for the West O'ahu Campus. Most of the proposed team members are currently engaged on the Ford Island assignment, including GMAC for financing.

The design team is led by EDAW for master planning, Group 70 International for architectural design and Belt Collins for civil engineering design and landscape architecture. EDAW is recognized nationally as a leader in campus master planning and urban design with 24 offices and 1,100 employees worldwide and extensive experience in the State of Hawai'i. Group 70 is a well-established local firm with substantial experience in planning and design projects for the University, public

agencies, residential and retail clients throughout Hawai'i. Belt Collins is a civil engineering and landscape architectural firm with over 250 employees in offices across the Pacific, including 19 registered engineers in Honolulu. It is one of the largest civil engineering firms in the state and has been involved with an impressive list of projects in Hawai'i including five for the University.

The construction team consists of Flintridge Partners as construction managers and Fluor as general contractor. This team is currently executing the work at Ford Island, with the intent to transition current personnel into the West O'ahu Campus project. Fluor is one of the world's largest publicly-owned engineering, procurement, construction and maintenance services organizations with substantial financial resources, specializing in complex infrastructure projects. It has a strong program designed to ensure engagement of small and locally owned businesses, with a similar program currently in place at Ford Island.

The due diligence investigations by the University's consultant confirmed representations made by WOCD and its team. References for Hunt spoke highly of its ability to work with public institutions and create strategies for privatized development to help public entities achieve their objectives. Hunt was particularly acknowledged for its ability to identify the key strategies and business terms required to structure effective projects, and then effectively implement these strategies.

Selection and approval of a developer is the first of a series of steps toward the development of the West O'ahu Campus. After approval, the University and the developer will be required to negotiate a real estate development agreement within thirty (30) days to commit to Phase I services. This period can be extended at the University's option.

Director Yokota informed that the evaluation committee included Interim President McClain, Interim Vice President Johnsrud, Chancellor Awakuni, Mr. Eric Flower, West O'ahu, and Mr. Duff Zwald, Director of Procurement and Real Property Management.

Mr. Flatland explained that what distinguished the Hunt team from the others was their creativity in evaluating the project concept in creating an appropriate phasing plan as well as critically evaluating the development potential of the land to create a community that created appropriated synergies for the University while generating the income that was going to be necessary to support the long-term interest of the University. In terms of the financial plan, they presented a credible plan that is clearly executable and reflected the flexibility to customize their approach to meet the long-term financial objectives of the University.

Director Yokota informed that this is just the first step in the process and there are several things that still need to be done even after the selection of the developer. There will be a number of agreements that will be brought to the Board over the next few months.

Regent Albano announced that this matter was being deferred to the Board's next meeting to accommodate further due diligence.

Redesignation of the Associate in Applied Science Degree in Accounting to an Associate in Science Degree in Accounting at Leeward Community College

Interim Chancellor Quigley requested that the Board approve the redesignation of the Associate in Applied Science Degree in Accounting to an Associate in Science Degree in Accounting at Leeward Community College effective August 1, 2005. He said there would be no additional costs associated with this action.

All courses required for the Accounting Program's Associate degree are at the baccalaureate degree level and meet the rigor required for such courses. Articulation agreements are in place with the University of Hawai'i at West O'ahu (UH-WO). The Memorandum of Agreement acknowledges credits from the Associate degree in Accounting to be accepted and applied to the Bachelors of Arts in Business Administration at UH-WO. Another articulation agreement is being negotiated between the Accounting Program and UH-WO's Public Administration Program.

The program was modified five years ago bringing all courses in the Associate in Applied Science (AAS) degree to the 100+ baccalaureate level. In addition, articulation agreements have been signed accepting the program as a transfer program for UH-WO and HPU.

In response to Chairperson Lee, Interim Chancellor Quigley explained that LCC graduated about 100 students over the past five years with accounting majors and another 56 in the business technology major. He said that there are currently 154 accounting majors and about 55 in the Business Technology Program.

Regent Yamasato asked if the redesignation was necessary. Interim Chancellor Quigley said that the curriculum itself did not change but the redesignation would better fit the substance of the degree with its title.

Regent Migita moved to approve the redesignation of the Associate in Applied Science Degree in Accounting to an Associate in Science Degree in Accounting at Leeward Community College effective August 1, 2005. Regent de la Peña seconded the motion which was unanimously carried.

Redesignation of the Associate in Applied Science Degree in Business Technology to an Associate in Science Degree in Business Technology at Leeward Community College

Interim Chancellor Quigley requested approval to redesignate the Associate in Applied Science Degree in Business Technology (formerly Office Administration & Technology) to an Associate in Science Degree in Business Technology at Leeward Community College effective August 1, 2005. There are no additional costs associated with this degree.

All courses required for the Business Technology Program's Associate degree are at the baccalaureate degree level and meet the rigor required for such courses. Articulation agreements are in place with the University of Hawai'i at West O'ahu. The Memorandum of Agreement acknowledges credits from the Associate degree in Business Technology to be accepted and applied to the Bachelors of Arts in Business Administration at UH-WO. Another articulation agreement is being negotiated between the BT Program and UH-WO's Public Administration Program.

Like the Accounting Program, this program, according to Interim Chancellor Quigley, was modified five years ago bringing all courses in the AAS degree to the 100+ baccalaureate level. In addition, articulation agreements have been signed accepting the program as a transfer program for UH-WO and HPU.

Regent Kakuda moved to redesignate the Associate in Applied Science Degree in Business Technology (formerly Office Administration & Technology) to an Associate in Science Degree in Business Technology at Leeward Community College effective August 1, 2005. Regent Migita seconded the motion which was unanimously carried.

Space Designations and Gift Levels for Donor Recognition Naming Opportunities within the New John A. Burns School of Medicine Building

Associate Dean Rosanne Harrigan requested that the Board approve the space designations and gift levels for donor recognition naming opportunities within the new John A. Burns School of Medicine (JABSOM) building.

This approval will enable JABSOM, in conjunction with the University of Hawai'i (UH) Foundation, to provide a donor recognition program on campus that further supports efforts to raise the size and quantity of private gifts for the benefit of JABSOM's educational programs. It will facilitate the UH Foundation's ability to be immediately responsive to inquiries regarding naming opportunities associated with contributions in support of JABSOM.

At its January 2005 meeting, the Board of Regents approved in concept the "Private Gift Naming Opportunity Guidelines at the University of Hawai'i," which was formally submitted by the UH Foundation. The guidelines allow for the Chancellor to approve the naming opportunities for interior spaces within a building on his/her respective campus.

Chairperson Lee asked if the floors of the buildings could also be named. Dr. Harrigan said that there would be signed designations for the floors and that it would be possible to name not just floors but segments of floors or wings as well.

Regent Haynes inquired about the potential revenues that could be generated by this proposal. UH Foundation President Vuchinich said that for the lifetime of the building, more than \$100 million of naming opportunities could be available.

Regent Tatibouet moved to approve the facility space designations and gift levels for donor recognition naming opportunities within the new John A. Burns School of Medicine building effective June 1, 2005. Regent Haynes seconded the motion which was unanimously carried.

Naming Opportunities for Private Gifts to the University of Hawai'i Foundation to Support the Palikū Theater Endowment

Chancellor Meixell requested that the Board approve the space designations and gift levels proposed for donor recognition naming opportunities within the Palikū Theater building at Windward Community College. This would enable the University of Hawai'i Foundation and Windward Community College to plan and implement a systematic, comprehensive, and meaningful donor recognition program that encourages donors to support the Palikū Theater through an endowed fund established at the University of Hawai'i Foundation in May 2004, to provide theater operations funding in perpetuity.

At its January 2005 meeting, the Board of Regents approved in concept the "Private Gift Naming Opportunity Guidelines at the University of Hawai'i," which was formally submitted by the UH Foundation. The guidelines allow for the Chancellor to approve the naming opportunities for interior spaces within a building on his/her respective campus.

After consultation with the UH Foundation, a donor recognition plan for gifts in support of the Windward Community College Performing Arts Center (now known as the Palikū Theater) was recommended and approved by former University of Hawai'i President Kenneth Mortimer on January 12, 2000.

This recommended action will enable the University of Hawai'i Foundation and Windward Community College to create a donor recognition program that encourages major, private gifts in support of the Palikū Theater Endowment and enable Windward Community College to immediately begin soliciting gifts for the Palikū Theater Endowment.

Chairperson Lee asked if this would cover only interior spaces and not the building. Chancellor Meixell confirmed that it would not include the naming of the building which is covered by Board policy.

Regent Tatibouet moved to approve the facility space designations and gift levels proposed for donor recognition naming opportunities within the Palikū Theater building at Windward Community College. Regent Haynes seconded the motion which was unanimously carried.

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

Vice President Callejo requested that the Board approve the permanent implementation of the revised administrative procedures for the procurement of goods, services and construction, as mandated by Act 216, SLH 2004, and as previously approved on an interim basis in January, 2005.

The purpose of this action is to permit the conversion of the University's revised administrative procedures on procurement, as approved by the Board in January, 2005, from interim to permanent status in compliance with the requirements of Chapter 103D, Hawai'i Revised Statutes (HRS).

Pursuant to Board policy, the President is authorized to develop internal policies and procedures for the procurement of goods, services and construction in accordance with the law and Board policy, subject to Board approval. In July, 2004, Act 216 was signed into law by the Governor and this legislation amended Section 304-4(d), HRS, to require that the University's internal procurement policies and procedures be subject to the requirements of Chapter 103D, HRS, effective January 1, 2005. Accordingly, revised procurement procedures were drafted which incorporated the requirements contained in the State Procurement Code (Chapter 103D, HRS), and the accompanying State administrative rules (HAR 3-120 to 3-132) on procurement.

In January, 2005, the Board of Regents approved the implementation of these revised procedures on an interim basis from January 1, 2005, to June 30, 2005. At the time of this Board action, proposed legislation had been prepared for introduction in the most recent legislative session to reinstitute the University's

former statutory exemption from Chapter 103D, HRS. Unfortunately, this legislation was not passed during this session.

While the University Administration will be further exploring the reintroduction of this legislation during the next session, the current administrative procedures for procurement need to be implemented on a permanent basis, effective July 1, 2005, subject to future revision to reflect statutory changes in Chapter 103D, HRS, and Hawai'i Administrative Rules 3-120 to 3-132. Should future legislation to reinstate the University's exemption from Chapter 103D, HRS, be successful, the procedures will be revised to reflect the University's exempt status and again be submitted to the Board for approval.

The revised procedures currently in place continue to retain all Board approval requirements for particular procurement matters as set forth in Section 8-1 and other sections of the Board of Regents' Bylaws and Policies, such as those pertaining to construction contracts, the retaining of consultants, and all procurement contracts exceeding \$500,000.

Regent Kakuda moved to approve the permanent implementation of revised administrative procedures for the procurement of goods, services and construction consistent with the requirements of Chapter 103D, HRS, effective July 1, 2005. Regent Yamasato seconded the motion. Regents Haynes and Lagareta remarked that they would be voting for the motion reluctantly because they felt that having had greater flexibility in this area in the past, the University was being forced to take a step backwards. Upon call the motion was unanimously carried.

System Level Reorganization of the Community Colleges and Establishment of the New Executive Class, Vice President for Community Colleges

President McClain requested that the Board approve the reorganization of the community college system by creating a new Office of the Vice President for Community Colleges and realigning functions. He also requested that the Board of Regents approve the establishment of the new executive class, Vice President for Community Colleges. He informed that the estimated implementation cost associated with the proposed reorganization would be approximately \$25,000 annually to be addressed through the reallocation of existing budgeted funds.

The purpose of this reorganization is to establish a new organizational infrastructure for the University of Hawai'i system of community colleges while retaining the integrity of the individually accredited colleges.

The establishment of the new executive class, Vice President for Community Colleges, will facilitate the implementation of the proposed reorganization of the community college system.

Prior to January 2003, the University had a chancellor serving as the chief executive officer for the community college system and a provost for each of the seven community colleges. In December 2002, the Board approved a reorganization of the system office resulting in the abolishment of the Office of the Chancellor for Community Colleges and realignment of the provosts as direct reports to the President. The provosts were subsequently retitled to chancellors.

Beginning in December 2004 and continuing on a monthly basis, President McClain engaged the community college chancellors in a dialogue about the organizational structure for the community colleges. The chancellors described and

analyzed the strengths and weakness of various organization models, which are described in Section VI, Alternatives Considered, in the reorganization proposal. In February 2005, he discussed with the All Campus Council of Faculty Senate Chairs (ACCFSC) the models described by the chancellors. The proposed reorganization is based on discussions with the chancellors, ACCFSC and other groups and is designed to improve the performance of the community college campuses and coherence in the conduct of activities such as program reviews. The new vice president would re-establish an advocate for the community colleges as a group.

In a January 2005 report, the Commission on the Accreditation of Community and Junior Colleges (ACCJC) expressed concern that a lack of clarity and coherence persists regarding decisions distinct to the role and mission of the community colleges within the University of Hawai'i System due to the current organizational structure. To address the Commission's concerns, the proposal would establish the Office of the Vice President for Community Colleges which will be responsible for executive leadership, policy decision-making, resource allocation, and development of appropriate support services for the seven community colleges.

A dual reporting relationship is also being proposed, whereby the community college chancellors report to the new Vice President for Community Colleges for leadership and coordination of the community college matters, and concurrently report to the President for University systemwide policymaking and decisions impacting the campus. The dual reporting relationship is designed to preserve previous Board of Regents' action which promoted and facilitated campus autonomy in balance with systemwide academic and administrative functions and operations. While creating the leadership needed to provide coherence and support for the shared mission of the community college system, the proposal preserves the community college chancellors direct access to the President for systemwide policy matters, and their role, responsibility and authority for the operations, management, and administration of their campus.

The reorganization proposes to realign the community colleges academic and administrative affairs support services as subordinate to the new Office of the Vice President for Community Colleges. The academic affairs support functions are being transferred from the Office of the Vice President for Academic Planning and Policy and the administrative affairs support functions from the Office of the Vice President for Budget and Finance/Chief Financial Officer.

Consultation with the unions and internal constituencies was completed. The University of Hawai'i Professional Assembly (UHPA) and the Hawai'i Government Employees Association (HGEA) expressed concerns regarding the proposed reorganization's costs, the ambiguity created by the dual reporting relationship of community college chancellors to the President and new Vice President for Community Colleges, and the need for uniform and consistent interpretations of the collective bargaining agreement. UHPA was apprised that implementation costs would be addressed through the reallocation of existing budgeted funds. The relative roles of the President and the Vice President for Community Colleges vis-à-vis the community college chancellors were clarified, and the role of the System Director of Human Resources as the definitive interpreter of the collective bargaining agreement was explained.

HGEA asked why the community colleges were being reorganized so soon after the 2002 reorganization. They also raised concerns about the dual reporting relationship of chancellors to the President and Vice President for Community Colleges, and asked for information on various positions affected by the

reorganization. HGEA was informed that the proposed reorganization was the result of feedback from chancellors, ACCFSC, and ACCJC regarding the need to re-evaluate and develop a new organizational structure more responsive to the operational needs of the community colleges. The relative roles of the President and the Vice President for Community Colleges vis-à-vis the community college chancellors were clarified, and information regarding impacted positions was provided as requested. Faculty and students have also been formally apprised of the reorganization through the All Campus Council of Faculty Senate Chairs (ACCFSC) and the Student Caucus. The proposal was forwarded to the United Public Workers (UPW) unions for informational purposes since there are no bargaining unit 01 or 10 members directly affected by the reorganization.

Chairperson Lee asked if consent had been obtained from ACCJC regarding the dual reporting. President McClain said that this was shared with ACCJC when they visited the University in April and they were enthusiastic.

Regent Haynes said that he was concerned about the dual reporting. He said that it took away authority from the Vice President of Community Colleges to lead the community college chancellors. President McClain said that some of the chancellors felt that it was important to have a direct line to the President. Other chancellors were more comfortable being able to deal with just the Vice President of Community Colleges. All chancellors, nevertheless, recognized the need for an advocate. He added that what he had discerned from ACCJC was that their focus was on coherence.

President McClain asked that the Board make this change and re-evaluate the change two to three years from now because as the University system moves into a more mature community college system, that it might be appropriate to change the dual reporting system. He added that for now, the University needs the dual reporting relationship and it is incumbent on him and the new vice president to be collaborative and consistent.

Chairperson Lee said she supported the reorganization but suggested a possible alternative which was to have a solid line to the Vice President for Community Colleges from the Chancellors and a dotted line from the Chancellors to the President. President McClain said that this was considered but a number of the chancellors objected to that alternative.

Regent Lagareta said that she attended a number of college and university conferences including the League for Innovation Board Retreat and was asked if she understood that the University of Hawai'i no longer had a system of community colleges. She said that there were benefits to having a system of community colleges such as the fact that there seems to be a relationship with the President that is very healthy. However, prestige within the community college arena is lost if there is no system of community colleges. The establishment of this position will properly position the University among its peer community colleges and for this reason she would support the recommendation by President McClain.

President McClain summarized that functionally, the new Vice President for Community Colleges will be responsible for community college-related system policies, resource allocation within the community colleges, and central service and support for the seven community colleges. He added that both the administrative and academic affairs associate vice presidents would now report to this person. Each community college chancellor would retain responsibility and control over campus operations, administration, and management which is one of the good

things of the new structure. Community college chancellors would continue to have access to the President for systemwide policy on a par with the chancellors of four-year campuses.

In response to Regent Tanaka, President McClain reiterated that the total cost of the reorganization and the establishment of the Vice President for Community Colleges would be \$25,000 because resources have been reallocated within the University. Existing positions will be used to serve the new office of the Vice President and financial resources were moved within the system to create enough money to make this happen. The net is actually only \$25,000 in additional cost.

Regent Tanaka asked who would control the funding at each of the community colleges. President McClain said that the funding would be influenced by the Vice President's decision but campus operations and management would be the responsibility of the Chancellors. The decision as to how the money is distributed to each of the campuses ultimately would rest with the University President.

Regent Albano commented that the solid line to the President from the community college chancellors diluted the Vice President for Community Colleges' ability to lead. As such, he was not in favor of the dual reporting system. He would nevertheless support President McClain's request with the understanding that this reorganization would be evaluated within an appropriate time frame. President McClain responded that an appropriate period would be in two to three years to see if further refinements were necessary. Regent Haynes concurred that he would support the proposal provided that it be revisited in two to three years. Regent Tatibouet agreed, suggesting that a specific date be set. President McClain suggested that this be revisited in June 2007.

Regent Tatibouet moved to approve the proposed reorganization to create a new Office of the Vice President for Community Colleges and realign functions and to approve the establishment of the executive class, Vice President for Community Colleges, to facilitate the implementation of the reorganization provided that this matter be revisited by the Board in June 2007. Regent Lagareta seconded the motion which was unanimously carried.

Material Transfer Agreement from German Cancer Research Center for Regents 16L1h and 16L2h

Vice President Kirimitsu requested that the Board approve a request for an indemnity provision in a Material Transfer Agreement (MTA) from Deutsches Kresforschungszentrum (German Cancer Research Center) ("DKFZ"), for the transfer of reagents 16L1h and 16L2h. This approval was sought pursuant to Hawai'i Revised Statutes §304-6.5 which reads in part, "The board of regents may indemnify collaborating institutions from claims arising against them for the gross negligence or willful misconduct of the university's officers, employees, and agents in the course of their employment, in connection with the university's use, storage, or disposal of materials owned or licensed by a collaborating institution that are purchased by the university from or transferred to the university by the collaborating institution for research or training purposes." If approved, the University would be required to defend and indemnify the supplier in the event of a triggering claim. The approval of this provision will allow the transfer of reagents needed for research.

The German Cancer Research Center, through the National Institutes of Health (NIH) will provide the reagents to Dr. Brenda Hernandez, an associate researcher at the Cancer Research Center of Hawai'i. The reagents are synthetic sequences which mimic the human papillomavirus. The reagents will be used to measure for antibodies in already collected human serum. The reagents will not be injected or used on any patients. There is no toxicity associated with the reagents. Dr. Hernandez indicated that she has already received approval for her research from the Institutional Review Board. In addition, Hubert Olipares, head of the Institutional Biosafety Committee (IBC), noted that the IBC is requesting to formalize the review process from Dr. Hernandez. However, the use of the synthetic protein is within the scope of use of her certified laboratory facility, standard operating procedures and safety training.

Approval of the indemnity provision is recommended for three reasons. First, the scope of the provision is limited to claims which would arise from the University of Hawaii's (as opposed to DKFZ's) acts or omissions. Specifically, the indemnity provision would apply to claims arising from UH's use, handling, storage or disposal of the material. Second, the probability of any damage or injury arising from the use, handling, storage or disposal of this material is remote. Finally, the indemnification language is consistent with the authority granted by HRS §304-6.5

He further recommended that Dr. Hernandez take the necessary steps to ensure that any and all persons using the reagents be trained in the proper handling, storage and disposal of the material and that such training is documented.

Regent Migita moved to agree to an indemnity provision in a Material Transfer Agreement (MTA) from Deutsches Kresforschungszentrum (German Cancer Research Center) ("DKFZ") for the transfer of reagents 16L1h and 16L2h for a period of seven years which could be extended or shortened upon advice of counsel. Regent de la Peña seconded the motion which was unanimously carried.

Capital Improvements Program and Repairs and Maintenance Project Contracts for Fiscal Year 2005-2006

Director Yokota requested approval to enter into consultant construction contracts for fiscal year 2005-2006. The Board of Regents previously approved a number of these contracts for the fiscal year 2004-2005; however, these were not executed by the end of the fiscal year and are included in this request for approval.

The Board of Regents' Policy Section 8-1 requires that the Board give prior approval of capital improvement program (CIP) and repairs and maintenance (R&M) contracts as it pertains to professional services consultants and construction projects. Construction contracts, including repair and maintenance projects, in excess of and/or totaling more than \$500,000, shall require the Board's prior approval. All consultant contracts in excess of \$100,000, expenses included, shall require the prior approval of the Board of Regents.

The professional services contracts for which approval is being requested include:

University of Hawai'i at Mānoa: Design contracts for reconstruction of the first floor of the Biomedical Sciences Building and for the basement of the Hamilton Library due to the flood damage.

University of Hawai'i at Hilo: Design of air quality improvements and for fire alarm and lighting improvements and for contracting for project management and construction management services for the construction of the Student Life and Events Complex at the University of Hawai'i at Hilo campus

University of Hawai'i at West O'ahu: Contract to enter into design for Phase I of the campus buildings at the University of Hawai'i at West O'ahu. This would only be upon approval of the Board for the selection of a developer for the non-campus lands that the process would begin for the selection of a design consultant for the campus facilities.

Honolulu Community College: Design contract for a project that will involve hazardous waste abatement and demolition of three apartment buildings and the construction of portable buildings on the campus to house the apprentice program.

Kaua'i Community College: Contract for project management and construction management services for the construction for the one-stop center.

Director Yokota further requested that the Board authorize the administration to enter into the following construction contracts: 1) Emergency repairs to the stage rigging equipment at Kennedy Theater, general repairs to the Charlot House, and roofing repairs to the St. Johns Plant Science Laboratory at UH-Mānoa; 2) Roofing repairs to the Business Education Building and the Edith Kanakaole Hall at UH-Hilo. (Director Yokota said that it should be noted that the consultant contracts include three projects with an estimated total construction cost of \$950,000); 3) construction of temporary facilities for additional classrooms and offices for additional faculty and administrative positions that have been hired recommended by the accreditation commission for Leeward Community College; 4) repair and replacement of the air conditioning system in two buildings at Kapi'olani Community College; and 5) renovation to the Student Services Building and upgrades to the fire alarm system at Maui Community College. Director Yokota added that fume hoods and grease traps will be replaced in facilities at Honolulu Community College and Kapi'olani Community College to address health and safety code issues.

Regent Haynes moved to authorize the University Administration to enter into professional services consultant and construction contracts for the CIP and R&M projects as presented. Regent Tatibouet seconded the motion which was unanimously carried.

Developer for the On-Campus Student Housing Project at the University of Hawai'i at Mānoa

President McClain requested that Agenda Item No. 9, Developer for the On-Campus Student Housing Project at the University of Hawai'i at Mānoa, be deferred. There were no objections from the members of the Board.

The meeting was recessed at 5:55 p.m. and reconvened on Wednesday, June 22, 2005 at 8:41 a.m. in the same location, Chairperson Lee presiding.

Proposed Public/Private Partnership for the Development of the Hawai'i Community College (HawCC) Komohana Campus and West Hawai'i Center

Chancellor Freitas presented a concept for a public/private partnership for the development and long-term management of new campus facilities for the Hawai'i Community College Komohana Campus and West Hawai'i Center. He explained

that there is a long-standing need to improve the aged HawCC facilities. Site-specific long-range development plans for development of new Campus facilities on designated State lands in Hilo and Kona have been completed and approved by the Board of Regents (BOR) for the expansion of HawCC programs to serve the community. The approval of this Request will require the review of the informal, non-binding Agreement with Hiluhilu Corporation for their properties adjacent to the HawCC Kona site.

The proposed site for the Komohana Campus is a 122-acre parcel owned by the University of Hawai'i that is situated in the southwest corner of a larger 267-acre parcel (TMK Parcel 2-4-01:169) overlooking Hilo that is owned by the University. The site is bounded by the proposed USDA Agricultural Research Center site, proposed Nowelo Street extension, Komohana Street and Pu'ainako Street extension, and is not in a flood zone. The proposed site is accessible to existing and planned public roadways and utility services.

The proposed site for the West Hawai'i Center is a 500-acre parcel owned by the University that is situated above Queen Ka'ahumanu Highway and is bounded by Waena Drive, Kaimi Nani Drive and the Kona Palisades Subdivision.

HawCC proposes to solicit qualifications and proposals from qualified development firms for the timely development and long-term management of a new campus in Hilo and a new West Hawai'i Center in Kona. The process will be a two-step Request for Qualifications (RFQ)/Request for Proposals (RFP) process. The RFQ step will involve careful, in-depth consideration of the qualifications, relative experience and financial strength of respondents. From this process, HawCC will select only the most qualified firms for a short list and advancement to the RFP stage. These short-listed respondents will subsequently be asked to submit proposals that demonstrate their ability, creativity, flexibility and financial strength (including bonding capability) to undertake the development and long-term management of new campus facilities and complementary ancillary projects.

The selected respondent will work with HawCC to achieve the following objectives: (1) preparation of a Campus Master Development Plan (CMDP), (2) preparation of required environmental, project and feasibility analysis and documentation, and (3) negotiation of development agreements, leases and other legal documents necessary for Board approval and project implementation.

HawCC will pursue formulation of a Facility Privatization Partnership with the selected respondent to achieve the above goals. In the event this initial effort is not fruitful, HawCC will have the option to seek an alternate respondent to explore and pursue such a partnership to accomplish the same development and long-term management goals. The RFQ/RFP process is structured to incur no financial or other responsibility on the part of HawCC and the University of Hawai'i until the end of the exclusive negotiation phase with the selected respondent.

The tentative schedule for the proposed RFQ/RFP process is as follows:

- Issuance of the HawCC RFQ/RFP June 24, 2005
- Statement of Qualifications Submission Deadline July 15, 2005
- Selection of Short-List Finalists July 22, 2005
- RFP Submission Deadline September 2, 2005
- Respondent Presentations September 8-9, 2005
- Board of Regents Approval of Respondent September 23, 2005

Regent Tanaka said that in light of recent experiences, Chancellor Freitas should seek advice from consultants with specific expertise in large-scale university developments, historic preservation projects, environmental issues, and privatization issues regarding financing, operations, and management services. In addition, the evaluation committee should include members with knowledge and expertise in this area and not just members of the campus. Private partnershiping is a new direction for the University, according to Regent Tanaka, and the Board would like to see the campuses succeed. These projects need to involve individuals who have expertise in development and financing of projects.

Regent Lagareta said she is impressed by Hawai'i Community College's accomplishments with so little resources. She concurred with Regent Tanaka that public/private partnerships are a new concept not only for the University but for higher education across the nation. The consulting process is extremely important and must include individuals with experience and knowledge.

Regent Albano moved to approve the initiation of an RFQ/RFP process for the development and long-term management of new facilities for the Komohana Campus and the West Hawai'i Center. Regent Migita seconded the motion which was unanimously carried.

Recommendation on External Auditor

President McClain requested that Agenda Item No. 12, Recommendation on External Auditor, be deferred. There were no objections from the members of the Board.

V. GIFTS, GRANTS AND CONTRACTS

Vice President Gaines reported that the gifts, grants and contracts received during the period April 1, 2005 through April 30, 2005 totaled \$17,705,571. Separately, the University of Hawai'i at Hilo received a total of \$1,042,549 during the same period. He added that the University of Hawai'i System was \$6 million ahead of last year in its research awards through May and \$2 million behind in the training awards from last year but catching up rather rapidly.

The first tangible effect of the flood damage is that spending has not kept pace with last year and spending determines the University's indirect cost recovery. The University will end up slightly below last year in terms of indirect cost recovery but this can be made up.

Chairperson Lee asked if comparison figures could be given for the year prior and then the total for the year to date. Vice President Gaines assured that he would provide this information in his future monthly reports.

Vice President Gaines reported that in the research awards to date, the University of Hawai'i System has \$185.6 million that have already been committed to the University. One year ago, that number was \$179.8 million so the University is approximately \$6 million ahead on that figure. In terms of the training grants, where a lower indirect rate is received, this year, there are \$110 million in training awards and last year, the number was \$111.9 so there is about a \$2 million drop in the training awards which can easily be made up by the end of the year. For the sum, there are \$295.7 million, adding the two together and a year ago, the total was \$291.8, so the University is approximately \$4 million above last year.

Regent Haynes moved to accept with thanks the gifts and grants and ratify the actions of the administration in executing the necessary contracts as presented. Regent de la Peña seconded the motion which was unanimously carried.

VI. 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, with the exception of the Interim Vice Chancellor (Students) at UH-Mānoa which was being withdrawn from consideration.

UNIVERSITY OF HAWAI'I AT MĀNOA

Executive

TANOUYE, ALLYSON
Interim Vice Chancellor (Students)
Office of the Chancellor, UHM
Upon approval by the Board

UNIVERSITY OF HAWAI'I AT HILO

Executive

HAIG, MARGARET
Dean, UHH
College of Continuing Education and
Community Services
Salary Adjustment
March 31, 2003
July 1, 2004

Regent Albano moved to approve the personnel actions as recommended in Attachment #3 of the Board of Regents' agenda dated June 21, 2005, with the exception of the Interim Vice Chancellor (Students), UH-Mānoa. Regent Tanaka 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 June 21, 2005.)

VII. UNIVERSITY OF HAWAI'I FOUNDATION REPORT

University of Hawai'i Foundation (UHF) President Vuchinich reported that the UHF was at \$30 million in receipts and hoped to close the fiscal year somewhere around \$33 million. She said that through the end of May, the UHF was about \$6 million ahead of last year.

UHF had opened an account for the U.S. Senator Inouye Endowed Chair and a leadership committee has obtained pledges to bring that account to the level of funding needed. She said that she wanted to make sure that things that got started under the current contract would be completed. Regent Lagareta expressed last year had been a challenging year but UHF President Vuchinich and her staff overcame the challenges and for that the Board was very appreciative.

UHF Vice President King said that as of March 31, 2005, UHF had raised \$24.5 million against the budget of \$26.6 million which represents about 90 percent of goal. The target for the fourth quarter of the fiscal year was \$11.5 million. He said that there are some big things in process so he anticipated that close to \$34 million would be received from an optimistic perspective. Big gifts of \$500,000 or more account for 50 percent of the goal. He said that overall, the operating revenues are below budget but this has been made up by reduced expenses.

Vice President King said there had been a steady rise from June 2004 through March 2005 of the net assets of the UHF. There is a 12 percent increase of nearly \$19 million. The \$2 million received from the University was basically used for salaries. Similarly, the \$350,000 received from the University for alumni relations were also used for salaries.

Chairperson Lee inquired about how Koa Anuenue's funds were being counted by UHF and whether they were subject to the gift fee. Vice President King explained that Koa Anuenue's funds counted in UHF's total and subject to a 2 percent fee rather than the customary 3½ percent gift fee.

UHF Associate Vice President Kevin Takamori reported on Alumni Relations events including: "UH Alumni Night" in April which involved a men's volleyball game at which past alumni presidents were honored; a public radio day on April 5th which provided an opportunity to reach different market segments; and a California Wine and Cuisine Tour. On May 10th, the annual Distinguished Alumni Awards Dinner was held. He added that the second alumni travel study program will be held on October 19 - November 3, 2005 in New Zealand and Australia.

Upcoming events include a homecoming event at the New Mexico State football game on October 15th and a mainland tailgate at San Jose State on October 22nd.

More than 61,000 alumni updated their information in the print directory with sales over 10,000. All proceeds go to the contract for the online directory and this pays for two-thirds of the three-year contract. In response to Regent Lagareta, Associate Vice President Takamori informed that the print directory would be published by the end of this year and probably distributed in early 2006. Chairperson Lee thanked Associate Vice President Takamori for his report and expressed the Board's appreciation for having invigorated the University's alumni efforts.

VIII. REPORT OF THE EXECUTIVE OFFICER

President McClain called on Dean Cadman of the John A. Burns School of Medicine, who announced that he would be returning to the faculty ranks in August. He explained that he was recently diagnosed with the neurological disorder, primary progressive aphasia, a language-based dementia. He thanked everyone for their support, particularly the medical students whose kindness was overwhelming.

Dr. Cadman stated that he would leave when he could no longer perform at his high standards and would leave with dignity. He asked that the Board and University sustain his vision for the Medical School, a vision which saw fruition in JABSOM's Kaka'ako campus.

President McClain commented that there are few leaders in the University's history to have made a difference like Dean Cadman. He said that he was grateful that Dean Cadman would be remaining with the faculty in order to continue sharing his knowledge with students.

On behalf of the Board, Chairperson Lee thanked Dean Cadman for his contributions and for galvanizing the community in support of the Medical School. Vice Chairperson Lagareta also thanked Dean Cadman for having built a team that would carry on his high standards. She thanked him for his leadership and in particular, for his vision for the Medical School and health care in Hawai'i.

Chairperson Lee declared a recess at 9:35 a.m. and reconvened the meeting at 9:45 a.m.

Report by Leeward Community College

President McClain introduced Interim Chancellor Quigley of Leeward Community College (LCC) for a report on the campus.

Interim Chancellor Quigley recognized Donna Matsumoto, Associate Professor of English, LCC, winner of the 2005 Web CT Exemplary Course. He reported that among LCC's other accomplishments was their academic catalog taking first place in a national competition. He acknowledged LCC's marketing director, Kathleen Cabral, and her graphic design staff. He said that he was also proud of the relationships LCC has built with its community constituents such as Ma'o Farms which placed second in a national competition. In addition, LCC is also affiliated with the Waianae Maritime Academy.

Dr. Quigley said that LCC's strengths are its liberal arts and work force directed areas. It has a good reputation in areas like TV production, digital media, and culinary arts. Their performing arts initiative lends so much to the community. He added that LCC serves the largest number of Native Hawaiian students in the system.

Chairperson Lee thanked Chancellor Quigley and his staff for their hospitality and assistance with the meeting logistics. She said that the Regents had a productive meeting with LCC students and when asked what it was they liked about LCC, they concluded that it was the outstanding faculty.

Implementation of the Biennium Budget

President McClain reported that following protocol governing the use of appropriated funds, campuses will keep the net increase in general funds reflected in the biennium budget. Campuses are obligated to fund the Board of Regents' and President's priorities as expressed in communications to the Legislature. Over the biennium, campuses are being required to spend 5 percent of their new general funds plus 5 percent of any new tuition funds on campus security.

University of Hawai'i at Mānoa Chancellor

President McClain announced that he would not be recommending that the Board extend Chancellor Englert's appointment to that position. Chancellor Englert holds a tenured position in the Hawai'i Institute of Geophysics and Planetology to which he will return August 1, 2005 at the annual salary of \$165,600. To restart his research program, he will receive a startup package of \$100,000 per year for three years.

President McClain said that he would be in consultations with the Mānoa campus community about the appointment of an interim chancellor. In his view, the interim chancellor would be appointed for a two-year period and when the Board chooses a new president, that president would conduct a search for a permanent chancellor for the Mānoa campus.

Governance of John A. Burns School of Medicine

President McClain said that the question of the governance of the John A. Burns School of Medicine (JABSOM), had been discussed previously along with several other entities including the Cancer Research Center, the School of Nursing, the Pacific Biomedical Research Center, and the Public Health initiative. A team of consultants recommended that a Vice President for Health Sciences be created and all those units be placed under that new vice president. He said that this was discussed at the Board's meeting in February and at that time, the Board concluded that it would probably be most appropriate to make a decision on governance after the legislative session. To this end, the Board was presented at the meeting in Kaka'ako last month, the business plan for JABSOM going forward. The business plan certainly did indicate that the Medical School has sufficient financing to operate itself currently but there is a desire to add another twenty or so researchers and it is not clear where this funding would come from. The source of funding for extra researchers is not identified in the budgeting process.

President McClain said that a number of issues were discussed regarding the question of whether the Medical School alone should be separated from the Mānoa campus and report to the system office. At this time, there is no interest in creating a position for Vice President for Health Sciences or Life Sciences but there is an open question as to whether the Medical School should be separated and whether it should report to the Vice President for Research for example. He concluded that taking all things into consideration, it would be premature to separate the Medical School from the Mānoa campus at this time.

IX. NEW OR OTHER BUSINESS

Report and Action on 2004-2005 Academic Year Promotion and Tenure Recommendations

Interim Vice President Johnsrud recommended that the Board approve the 2004-2005 academic year promotion and tenure recommendations.

Regent Lagareta, 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 2004-2005 academic year promotion and tenure recommendations. In addition, the Committee

recommended approval of a junior specialist at UH-Hilo who was inadvertently left off the list by the Administration.

Regent Lagareta moved to approve the recommendation for promotion and tenure for 2004-2005. Regent Bender seconded the motion which was unanimously carried.

Task Group Assignments

Chairperson Lee appointed Regent Migita to the Task Group on E/M Personnel, chaired by Regent Tanaka. She also appointed Regent Migita to the Task Group on External Auditor Selection.

Presidential Search - Search Consultant

Chairperson Lee recommended that the Board of Regents secure the professional services of an executive search consultant to assist the Board with its presidential search process.

A competent and experienced search consultant will be able to assist the Board in developing a sound presidential search procedure and provide support and assistance throughout that process by providing professional services including, but not limited to:

1. Assisting the Board in addressing search issues unique to the University of Hawai'i;
2. Adopting an appropriate search procedure along with a charge for the search committee;
3. Providing guidance on selecting and appointing a search committee, and support and counsel to the committee chair;
4. Appropriately engaging the University's constituencies;
5. Assisting the Board in developing a timetable, taking into consideration hiring windows and estimates of time required in order to complete a search;
6. Assisting in developing a reasonable budget for the search process;
7. Identifying some of the challenges the next president must address and the personal and professional characteristics that the individual most likely will need in order to succeed.
8. Assisting in identifying and attracting a pool of quality candidates through strategic advertising and recruitment and identifying candidates otherwise unavailable to the search; screening of candidates (due diligence); checking of references; coordinating and assisting with campus visits; and keeping the Board and search committee focused on their charge and the implications of each decision;

9. Developing a section of the University's web site dedicated to the presidential search along with other media initiatives during and after the search.

Regent Albano moved to secure the professional services of a search consultant to assist the Board with its presidential search process. Regent de la Peña seconded the motion which was unanimously carried.

Honoring of Outgoing Regents

The following resolution was received from the Associated Students of the University of Hawai'i, Mānoa:

“Whereas the Associated Students of the University of Hawai'i at Mānoa Senate is the elected body representing approximately 10,000 full-time classified undergraduate students;

“Whereas the University of Hawai'i Board of Regents manages and controls the affairs of the University and is responsible for the successful operation and achievement of the University of Hawai'i system and most importantly its students;

“Whereas the University of Hawai'i Board of Regents is composed of twelve members appointed by the Governor to staggered four-year terms and two-year terms, in the case of the Regent who is also a student;

“Whereas as of June 30, 2005, Board of Regents' members, Chairperson Dr, Patricia Y. Lee and Regent Trent K. Kakuda would have completed their terms since being appointed by the Hawai'i State Governor;

“Whereas Dr. Patricia Lee, Regent Chairperson, is highly praised and much admired for her four years of service as a member of the University of Hawai'i Board of Regents;

“And whereas the Board of Regents, under the leadership of Dr. Patricia Lee, Regent Chairperson, has demonstrated great interest in students' concerns such as safety, security, student housing, articulation, and the current tuition increase;

“Whereas with the leadership of Dr. Patricia Lee, Regent Chairperson, the Board of Regents has served as advocates for students;

“Whereas the student Regent, Trent K. Kakuda's committed for his two years of service in excellence while a member of the Board of Regents;

“Whereas with the leadership of Regent Trent Kakuda, the Board of Regents and their Committee on Student Affairs have served both as an outlet and an advocate for students;

“Whereas the Board of Regents' Standing Committee on Student Affairs under the leadership of Trent K. Kakuda served effectively between the Board of Regents and all appropriate student organizations;

“Whereas the Board of Regents' Standing Committee on Student Affairs under the leadership of Trent K. Kakuda has shown great interest and

affected influential changes on matters such as safety, security, student housing, articulation, and the current tuition increase.

“Whereas both Regent Chairperson Dr. Patricia Lee and Regent Trent K. Kakuda have the utmost respect of the University of Hawai‘i at Mānoa student body population for their tireless efforts and focus on student issues and concerns;

“Be it resolved, the Associated Students of the University of Hawai‘i at Mānoa commends both Regent Chairperson Patricia Lee and Regent Trent K. Kakuda and the other members of the Board of Regents for their unparalleled support;

“Be it further resolved, the Associated Students of the University of Hawai‘i at Mānoa looks forward to the future new members of the Board of Regents and ask that the current open and honest atmosphere created by the Board of Regents continue.

“Be it further resolved that the Associated Students of the University of Hawai‘i at Mānoa wishes the best for Regent Chairperson Dr. Patricia Lee and Regent Trent K. Kakuda in all future endeavors and hopes that their leadership and spirit are never too far away from the University of Hawai‘i.”

Chairperson Lee thanked ASUH representatives Grant Teichman and Katie Barry for the resolution.

Regent Trent Kakuda

Chairperson Lee called Regent Kakuda an outstanding Regent and an inspiration. He had been a model Regent in terms of being proactive, by the way he analyzed issues, and that he had the courage to always vote his conscience. He had gained the respect of both his fellow Regents and the entire University community.

Regent Kakuda thanked the members of the Board, the Administration and students, stating that it had been a pleasure to have worked with them. He said that the University plays an important role in the intellectual and economic development of the State and it was an honor to have served for even a brief interval in the University’s long and illustrious history.

Chairperson, Regent Patricia Y. Lee

Vice Chairperson Lagareta expressed that she and her fellow Regents all had high regard for Chairperson Lee’s leadership and thanked her for her vision, exemplary integrity, sense of mission, and the fact that she always wanted the best for the University. Chairperson Lee had chaired the Board during one of the most challenging periods in the history of the University and its governing Board and she did it with extraordinary grace and fairness. She endeavored to allow all groups and constituencies to be heard and respected. Vice Chairperson Lagareta thanked Chairperson Lee on behalf of the Regents for her service, leadership, and friendship.

Chairperson Lee expressed that her four years seemed like ten. She said it is difficult for others to comprehend the scope of responsibility entrusted the Regents. They must grapple with what is right for the institution, try to balance

competing interests, ensure that consultation has taken place, see that policies are adhered to, and that processes were proper. The Regents have struggled with complex issues. For example the Board was struggling with executive salaries when she began her term and is still struggling with the issue as she leaves the Board.

Many of the challenges are unique. Hawai'i is one of the remote destinations in the world, a fact which could affect enrollment, recruitment of faculty, travel costs, distance learning, and transferring within the system. Some of the challenges are common to other universities such as decreasing resources. Despite this, she said that the University of Hawai'i is a world-renowned center of excellence.

Chairperson Lee, in conclusion, stated that she would like to be remembered as a grateful person. Grateful to her fellow Regents with whom she had the privilege to serve, and if she had only one word to describe this group of Regents, it would be, "integrity." Despite the constraints of the Sunshine Law, the Regents have been unified, respectful of each other's views, and willing to do what a fiduciary is entrusted to do. She was grateful to President McClain for his leadership and for having made shared governance possible. She said it had been a tumultuous year and to his credit, President McClain has brought calm and stability to the University despite the challenges of a flood, Ward Churchill's visit, a tuition increase, and UARC. She extended her thanks to Executive Administrator and Board Secretary Iha, and Executive Assistant Makino for their support. Finally, she extended her thanks to her family and law firm, without whose support, she would not have been able to spend all this time. Having been an undergraduate at this University, an ASUH senator, a justice on the student court, a faculty member in the Department of European Languages, a law student, and finally, a Regent, Chairperson Lee said she felt that she had come full circle. She added that this institution touches the lives of everyone in the State and she had come to realize that it is composed of many loyal and incredible individuals and she looks forward to continuing to support the University of Hawai'i to the best of her ability.

President McClain praised Chairperson Lee and Regent Kakuda for their exemplary service. He stated that Regent Kakuda is a seeker of truth and a thoughtful individual. He stated that Chairperson Lee understood the University because she had pursued a doctoral degree and served on the faculty. That coupled with her attention to detail, process and procedure, and commitment made it a pleasure for the Administration to serve under her leadership.

X. ANNOUNCEMENT

Next Meeting

Chairperson Lee announced that the next meeting of the Board would be held on July 18, 2005 at the University of Hawai'i at Mānoa.

Regent Kakuda moved to enter into executive session to consider personnel, legal, and collective bargaining matters and to consult with the Board's attorney in accordance with Chapter 92, Hawai'i Revised Statutes. The motion was seconded by Regent Haynes and unanimously carried. The meeting was recessed at 10:50 a.m. to enter into executive session.

XI. ADJOURNMENT

The meeting was reconvened in open session at 6:52 p.m. at which time the meeting was adjourned at 6:53 p.m.

Respectfully submitted,

David Iha, Executive Administrator
and Secretary of the Board