



MINUTES OF REGULAR MEETING OF THE  
UNIVERSITY OF HAWAII BOARD OF REGENTS

November 22, 2002

I. CALL TO ORDER

The monthly meeting of the Board of Regents was called to order by Chairperson Bert A. Kobayashi on Friday, November 22, 2002 at 8:36 a.m. at the Performing Arts Center, Kaua'i Community College. Chair Kobayashi introduced new Board member, Lynne Kaneshiro, who replaced Michael J. Hartley.

Attendance

Present were Regents Everett R. Dowling, Allan K. Ikawa, Lynne Kaneshiro, Charles K. Kawakami, Duane K. Kurisu, 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. Joyce Tsunoda, Senior Vice President and Chancellor for Community Colleges; Dr. Rose Tseng, Senior Vice President and Chancellor, UH-Hilo; Mr. Walter Kirimitsu, Senior Vice President for Legal Affairs and General Counsel; Mr. James Sloane, Vice President for Administration and Chief Financial Officer; Mr. Paul Costello, Vice President for External Affairs and University Relations; Dr. Deane Neubauer, Interim Vice President for Academic Affairs; Dr. Doris Ching, Vice President for Student Affairs; Dr. Colleen Sathre, Vice President for Planning and Policy; Mr. Allan Ah San, Associate Vice President for Administration; Dr. Peter Englert, Chancellor, UH-Manoa; Dr. William Pearman, Chancellor, UH-West O'ahu; Dr. Karl Kim, Interim Vice Chancellor for Academic Affairs, UH-Manoa; Mr. Michael Rota, Vice Chancellor for Academic Affairs, UH-Manoa; Mr. Michael Unebasami, Vice Chancellor for Administrative Affairs, UH-Manoa; Dr. Karla Jones, Director, Career and Technical Education; Ms. Elizabeth Sloane, President, UH Foundation; Mr. Prescott Stewart, Executive Assistant to the President; Mr. Walter Niemczura, APT President; Ms. Helen Hamada, APT Representative; Ms. Lei Desha, Field Services Officer, HGEA; and others.

II. APPROVAL OF MINUTES

Upon motion by Regent Ikawa and second by Regent Dowling, the Board approved the minutes of its regular meeting held on October 18, 2002, as circulated.

III. ITEMS FROM PRESIDENT'S MEMORANDUM NO. 14  
RECOMMENDATIONS FOR ACTION AND GENERAL INFORMATION

Established Status for the Bachelor of Science Degree in Astronomy, College of Arts and Sciences, University of Hawaii'i at Hilo

Senior Vice President Tseng requested that the Board of Regents approve the change of status for the Bachelor of Science degree in Astronomy from provisional to established status, in the College of Arts and Sciences, University of Hawaii'i at Hilo (UH-Hilo).

The growth of astronomy both within the University and as an economic force in the State of Hawaii'i and the Big Island community is one of the science and technology success stories. Because this growth has been so strongly driven by the unique attributes of Mauna Kea and the rapid development of related technologies, astronomy programs within the University have developed from a research and graduate education base with little effort devoted to astronomy education and training below the post-graduate level. The UH-Hilo baccalaureate Astronomy Program represents the University's first effort to extend astronomy education to a level accessible to the young people of this State, and thus is a promising venue for enhancement of the society and economy of the entire State.

The Bachelor of Science degree in Astronomy was proposed in 1992 and implemented in 1997, largely for the dual purposes of: (1) providing the training needed for high school graduates from the State of Hawai'i to obtain careers in a field of importance to the State and jobs in Mauna Kea observatories; and (2) exploiting the astronomy resources of Mauna Kea and the UH-Hilo University Park in terms of an undergraduate Astronomy program of exceptional excellence and national prominence.

Astronomy is more important to this State and to this University than is the case with any science anywhere else in the country. With the development of the observatories in the Mauna Kea Science Reserve and the observatory base facilities in University Park, UH-Hilo has literally become a world center for astronomy, the only university campus that is sited at the world's largest collection of research facilities in a particular science.

Prior to the establishment of the UH-Hilo Astronomy Program, the University provided no career training in astronomy that was accessible to high school graduates from the State of Hawai'i, and most of the 300+ high-quality technical jobs in Mauna Kea observatories were filled by recruits from out of state, a consequence of the lack of a trained, local manpower base. There is thus a clear and compelling need for an Astronomy undergraduate program within the University to complement the graduate and research Astronomy program of the UH-Manoa campus. In providing the training needed for careers in astronomy, the program fulfills several strategic themes and priorities of the strategic plan at UH-Hilo and conforms to many of the elements included in discussions of the overall UH strategic plan recently approved.

Five years from its inception, the UH-Hilo Bachelor of Science degree in Astronomy remains the only tertiary Astronomy program in the State of Hawai'i. Its enrollment has grown to 54 students seeking degrees; enrollment growth over the last two years has been 50% and 40%, respectively. The Astronomy program is now one of the largest in the country, and almost certainly far larger than that of any university campus of comparable size. The program has attracted substantial federal funding (in excess of \$1M to date, exclusive of research grants) and favorable notice of national agencies (NSF, NASA). The program awarded its first two degrees last year and expects to award seven more this year. The program shows every sign of growing into one of unique importance to the University and the State of Hawai'i, and appears to be satisfying the purposes for which it was established at a level that justifies its continuation.

Regent Nunokawa moved to grant the Bachelor of Science degree in Astronomy, College of Arts and Sciences, University of Hawai'i at Hilo, permanent academic status, effective Spring 2003, subject to the Regents' policy on established academic programs, as presented in President's Memorandum No. 14 (Agenda), Item A-1, dated November 22, 2002. Regent McElrath seconded the motion which was unanimously carried.

#### Establishment of a Bachelor of Arts Degree in Performing Arts in the College of Arts and Sciences, University of Hawai'i at Hilo

Senior Vice President Tseng requested that the Board approve the establishment of the Bachelor of Arts degree in Performing Arts in the College of Arts and Sciences, University of Hawai'i at Hilo, effective Spring 2003.

This proposed program is the result of a process which began in June 2000 to study UH-Hilo's Music program. The College of Arts and Sciences' Dean assigned responsibility for this review to a committee. After review by all stakeholders including students and current Performing Arts Department faculty, the committee recommended the termination of the Bachelor of Arts degree in Music and the development of an integrated Performing Arts major that would take advantage of strong student interest and professional expertise in drama and dance.

No additional resources will be required to support the drama or music programs. The music track replaces the former Music major and the drama track replaces the current Liberal Studies Drama major. The dance track will require the appointment of a full-time dance instructor; currently, a lecturer is teaching 12 credits of dance per semester, so resources will be diverted from the lecturer budget to the instructor budget. Technical theater courses are now being taught on a part-time basis by two members of the University Relations staff assigned to operate the UH-Hilo Theater. Once the new program flourishes, a request will be forthcoming to staff a half-time position in technical theater within the Performing Arts department.

Dance courses now offered on an elective basis are among the highest enrolled courses in the Humanities Division, with several courses enrolling 50 students. It is anticipated that the dance track will attract at least 15 – 20 majors in the first year of operations. There are currently 15 majors in the Liberal Studies Drama program; it is anticipated that as the program develops, this number will increase. These majors will be divided between the drama performance and technical theater tracks in the new major.

The Music program was stopped for two years in anticipation of the new program. Problems in music enrollment were among the motivating factors in the creation of the Performing Arts major. It is anticipated that this new program will draw students with keen interest in dance and drama into music courses, as well as maintaining a small but committed core of music track majors, approximately ten. Thus, this new major should enroll approximately 45 majors early in its existence. In the Humanities Division, only Art, Communication and English (with 59, 111, and 94 majors respectively) are larger. Combined with a renewed effort to more fully utilize the UH-Hilo Theater to attract members of the community to the UH-Hilo campus and a strong performing arts base outside of the University in Hilo, the program has the potential to be one of the strongest in the College of Arts and Sciences.

This proposal was reviewed and approved by the College of Arts and Sciences Senate and the Dean of the College of Arts and Sciences in Fall

2002.

Regent Nunokawa moved to establish the Bachelor of Arts degree in Performing Arts in the College of Arts and Sciences, University of Hawai'i at Hilo, effective Spring 2003, subject to the Regents' policy on provisional academic programs, as presented in President's Memorandum No. 14 (Agenda), Item A-2, dated November 22, 2002. Regent McElrath seconded the motion which was unanimously carried.

Establishment of the Hawai'i Medical Service Association Chair in Health Care Services Quality Research at the John A. Burns School of Medicine, University of Hawai'i

In accordance with the Board's policy on academic chairs, Chancellor Englert requested that the Board approve the establishment of the Hawai'i Medical Service Association (HMSA) Health Care Services Quality Research Chair at the John A. Burns School of Medicine, University of Hawaii at Manoa.

An endowment fund at the University of Hawaii Foundation was established in October of 2002 with a gift of \$1 million from the Hawaii Medical Service Association for this purpose.

The proposed chair will provide leadership in health services research in order to improve the health of the people of the State of Hawaii. For this purpose, the person selected would be expected to provide leadership in the development of health services research; implement health services research; and disseminate the results of that research throughout the community. In addition, the HMSA Chair would be expected to teach and participate in community service, expected of all faculty.

The endowment from HMSA is expected to support this proposed chair with \$50,000 annually. The remaining portion of the incumbent's salary would have to come from existing University resources.

Regent Nunokawa moved to establish the Hawai'i Medical Service Association Chair in Health Care Services Quality Research at the John A. Burns School of Medicine, University of Hawai'i at Manoa, with the understanding that the recruitment and retention for this chair shall be in compliance with all applicable policies, statutes, and regulations, as presented in President's Memorandum No. 14 (Agenda), Item A-3, dated November 22, 2002. Regent Poe seconded the motion which was unanimously carried.

Regent McElrath expressed hope that part of the work of this particular Chair will be sent over to the School of Public Health once it is re-established.

Request for Approval of Associate in Applied Science Degree in Opticianry at Leeward Community College

Chancellor Tsunoda requested that the Board approve the establishment of the Associate in Applied Science degree in Opticianry at Leeward Community College. The curriculum for the program was developed by the National Federation of Opticianry Schools (NFOS), an organization of colleges and schools offering opticianry programs to improve the standards of practitioners in the field. The NFOS provides the curriculum at no cost to the campus. Completion of the program prepares individuals for certification exams for both the American Board of Opticianry and the National Contact Lens Examiners. The initiative for establishing the program came from professionals in the community to upgrade the skills of employees in their businesses. This will be the first program in the nation to be delivered exclusively through distance education.

Presently, State licensing requires the individual to pass the certification exams of both the American Board of Opticianry and the National Contact Lens Examiners. The 150 certified opticians are likely certified to work with either eye glasses or contact lens, but not both and, therefore, do not meet the requirements for licensing as an optician. In addition, there are an estimated 400-500 employees in ophthalmic offices throughout the state who are not certified in either area. Individuals in both categories are potential students for this proposed program.

Costs for the program for curriculum development, equipment and personnel are minimal compared to other vocational programs. Because of this level of investment, the college will have the flexibility to maintain or contract enrollment in the program as demand increases or decreases.

The program is unique in the University of Hawai'i System and provides an educational option to not only students at Leeward Community College, but also students throughout the state and internationally. All content courses in the major are delivered through the internet. The UH systemwide distance education system allows students to complete all general education requirements either at home or on the community college campus nearest their residence. Distance delivery makes the program accessible statewide.

Regent Kawakami moved to establish the Associate in Applied Science in Opticianry at Leeward Community College, effective Fall 2003, subject to the Regents' policy on provisional academic programs, as presented in President's Memorandum No. 14 (Agenda), Item A-4, dated October 18, 2002. Regent Lee seconded the motion which was unanimously carried.

Authorize the Community Colleges to Proceed with Developing Selected Four-Year Degree Programs

Chancellor Tsunoda requested that the Board authorize Honolulu Community College (HCC), Kapi'olani Community College (KCC), and Maui Community College (MCC) to proceed with the planning and developing of selected four-year occupational-technical degree programs. This request addresses the Western Association of Schools and Colleges (WASC) Accrediting Commission for Community and Junior Colleges' requirement that the decision to pursue the baccalaureate be approved by the Board of Regents.

In 1991, the Legislature passed a resolution, SCR 188, "Requesting Honolulu Community College to Evaluate and Report on the Need to Offer Three- and Four-Year Degrees in Certain Applied Technological Fields." In its 1993 report to the Legislature, HCC identified a number of colleges offering four-year applied technology degrees and identified a number of related issues including: accreditation, articulation, targeted programs, advanced technology centers, etc.

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 and the draft strategic plan for the community colleges support the development and offering of selected baccalaureate degrees at UH community colleges.

Consistent with UH system and campus plan priorities, HCC, KCC, and MCC are planning to add baccalaureate degrees to their educational programs. HCC's proposed Computer, Electronics, and Networking Technology degree (CENT), KCC's proposed Culinary Arts, Science and Management degree, and MCC's proposed Applied Business and Information Technology (ABIT) degree will address student interests and community needs in these respective areas.

Approval of the request will permit HCC, KCC, and MCC to formally begin meeting the criteria required by WASC for each community college to offer a single baccalaureate degree, while continuing their respective accreditation as community colleges. The Commission is prepared to consider the colleges' requests for joint accreditation at its January meeting.

The Board's policy on the mission and purpose of the community colleges currently allows for such programs to be offered by the two-year campuses provided they are uniquely suited and equipped to engage in such programs. The policy further stipulates that such programs be offered in affiliation with a baccalaureate campus, program or institution so as not to deviate from the successful mission of the community colleges. WASC, in addition, limits each campus to no more than one such baccalaureate offering. Complete program proposals for each degree will be developed according to established Board and University policies and, when completed, submitted for Board approval before students are enrolled in the programs. Additional WASC joint accreditation requirements will also need to be met prior to the degrees being offered.

Regent Kawakami moved to authorize Honolulu Community College, Kapi'olani Community College and Maui Community College to proceed with the planning and development of selected four-year occupational-technical degree programs with the understanding that completed program proposals are subject to compliance with the Board's policy on mission and purpose of the Community Colleges, as presented in President's Memorandum No. 14 (Agenda), Item A-5, dated November 22, 2002. Regent Poe seconded the motion which was unanimously carried.

#### Strategic Plan: Manoa: Hilo: West O'ahu: Community Colleges

Interim Vice President Neubauer explained that Board policy calls for the development and approval of strategic plans for each major unit of the University. Strategic plans for the University of Hawai'i at Manoa, University of Hawai'i at Hilo, University of Hawai'i West O'ahu, and the University of Hawai'i Community Colleges were developed spanning the time frame, 2002-2010.

In addition to the inclusive campus preparation and review processes, the President's Advisory Council on Plans and Priorities reviewed these plans. The Administration is satisfied that implementation of these plans will carry out the goals and action strategies of the System Strategic Plan. Also, the units have worked to translate the priorities of their plans into biennium budget requests and/or longer-term financial plans.

#### University of Hawai'i at Manoa

The University of Hawai'i Manoa Strategic Plan, *Defining Our Destiny: The University of Hawai'i at Manoa Strategic Plan, 2002-2010*, will be used to guide Manoa's prioritization of strategic initiatives and the ongoing development of the campus budget.

The planning process was initiated during the Fall of 2001. A series of campus-wide conversations was held about Manoa's future and aspirations. A Listening Project was initiated which included meetings, forums, questionnaires, and bulletin boards, and an interactive website was created for enhancing communications throughout the campus and community.

The Listening Project culminated in an unprecedented gathering on February 1, 2002 where more than 1,400 people participated in the "Defining Our Destiny: Planning Workshop." Students, faculty, staff, alumni, parents, and members of the community came together to share their visions and ideas about how the State's leading institution for higher learning can be improved. Deliberations with the steering committee, working groups, and other participants resulted in this plan which was reviewed and endorsed by the Manoa Faculty Senate.

The Manoa Strategic Plan represents the aspirations of many at the University of Hawai'i at Manoa (UH-Manoa) and the broader community intent upon making UH-Manoa a more vibrant, engaged, and connected place to study, work, and interact. In addition to articulating the mission, this plan also contains a vision statement, core commitments, and strategic imperatives which will help to transform our campus.

The plan is developed around seven core commitments – research; educational effectiveness; social justice; place; economic development;

culture, society and the arts; and technology. The strategic imperatives enunciated for each commitment speaks to Manoa's vision as a premier research institution striving for excellence in teaching, research, and public service. It is an innovative institution, comfortable with change, celebrating its diversity and uniqueness as a Hawaiian place of learning.

#### University of Hawai'i at Hilo

The *University of Hawai'i at Hilo Strategic Plan 2002-2010*, will guide UH-Hilo's prioritization of strategic initiatives and the ongoing development of the campus biennium budget. It establishes the directions and strategies that will guide the University of Hawai'i at Hilo over the next eight years.

The UH-Hilo strategic plan review process has been participatory, inclusive, and ongoing, led by both the Administration and the UH-Hilo Faculty Congress. The Strategic Plan Review Committee is a committee whose membership includes all constituencies, including the student body and the community. The Committee has actively sought input throughout the process, through a campus web-based survey, a survey of the public, and a number of open forums. In May 2002, campus units proposed nineteen strategic initiatives to implement the goals of the revised strategic plan.

The 2002-2010 plan is infused by a strong sense of the campus mission: "to offer quality undergraduate liberal arts and professional programs," as well as selected graduate programs. The campus offers students "hands-on learning, service, and leadership opportunities and especially encourages close student-faculty interaction and collaboration on research projects." Consistent with the accrediting commission's emphasis on the centrality of student learning, the strategic plan goals emphasize educational effectiveness and institutional capacity in the service of education. At the same time, the plan has been shaped by a strong sense of commitment to the community.

The plan establishes six major goals:

- Maintain a well-rounded mix of liberal arts and professional programs, while distinguishing itself by taking full advantage of the extraordinary natural environment and cultural diversity afforded by the island setting.
- Continue to refine and strengthen efforts to fulfill UH-Hilo's primary mission to offer high quality undergraduate liberal arts and professional programs.
- Build a learning environment that facilitates student development and success.
- Obtain sufficient resources to support enrollment growth, high quality programs, and enhanced services.
- Embrace opportunities for dynamic community involvement.
- Establish a more effective organization and invest in human capital.

#### University of Hawai'i West O'ahu

The University of Hawai'i West O'ahu Strategic Plan: 2002-2010, establishes the directions and strategies that will guide the University of Hawai'i West O'ahu over the next eight years.

This plan has been developed through an inclusive process that began with identifying systemwide and campus issues, proceeded through community and campus meetings to focus on those issues and develop action strategies, and provided for input from students, faculty, staff, community members and other stakeholders. Development of this campus plan has also benefitted from the widespread input into the University of Hawai'i System planning processes, which have proceeded simultaneously.

Plan preparation has been overseen by the University of Hawai'i West O'ahu Strategic Planning Committee, an ongoing advisory body to the Chancellor composed of campus-wide representatives.

The plan establishes five major goals for the University of Hawai'i West O'ahu:

- Effectiveness and innovation for student success
- Facilitation for functional integration across the system
- Opportunities for global and multicultural education and engagement
- Investment in human and physical resources
- Capitalization on the community as a key resource

Within each goal, objectives are identified. Each objective is followed by a number of more specific action strategies and resource requirements.

Although the plan provides a template for guiding the University of Hawai'i West O'ahu, it is anticipated that the plan will need to change and evolve as internal and external events impact the University and the campus.

#### Community Colleges

The University of Hawai'i Community Colleges Strategic Plan 2002-2010 establishes the directions and strategies that will guide the Community Colleges over the next eight years.

This plan has been developed through an inclusive process that began with identifying Community Colleges' systemwide issues, proceeded through systemwide meetings to focus those issues and develop action strategies, and provided for input from students, faculty, staff, and administrators throughout and on earlier drafts of the document. Plan preparation has been overseen by the Chancellor's Strategic Plan Steering Committee, an advisory body composed of representatives from student, faculty, and administrative leadership from each campus.

The plan establishes five major goals for the Community Colleges:

- Promote learning and teaching for student success
- Function as a seamless State system
- Promote workforce and economic development
- Develop human resources: recruitment, retention, and renewal
- Develop an effective, efficient, and sustainable infrastructure to support student learning

Within each goal, several objectives are identified, as well as a number of more specific action strategies. In addition, measurable performance outcomes are identified for each objective.

Although the plan provides a template for guiding the University of Hawai'i community colleges, it is anticipated that the plan will need to change and evolve as internal and external events impact the campuses.

Regent Dowling moved to approve, in principle, the strategic plans for the University of Hawai'i at Manoa, Hilo, West O'ahu, and the Community Colleges with the understanding that the implementation details shall be subject to Board policies and applicable statutes and regulations, as presented in President's Memorandum No. 14 (Agenda), Item A-6, dated November 22, 2002. Regent Poe seconded the motion which was unanimously carried.

#### Budget Policy Paper for the 2003-2005 Fiscal Biennium

Vice President Sloane submitted a recommended budget policy paper for approval by the Board. The recommended budget policy paper sets forth the environmental context and general policies to guide the preparation of the University's 2003-2005 biennium budget as required by Board policy.

Section 8-3b(1) of the Board of Regents Policy requires the President to prepare and submit a recommended biennium budget policy paper to the Board for approval. The purpose of the policy paper is to "...set forth the environmental context for budget building and general program, policy and management objectives to guide the preparation of the biennium budget."

Regent Dowling moved to approve the budget policy paper for the fiscal biennium 2003-2005 with the understanding that any changes must be brought back to the Board for approval, as presented in President's Memorandum No. 14 (Agenda), Item A-7, dated November 22, 2002. Regent Nunokawa seconded the motion which was unanimously carried.

#### Operating Budget Recommendations for the 2003-2005 Fiscal Biennium

Vice President Sloane requested that the Board approve the University's operating budget recommendations for the 2003-2005 fiscal biennium. Upon Board approval, the budget will be finalized in the format prescribed by the Department of Budget and Finance and transmitted to the Governor and the 2003 Legislature for review as the Regents' biennium budget request.

The general program, policy and management objectives that guided the preparation of the 2003-2005 biennium budget are included in the document: *University of Hawai'i Strategic Plan: Entering The University's Second Century, 2002-2010*. Within this context, the attention and resources of the University system must be focused on achieving key strategic goals over the next five to eight years. The success of this endeavor will depend upon nurturing a supportive and open institutional climate to facilitate innovation and cooperation. Each site within the University will develop more detailed implementation plans to accomplish the following goals:

- Educational effectiveness and student success
- A learning, research, and service network
- A model local, regional, and global university
- Investment in faculty, staff, students, and their environment
- Resources and stewardship

Consistent with the University's Strategic Plan, the 2003-2005 biennium budget was prepared. The University will be requesting a total of \$99.3 million in general funds program change requests (PCR) in the first year of the biennium and \$116.7 million in the second year to fund priorities such as research infrastructure initiatives at Manoa; support for the revitalization of Hawaiian and indigenous language and cultures at Hilo; faculty and computer technology positions at West O'ahu; and four-year programs at the community colleges.

In addition to general funds program change requests, it is expected that special funds will provide an additional \$12.7 million in the first year of the biennium and \$14.5 million in the second. The total PCRs for all funds would amount to \$112.09 million in FY 2003-2004 and \$131.3 million in FY 2004-2005.

Regent Dowling moved to approve the recommended operating budget for the 2003-2005 fiscal biennium with the understanding that any changes to this budget shall be brought to the Board for approval, as presented in President's Memorandum No. 14 (Agenda), Item A-8, dated November 22, 2002. Regent Thurston seconded the motion which was unanimously carried.

#### Proposed University of Hawai'i Capital Improvements Program Budget for Fiscal Biennium 2003-2005

Vice President Sloane requested that the Board approve the University of Hawai'i's Capital Improvements Program (CIP) budget for fiscal biennium 2003-2005.

The proposed CIP biennium budget for fiscal biennium 2003-2005 meets the goals and objectives of the University of Hawai'i's System Strategic Plan by maintaining and improving campus structures to promote a nurturing learning and working environment. The proposed CIP biennium budget reflects the academic priorities of the University System and is comprised of 28 projects totaling \$666.02 million, of which \$656.02 million is from State general obligation bonds. This includes \$1.44 million for land acquisition of the Cannon Club for Kapi'olani Community College and \$7 million for land acquisition on Maui.

The proposed CIP Biennium Budget is a product of a series of consultative meetings with the campus chancellors and administrative staffs. The proposed CIP biennium budget is prioritized by the following categories:

1. Office of Capital Improvements
2. Health and Safety Projects
3. Capital Renewal and Infrastructure Projects
4. Implementation of Long Range Development Plans
5. Funding Authorization

The University received significant support from the 2001 and 2002 Legislatures in the form of appropriations for various projects. Of the 26 projects included in the proposed CIP biennium budget, 23 projects have prior appropriations or have been included in prior Board of Regents

budgets but were left unfunded. Of the total request of \$666.02 million, \$611.795 million is directly related to projects with prior appropriations and/or included in previous Board CIP budgets. The University is hopeful that some of these projects will be included in the Governor's recommended CIP budget to the 2003 Legislature.

Regent Dowling moved to approve the CIP Biennium Budget for the fiscal biennium 2003-2005 with the understanding that any changes to this budget shall require the prior approval of the Board, as presented in President's Memorandum No. 14 (Agenda), Item A-9, dated November 22, 2002. Regent Thurston seconded the motion which was unanimously carried.

#### System Level Reorganization

Agenda Item A-10, "System Level Reorganization" was deferred at the request of President Dobbelle. The Committee on Budget and Long-Range Planning will meet on December 12, 2002 to discuss the proposal. Prior to this meeting, President Dobbelle promised to meet with students throughout the system on December 7th.

Chair Kobayashi thanked the students and others who testified the previous day.

#### Proposed Reorganization for the Office of the Vice President for External Affairs and University Relations (OVPEAUR)

It was requested that this reorganization be effective upon approval of the Board of Regents. The current OVPEAUR organization consists of subunits for Governmental Relations, Marketing and Branding, Administrative Services, Community and Alumni Relations, Public Relations and Special Events, and Creative Services.

OVPEAUR proposes eliminating the Community and Alumni Relations unit, renaming the Public Relations and Special Events unit to Public Relations, and creating a Marketing and Branding unit. Consequently, the units of OVPEAUR would be Administrative Services, Governmental Relations, Public Relations, Creative Services, and Marketing and Branding. This reorganization reflects the expanding responsibilities of the OVPEAUR and the accommodation of these new responsibilities within a more appropriately structured organization. Except for one position, all others will be reassigned within the OVPEAUR as reflected on the proposed organizational charts.

With this reorganization, administration of the systemwide alumni relations program will become the responsibility of the University of Hawai'i Foundation. An Educational Specialist, the Alumni Affairs Specialist, currently assigned to the OVPEAUR alumni relations program, will be reassigned.

This reorganization has been proposed to address the increasing need to generate external funds for the University, provide consistency and efficiency in funding alumni programs by uniting the alumni affairs program with the University's development, advancement and fundraising agency, and to design, implement and support a comprehensive and coordinated University marketing plan. Image building and enhancement of the University's relationship with the media are other factors for the proposed organizational changes.

Affected positions will be reassigned within the OVPEAUR and redescribed as necessary and no additional funding will be required.

The University Administration has responded to questions from the Hawai'i Government Employees' Association (HGEA); however, finalization of the "good faith" consultation process should be completed.

Regent Dowling moved to approve the reorganization of the Office of the Vice President for External Affairs and University Relations with the understanding that implementation details shall be subject to University policy, statutes, and regulations, as presented in President's Memorandum No. 14 (Agenda), Item A-11, dated November 22, 2002. Regent Thurston seconded the motion which was unanimously carried.

#### Establishment, Amendment and Abolishment of University of Hawai'i Executive Class

Agenda Item A-12, "Establishment, Amendment and Abolishment of University of Hawai'i Executive Class" was deferred at the request of President Dobbelle.

#### Gifts, Grants, and Contracts

No oral report was presented by the Administration.

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. 14 (Agenda), Item A-13, dated November 22, 2002. Regent Poe seconded the motion which was unanimously carried.

#### Appointments, Changes in Appointments, Leaves of Absence, Promotions, Tenure, Waivers of Minimum Qualifications, Emeritus Titles, Shortening of Probationary Periods, Salary Adjustments, Position Actions, Classifications and Pricing



President Dobbelle requested to amend the personnel agenda to include:

1. Leave with pay for personal reasons for Professor Randall Roth, effective January 1, 2003 to December 31, 2003.
2. The appointment of Sam Callejo as Director of Capital Improvements, effective December 2, 2002 at the 80th percentile of CUPA.

Regent Lee moved to amend the personnel agenda to include these two personnel items. Regent Nunokawa seconded the motion which was carried by majority vote. Regent Ikawa voted in opposition to the motion, stating that he could not support the appointment at this time of a former member of the Governor's cabinet due to the perception of further politicizing the University.

#### UNIVERSITY OF HAWAII AT MANOA

##### Executive

HAYES, CHARLES F.

Interim Dean

College of Natural Sciences

Reappointment

December 17, 2002 - December 16, 2003

unless sooner relieved

MATSUOKA, JON K.

Interim Dean

School of Social Work

Reappointment

December 17, 2002 - December 16, 2003

unless sooner relieved

SHELDON, PAULINE J.

Interim Dean

School of Travel Industry Management

Reappointment

December 17, 2002 - December 16, 2003

unless sooner relieved

SAKAGUCHI, RODNEY

Vice Chancellor for Administration,

Finance and Operations

Office of the Chancellor, UHM

Appointment

#### UNIVERSITY OF HAWAII AT HILO

##### Administrative, Professional and Technical

PERREIRA, CALLEN D.

Head Softball Coach

Athletics - Intercollegiate

Salary Adjustment

July 1, 2002

Regent Lee moved to approve the appointments, changes in appointments, leaves of absence, promotion, tenure, waiver of minimum qualifications, emeritus titles, shortening of probationary period, salary adjustments, position actions, classification, and pricing, as presented in President's Memorandum No. 14 (Agenda), B-1, dated November 22, 2002 and amended. Regent Nunokawa seconded the motion which was unanimously carried.

Regent McElrath expressed her concern that interim appointments for indefinite periods might have an effect on the morale of people in a particular department. President Dobbelle responded that with the passage of the System Reorganization Plan, the Administration will move quickly to end years and years of interim appointments.

#### 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. 14 (Agenda), Items C-1 and C-2, dated November 22, 2002.

#### IV. ORAL REPORT OF EXECUTIVE OFFICER

Karla Jones, Director of the State Board for Career and Technical Education, presented a report on the second annual State Career and Technical Education Conference, which was entitled "Build a System, Implement Career Pathways". The event was held in early November, 2002, and was endorsed by both President Dobbelle and Superintendent Hamamoto. Director Jones said that President Dobbelle, using the open space technology format, gave an excellent introduction and launched the 400 participants on the way to implement career pathways.

Career pathways, a new approach to education, merges rigorous academic education with career preparation for all students at all levels. The career pathways approach has been successful across the nation and it is beginning to have good results in Hawai'i. All students are expected to achieve high levels of competency in the basics - reading, writing, math and critical thinking. It prepares students to use their academic skills in the appropriate setting. Students are performing at higher levels with more motivation and focus.

Several years ago, under the school to work initiative, Hawai'i chose the six pathways to explore. Students can explore their interest in any or all of the six career pathways: 1) Health services; 2) arts and communication; 3) human services, education, legal and protective services, social services and hospitality; 4) industrial and engineering technology 5) natural resources; and 6) business, management, and technology. Career pathways give students the tools they need to assess continually their aptitudes, interests, values and personalities and match them to an appropriate work environment.

Director Jones also reported that there is a proposal in President Bush's 2004 budget package to eliminate the Perkins allotment to the State Board for Career and Technical Education with a transfer of career technical education activities from the Department of Education to the Department of Labor, most likely with the job training programs under the Work Force Investment Act.

Regent McElrath stated that three very important pieces of legislation are up for re-authorization as per Director Jones' assessment - the Work Force Investment Act, the Higher Education Act, and the Perkins Act. She suggested that letters be written to the Congressional delegation and to the President to support these programs.

#### V. NEW OR OTHER BUSINESS

Betsy Sloane, President of the University of Hawaii Foundation (Foundation), presented a brief report on the Foundation. She stated that the Board will be provided with two types of reports regularly during the next five-and-a-half years of the Foundation service contract with the University to provide fund raising and alumni relations services to the University. She introduced Donna Vuchinich who is the Foundation's new Vice President for Development at the Foundation and chief fund raising officer.

The fiscal year 02-03 goal for the Foundation is \$25 million. Based on historical fund raising results for the first quarter financial activity, the Foundation is projecting annual activity to produce between \$20 million and \$25 million in this market. Historically, the Foundation's first quarter revenue accounts for 20 percent of annual returns.

At the end of October, approximately \$5.3 million was raised. The planned giving's charitable gift annuity mailing went to approximately 8,000 donors and has generated \$1.2 million in proposal requests. Of that amount \$70,000 in charitable gift annuities have closed which means that the documentation was completed and signed by all parties and, therefore, the gift is now included in the total of gifts made to the University in FY 2003. Another \$175,000 will close by December 31 and \$500,000 is pending for January 2003.

Two direct mail solicitations, which is part of the Foundation's annual fund raising activities, were mailed out this year, and resulted in raising approximately \$110,000.

The Foundation also has a Calling Center which employs 18 students, six nights a week. They call over 60,000 people a year on behalf of the University and each of those nights is dedicated to a different part of the University.

Major gifts proposals pending total approximately \$14 million. Foundation grants pending: \$1 million; this is expected to go up considerably - usually Foundation grants are up between the \$7 million and \$10 million range.

Foundation contacts are tracked in four broad categories: (1) correspondence, (2) events, (3) phone, or (4) personal visits.

President Sloane said that the Foundation tries to align its activities with the strategic initiatives and priorities over the University. The Foundation will provide the University with the greatest amount of resources from private philanthropic sources possible. She projected that the Foundation will raise about 50 percent more than last year; as of November 20th, the Foundation has a little over \$6 million.

Regent Kurisu asked about the Foundation's distribution policy. President Sloane said that there is a very complex per share formula that was developed by the Foundation's Board years ago that determines the payout per year from endowment accounts. The distribution itself is determined in each case by the agreement with the donor; the nature of the distribution is always in accordance with the donor's directions and goes to the same academic program that the donor requests it goes to.

Regent Kurisu inquired about the use of unrestricted funds. President Sloane said that the Foundation has very little unrestricted cash. Last year, she said that out of \$4.8 million, there was only \$250,000 of unrestricted monies. Regent Kurisu then asked whether the equities of the Foundation's investment accounts were unrestricted. Ms. Sloane said that the Foundation has an investment committee with a third party monitor and has five national money managers that rate in the top percentiles of their investment performance. She said that the funds from these accounts are restricted, and that the whole plan is to increase and use the monies for the specified purpose by the donor. She said that the Foundation has a staff person who also functions as an internal auditor and every year, an external audit is held; therefore, President Sloane said that the Foundation has very close checks and balances on the usage of the monies.

In response to Regent Kurisu's concern about investments being short because of the downturn in the economy, President Dobbelle said that the investors know that their investments have gone down in value.

Regent Kurisu asked the Foundation for some level of accountability. Chair Kobayashi said that the University is now paying two and half million dollars a year to the Foundation for overhead to receive additional funding which is now \$25 million and within that \$25 million, the Foundation receives in-kind gifts, etc. He asked if any additional monies will be given to the University besides the investment. President Sloane said that 3 percent of each account is paid out to funds and said that as soon as the market stabilizes, it may be possible to increase this to 5 or 6 percent. Each year, a payout amount is determined based on the trailing five quarters of market activity. The Foundation's investment committee makes the decision on the amount of the distribution every year based on the Foundation's formula which is already in place.

Chair Kobayashi said that hopefully the Foundation can someday guarantee the University that it will be provided with more than the overhead amount.

Regent Lee asked whether the Foundation's direct mail solicitations are going to alumni overseas or only the domestic alumni and asked about the alumni participation rate at the present time. President Sloane said that the mailing this year was targeted for a different audience; however, the Foundation does intend to include in a future mailing the alums that have come through the East West Center and all the international alums. She said that the alumni participation rate now is about 10 percent.

## VI. ANNOUNCEMENT

### Next Meeting

Chairperson Kobayashi announced that the next regular monthly meeting of the Board of Regents would be held on January 17, 2003 at 8:30 a.m. at University of Hawai'i at Hilo. He thanked Provost Peggy Cha and her staff, faculty and students of Kaua'i Community College for hosting the reception and for assisting the Board with meeting arrangements.

President Dobbelle recognized Mr. Allah Ah San, Director of Capital Improvements, for his years of dedication and wished him well on his retirement.

## VII. ADJOURNMENT

There being no further business before the Board, the meeting was adjourned at 9:48 a.m.

Respectfully submitted,

David Iha, Executive Administrator  
and Secretary of the Board of Regents

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