

MINUTES
BOARD OF REGENTS MEETING
MARCH 28, 2019

I. CALL TO ORDER

Chair Lee Putnam called the meeting to order at 10:03 a.m. on Thursday, March 28, 2019, at Kapi'olani Community College, Ka 'Ikena Room, 'Ōhelo Building, 4303 Diamond Head Road, Honolulu, Hawai'i 96816.

Quorum (15): Chair Lee Putnam; Vice Chair Jeffrey Portnoy; Vice Chair Wayne Higaki; Regent Simeon Acoba; Regent Kelli Acopan; Regent Eugene Bal; Regent Ben Kudo; Regent Michael McEnerney; Regent Randy Moore; Regent Alapaki Nahale-a; Regent Jan Sullivan; Regent Michelle Tagorda; Regent Robert Westerman; Regent Ernest Wilson Jr.; and Regent Stanford Yuen.

Others in attendance: President/UH-Mānoa (UHM) Chancellor David Lassner; Vice President for Administration Jan Gouveia; Vice President for Community Colleges John Morton; Vice President for Legal Affairs/University General Counsel Carrie Okinaga; Vice President for Academic Planning and Policy Donald Straney; Vice President for Research and Innovation Vassilis Syrmos; Vice President for Information Technology/Chief Information Officer Garret Yoshimi; Vice President for Budget and Finance/Chief Financial Officer Kalbert Young; Vice President for Advancement/UHF Chief Executive Officer (CEO) Tim Dolan; UHM Vice Chancellor for Research/Interim Vice Chancellor for Academic Affairs Michael Bruno; Interim UH-Hilo (UHH) Chancellor Marcia Sakai; UH-West O'ahu (UHWO) Chancellor Maenette Benham; University of Hawai'i Maui College (UHMC) Chancellor Lui Hokoana; Kapi'olani Community College (KapCC) Chancellor Louise Pagotto; Executive Administrator and Secretary of the Board of Regents (Board Secretary) Kendra Oishi; and others as noted.

II. APPROVAL OF MINUTES OF THE FEBRUARY 28, 2019, MEETING

Vice Chair Higaki moved to approve the minutes of the February 28, 2019, meeting, seconded by Regent Acopan, and the motion carried unanimously.

III. PUBLIC COMMENT PERIOD

Board Secretary Oishi announced that written testimony received by the Board Office from the following for the February 28, 2019, meeting relating to the proposed UHM reorganization and associated implementation actions was included in today's testimony packet:

- Tom Apple, in support of the consolidation of the president and chancellor positions.
- Brian Powell, on behalf of the UHM Faculty Senate (UHMFS), transmitting a resolution opposing Phase 1 of the reorganization of the Mānoa management structure.

- Hannah Liebreich, on behalf of the UHM Graduate Student Organization (GSO), offering comments.
- Carissa Gusman, offering comments in opposition to the Phase 1 reorganization.
- Jannah Lyn Dela Cruz, on behalf of the Associated Students of the University of Hawai'i (ASUH), transmitting a resolution supporting the concept of the UHM reorganization and suggested amendments.
- Laura Lyons, in support.
- Peter Arnade, in support.
- Jonathan Osorio, in support.

Testimony for the March 28, 2019, meeting was received as follows:

- Regarding the agenda item related to the proposed UHM reorganization and associated implementation actions:
 - Jim Shon, Hawai'i Educational Policy Center, offered written comments and provided oral testimony relating to the importance of a public university nurturing and supporting knowledge and understanding of democracy, citizenship, and civic education; revising the ombuds office; and creating a support structure for independent policy centers.
 - David Duffy, on behalf of the UHMFSEC Executive Committee (UHMFCSEC), resubmitted written testimony from the February 28, 2019, board meeting and offered follow-up testimony with additional comments.
 - Brian Powell, Chair of the UHMFS, provided oral testimony summarizing his written testimony opposing Phase I of the proposed UHM reorganization until the entire reorganization can be assessed.
 - Amy Agbayani submitted late written testimony in support.
 - Noel Kent provided oral testimony in opposition.
- The following submitted written testimony offering comments related to the recent legislative actions pertaining to the budget:
 - David Duffy, on behalf of the UHMFCSEC
 - Monisha Das Gupta
 - Noel Kent
 - Lynn Wilkens, President of the University of Hawai'i Professional Assembly (UHPA). Ms. Wilkens also provided oral testimony summarizing her written comments.
 - Lisa Uyehara submitted written comments expressing support of the administration.
 - Ashley Maynard, Karla Hayashi, Benton Rodden, and Nani Azman provided oral testimony related to UH leadership.
- Regarding the contract extension of UHM Athletics Director David Matlin:
 - Charlie Wade submitted late written testimony in support.
 - Laura Beeman and Nick Rolovich provided oral testimony in support.

IV. REPORT OF THE PRESIDENT

President Lassner provided a report highlighting the following:

He expressed his appreciation to the administrative team of VP Young, VP Syrmos, VC Bruno, AVC McCreary, and every UHM dean and their staff that mitigated what would have been the devastating effect of the Senate budget by providing detailed follow-up information to correct the misconceptions that underlay the proposed faculty and staff cuts. There was a difference of opinion with UHPA on legislative strategy, but administration made it a priority to engage fully and directly with the Legislature at multiple levels to reverse those cuts as quickly as possible.

There was also a difference of opinion with UHPA on communications strategy and notifying the occupants of the 121 positions that would have been impacted by the cuts. Administration felt that causing alarm to the hardworking and valued faculty was unwarranted because the goal was to reverse the cuts, which was achieved. The UHPA collective bargaining contract includes provisions for retrenchment that would have been followed if positions and funding had been eliminated; the 121 positions were not necessarily the people who would have been impacted.

President Lassner expressed that there is a need to help the Legislature and others understand the everyday impact of the university and its faculty on the people of Hawai'i. He emphasized that the language in the Hawai'i State Constitution relating to governance and internal management of UH arose from the needs of the State for economic revitalization. Administration is cognizant of the fact that from a governance and autonomy perspective that if the proposed budget cuts were simply 121 faculty positions and \$13 million without reference to specific position numbers, then administration would have had to deal with that as they have in the past with other legislative budget cuts.

President Lassner took ownership of not communicating sooner about the work being done to reverse the cuts the day they were announced. However, under the circumstances, he did not regret engaging directly and fully with the Legislature to reverse the cuts expeditiously.

The final budget worksheets were not yet released and key priorities were pending, including the extension of the Hawai'i Promise program and capital improvement project funding for the facilities to support 21st century teaching, learning, and research.

President Lassner indicated he was heartened by the testimony provided this morning by the UHMFSEC, whom he met with earlier in the week, urging that this incident be a catalyst for unity within the university and suggesting a positive and collaborative path forward. He was also heartened by editorial support from the major newspaper, commentary in support of the university by a knowledgeable and credible TV journalist, and a strong letter of support for the university from the Hawai'i Business Roundtable that was delivered to every legislator.

After the legislative session is over, President Lassner indicated he looked forward to building a foundation for action with the UHMFS, UHM deans, regents, the Legislature, and others of like minds, including UHPA if they are willing, to develop a plan to remind and educate all of Hawai'i regarding what UH does for its students and

the community, the work of the faculty, the provisions of the Hawai'i State Constitution, and how we are accountable within the university.

The Legislature and community need to understand how they can help UH do even more together to create the future for Hawai'i that we all want: sustainable, grounded in aloha, with new innovations stimulating great jobs that engage Hawai'i's best and brightest, and nurturing and improving the lives of our people and our planet. None of this can happen without a vibrant University of Hawai'i System driven by a well-supported world-class faculty.

Hawai'i Graduation Initiative (HGI)

- Argosy closing. UH campuses have been involved in helping Argosy students who were left in the middle of the semester without access to education and financial aid. UHM extended admissions deadlines for Argosy students and developed compassionate transfer procedures to relax UH's residency requirements, and to recognize Argosy's general education requirements as sufficient for fulfilling UHM's general education requirements. He recognized Wendy Pearson for working on this matter and consulting with the UHMFS.

Argosy also had a location in American Samoa and is reaching out to help support those students. UHWO is helping Argosy undergraduate business students and has participated in transfer fairs.

- Consolidation of East Asian Language graduate programs. Separate UHM Masters and Ph.D. programs in Chinese, Japanese, and Korean were merged into East Asian Languages and Literature (EALL) Masters and Ph.D. programs, thereby reducing six separate graduate programs into two.

High Performance Mission-Driven System (HPMS)

- President Lassner recognized Debasis and the UH Maui College team on being approved as a National Security Agency/Department of Homeland Security (NSA/DHS) National Center of Academic Excellence in Cyber Defense Education for four years. UHMC joins Honolulu Community College, Leeward Community College, UHM, and UHWO as Centers of Academic Excellence. UHM was redesignated as NSA/DHS National Center of Academic Excellence in Cyber Defense Research until 2024.
- President Lassner shared a [video](#) highlighting sustainability and resilience efforts at UH.

President Lassner ended his report by announcing the UH nominees for the annual Governor's Awards for Distinguished State Service, including: UH Nominee for Employee of the Year, Marcus Hayden, Fiscal Manager for UHM College of Tropical Agriculture and Human Resources; UH Nominee for Manager of the Year, Ron Cambra, UHM Office of Undergraduate Education; and UH Nominees for Team of the Year, UH Cancer Center Administrative Leadership Team of Namrata Gurung, Nana Ohkawa,

Francis Blanco, Cathy Zhang, Michelle Kau, Kate Bryant-Greenwood, Wendy Richards, Komelia Szauter, and Todd Cullison.

Report of the Host Campus

Chancellor Pagotto welcomed everyone and provided a progress update on KapCC's strategic directions, including updates on enrollment, student demographics, and 2019 priorities to recruit, reverse the trend of declining fall enrollment of international students, increase fall enrollment of returning adult students, and retain fall-to-fall persistent enrollment by focusing on undergraduate research, sustainability, and distance education.

Joe Kamakele, a KapCC student, shared his experience about the challenges of returning to school after being injured on the job and how instrumental the KapCC academic counselors and the Lunalilo Scholars Program were in helping him succeed. Mr. Kamakele will be graduating from the KapCC paralegal program this semester and is enrolled in UHM's Justice Administration program.

Dr. Candy Branson, KapCC Faculty Senate Chair, provided an overview of the KapCC Faculty Senate and highlighted the efforts and accomplishments of the Sustainability Standing Committee, which is focused on creating coherence through cohort experiences, assessments, and capstones, and the Distance Education Standing Committee, which developed a comprehensive distance education plan focused on preparing instructors to teach online and hybrid courses, distance education definitions, and distance education review process to ensure compliance with federal regulations.

Chancellor Pagotto also provided an update on steps KapCC has taken to address the Accrediting Commission for Community and Junior Colleges (ACCJC) 2019 recommendations to systematically document cycles of continuous improvement for institutional plans, policies, and procedures, and learning outcomes assessments tied to program improvement.

Vice Chair Portnoy expressed concern that there was only one mental health counselor on campus. Chancellor Pagotto responded that administration understands the need for mental health counselors and is recruiting for a second position.

Regent Yuen noted the important role academic counselors and advisors have in student success and shared his personal experience of how a counselor helped him. Chancellor Pagotto explained that the biggest challenge is making sure students connect with counselors and administration is working to ensure students avail themselves of this valuable resource.

V. COMMITTEE AND AFFILIATE REPORTS

A. Report from the Committee on Academic and Student Affairs

Committee Chair Tagorda summarized the written committee report.

B. Report from the Committee on Intercollegiate Athletics

Committee Chair Portnoy summarized the written committee report.

C. Report from the Committee on Personnel Affairs and Board Governance

Committee Chair Bal summarized the written committee report.

D. Affiliate Reports

UH Student Caucus (UHSC): Regent Acopan reported that the UHSC met on March 9, 2019, at the Palamanui campus. Kumu Eric Flores, a protector, and Dr. Greg Chun of the Maunakea Management Board gave presentations on Maunakea.

Concerns were expressed regarding classes being cut which delayed graduation. Regent Acopan asked which campuses received formal versus anecdotal complaints, and multiple community colleges, UHM, and UHH all received formal complaints.

At the previous UHSC meeting concerns were expressed regarding whether the board and UHSC had a good and strong relationship. The UHSC clarified that questions and concerns were posed to students during their legislative visits that students were not holding the UH System and board accountable, regents are out of touch with students, and students should be holding regents as a whole accountable.

Concerns were also expressed about transparency, specifically why the UHM reorganization agenda item was scheduled for a meeting on Maui in February.

The next UHSC meeting is April 6 at UHMC and regents are welcome to attend.

VI. AGENDA ITEMS

A. For Action Consent Agenda

1. Approval to Change from Provisional to Established Status: Associate of Science in Business, Kauai Community College
2. Approval to Change from Provisional to Established Status: Associate of Science in Natural Science at the following campuses:
 - a. Hawai'i Community College
 - b. Honolulu Community College
 - c. Kaua'i Community College
 - d. University of Hawai'i Maui College
 - e. Windward Community College
3. Approval of the Establishment of a Provisional Bachelor of Science in Construction Engineering University of Hawai'i at Mānoa
4. Approval of the Establishment of a Provisional Master of Asian International Affairs, University of Hawai'i at Mānoa
5. Approval of the Establishment of the Following Provisional Programs:
 - a. Master of Science in Information Systems, University of Hawai'i at Mānoa

- b. **Master of Science in Marketing Management, University of Hawai'i at Mānoa**
- c. **Master of Science in Finance, University of Hawai'i at Mānoa**
- 6. **Approval of a Template of Indemnification Provision for Subawards Between the University of Hawai'i and the Space Telescope Science Institute (STScI)**

Regent Wilson moved to approve the consent agenda, seconded by Regent Moore.

Vice Chair Portnoy indicated he was abstaining from voting on the program proposals, agenda items VI.A.1. to VI.A.5. because he regards these actions as beyond the scope of the board's purview and expertise.

The motion was put to a vote and carried unanimously, with the exception of Regent Portnoy abstaining from agenda items VI.A.1. to VI.A.5.

B. Approval of Donor Recognition Naming of the Mamoru and Aiko Takitani Innovation Center at the Culinary Institute of the Pacific at Diamond Head

VP Morton and VP/UHF CEO Dolan requested the regents approve the naming of the new Innovation Center at the Culinary Institute of the Pacific (Culinary Institute) at Diamond Head in honor of Mamoru and Aiko Takitani in recognition of a new \$2.5 million gift from the Mamoru and Aiko Takitani Foundation (Takitani Foundation), Inc. that follows prior gifts for the Culinary Institute comprising \$1.1 million. VP Morton explained that the Legislature approved up to \$10 million in funding if UH could provide matching funds. The Takitani Foundation's cumulative \$3.6 million donation helps UH provide matching funds and is the largest local, private gift to the Culinary Institute. VP/UHF CEO Dolan added that not having a pre-fixed naming policy is a sensible strategy because it allows greater flexibility in considering such propositions.

Regent Moore moved to approve the donor recognition, seconded by Regent Yuen, and the motion carried unanimously.

C. Discussion of University of Hawai'i Administrative Costs: Comparison with Peers

VP Straney provided an overview of UH's administrative costs compared with peer institutions that included cost and comparison methodologies and the number of full-time equivalent (FTE) administrators and staff per FTE students in peers as identified by the Integrated Postsecondary Education Data System (IPEDS). He noted that overall, UH has significantly fewer FTE administrators per FTE students than peers. Regarding FTE staff per FTE students, the community colleges and UH Hilo are higher than peers mainly due to the decline in FTE students, and UHM and UHWO are much lower than peers.

VP Straney also presented the American Council of Trustees and Alumni (ACTA)'s cost analysis, ACTA recommended peer groups, and administrative cost/instructional cost ratios and administrative costs per FTE student for the four-year UH campuses. He noted that UH four-year campuses are spending much less on administrative costs

than instructional costs than comparison groups nationally. He noted that in 2012, there was a redefinition of how data was recorded, so the comparable data is only applicable from 2013 going forward. The administrative cost per FTE student for UH four-year campuses compares favorably to the comparison groups.

Regent Bal raised a question regarding UHWO costs exceeding the comparison groups in 2012 and 2013. VP Straney responded that the data definitions prior to 2013 were revised in IPEDS and improvements were made to internal reporting, so results prior to 2013 are considered a data anomaly.

Regent Sullivan noted the ACTA cost calculator for universities shows an increase at UHM from \$500 per student to \$2,000 per student between 2012 and 2013, and questioned the cause for the dramatic increase, whether the IPEDS classification for UHM was thorough, and whether the administrative costs accounted for executive/managerial (E/M) salaries. Pearl Imada Iboshi, Director of the Institutional Research and Analysis Office, explained that in 2012 administration underwent a process of clarifying institutional costs vs. educational and instructional costs. The clarification resulted in an increased share of administrative costs for UHM and a decreased cost for other campuses, as some costs were auxiliary costs that had been classified as administrative costs. The administrative costs include all institutional costs for things not directly related to instruction including E/M salaries for chancellors and deans.

Chair Putnam raised a question about how System administrative costs are attributed. VP Straney responded that UH follows ACTA's approach of analyzing the campus. System costs are not included in any of the charts or the charts for the comparison campuses.

Regent Acoba inquired as to why these particular groups were chosen as the measure for the ratios. VP Straney explained that peer groups are the standard peer groups used in every analysis for the campuses. He was not sure why ACTA selected the comparison groups that they did. For example, ACTA considers UHH and UHWO peers even though one is a master's level institution and the other a small baccalaureate institution. He added that he did not believe UH would fare worse if they used what we consider peers. Regent Acoba questioned whether the data was valid. VP Straney responded that another indicator would be comparing our administrative costs to the national median for comparable institutions. Director Iboshi reported that both ACTA and IPEDS have strong methodologies for selecting peers and their websites have extensive information on how peer groups are selected.

Regent McEnerney inquired whether any of the peer groups had system-level costs like UH. Director Iboshi responded that several institutions had system costs which, like UH, were reported separately to IPEDS. She noted that there is not a standard methodology addressing system costs among campuses within a system. Other institutions did not submit system costs to ACTA, so UH decided to leave system costs out. Regent McEnerney expressed concern that not including System information does not help address criticism from the Legislature about administrative costs.

Regent Acoba asked if doing our own analysis would provide a more accurate picture of costs. Director Iboshi responded that the numbers are very accurate starting from 2013.

Comments were made that the ACTA data showed UH campuses doing fairly well compared to peers, but illustrates that college is becoming more expensive despite efforts to contain costs. It was noted that there are increasing requirements and unfunded mandates imposed on universities that entail additional administrative costs.

Chair Putnam suggested it would be helpful to review this information periodically.

The board went into recess at 12:22 p.m. The meeting reconvened at 12:33 p.m. Quorum was maintained.

D. Approval of Phase 1 of the University of Hawai'i at Mānoa Reorganization Proposal and Associated Implementation Actions: (Deferred from February 2019)

- 1. Reorganization proposal including updated functional statements and organization charts**
- 2. Amendments to RP 2.202, Duties of the President**
- 3. Amendments to RP 2.201, Officers of the University of Hawai'i**
- 4. Amendments to Class Specification for President**
- 5. Establishment of Class Specification for Provost with Assignment to the SM-5 Salary Schedule**

President Lassner explained that item was on the agenda for the February board meeting, which was held on Maui. Administration had requested the item be deferred until it could be discussed at a meeting on O'ahu and used that time to continue discussions with the UHMFSEC and UHM administration. The UHMFS is continuing to work with administration on improving the proposal even though the UHMFS is currently opposed to proceeding with the reorganization. As a result, this version of the proposal includes edits to the functional statements.

President Lassner requested that if the board takes action on the proposal that the effective date be changed to April 1, 2019, instead of March 1, 2019, and that administration be given the ability to make additional editorial changes. He noted that concerns raised by the UHMFSEC today related to the reporting line for the chief business officer and the functional statement for that office will be addressed in Phase 2, but the current VC for Administration, Finance and Operations will continue in its current form. He indicated that while he understands and respects the perspective that the entire reorganization should wait until Phase 2 is completed, both he and the design team share the view that the approval of Phase 1 will provide a strong foundation for moving ahead with Phase 2, and solidifies the interim arrangement that has been in place for 2.5 years. He thanked the design team for their work, and the mini design groups, UHMFS, and UHMFSEC for their input.

Regent Kudo raised questions regarding the number of phases comprising the reorganization and whether administrative costs will decrease as a result of the

reorganization. He also suggested that an outline of the details of each phase and the goals and objectives be developed to address uncertainty and allay concerns up front. President Lassner explained that there are two major phases: Phase 1 addressing the senior level leadership for the campus and Phase 2, which could be executed in 3 separate pieces or altogether, which he will be discussing with the UHMFS. Phase 2 involves the creation of the offices that would report directly to the President and Provost, and is dependent on the approval of Phase 1. The purposes and functions have been generally laid out at the conceptual level that the board approved in November 2018. The plan for Phase 2 is to establish design teams to develop proposals for each of the affected offices. There will be no increase in administrative costs or executive/managerial employees as a result of the reorganization. The goal is to put individuals into functions that directly impact faculty and student success, and educational excellence.

Regent Acopan noted that testimony provided and through actions taken by the Legislature that there is a lack of faith in the university and administration due largely to the perceived lack of transparency and ineffective and inefficient communication. Without getting a general sense of the overall plan, it is hard to make a determination that the plan will not result in additional costs. President Lassner explained that the entire reorganization plan was discussed when the board approved the conceptual plan in November 2018, which was prior to the new regents joining the board. The purposes of each part of the vice provosts offices are included elements in the Phase 2 plan. Costs cannot be increased because there is no additional funding available and no additional E/M position counts to be distributed.

Vice Chair Portnoy reiterated that he has been opposed to combining the president and chancellor positions since the last UHM chancellor search was aborted. He does not have the expertise or knowledge to comment on the implementation or substance, but remains opposed to the plan because he feels it not good for the System or UHM and goes against the recommendation of the Western Interstate Commission for Higher Education (WICHE) to keep the positions separate.

Regent Sullivan shared that there have been four UHM chancellors since she has been on the board, and that an institution as big and important as UHM needs consistent leadership which it has not been able to maintain since the position was split in 1972. She feels there are functionalities that are conflicting between UHM and System, and the president is the only individual who can fix that because the problem is too complex and the silos run too deep. The president has been acting UHM chancellor for the past two years and in November 2018 the board approved this reorganization in concept.

Regent Sullivan further elaborated that faculty concerns should be taken seriously and that both regents and administration could improve communication. She expressed her support for faculty and students and her hope that they understand that the board is trying to do what is best for the university. She added that the action memo was confusing because the attachments appear to be part of Phase 2 of the reorganization proposal.

Regent Sullivan made a motion that the board approve recombining the positions of UH President and UHM Chancellor and establishing a new Provost position that will serve as chief academic officer of UHM and full deputy to the campus CEO as well as an Officer of the UH System, and put approval of the associated implementation actions listed in the action memo on hold to allow administration to work with the faculty and other constituents and come back to the board with Phase 2 within a reasonable time frame. Regent Higaki seconded the motion.

President Lassner explained that the associated implementation actions are the technical steps required by the university in order to recombine the positions and establish a new provost position.

Chair Putnam asked if the attached organization charts represented the current organization charts and do not reflect anything that might result in Phase 2. President Lassner confirmed that was correct, with the exception of the recombined position and new provost position.

Regent Sullivan expressed concern about the number of organization charts that were attached to the memo, but noted she did not have any objection to anything that is consistent with the motion. President Lassner clarified that the attached organization charts were attached to map the current structure to the proposed Phase 1, and there were no Phase 2 organization charts yet. Phase 2 will impact the organization charts, so the attached charts should be considered interim charts.

Regent Yuen asked administration what would be considered a reasonable timeframe to come back to the board regarding Phase 2. President Lassner explained that some parts of the Phase 2 reorganization are harder than others, and suggested monthly progress reports to the board. Regent Sullivan suggested that a schedule be communicated to the campus so they know what to expect. President Lassner agreed to work on it.

There was discussion regarding the approval of the associated implementation actions that were not part of the current motion. Regent Sullivan clarified her motion to include anything necessary to implement Phase 1 and changing the effective date to April 1, 2019, with the understanding that the organization charts are interim and monthly progress reports will be provided to the board. Vice Chair Higaki agreed.

Regent Moore added that we should not delay matters but also not rush things through. We are lacking trust, which has contributed to problems with the Legislature. Based on his experience with President Lassner for more than five years, he merits our trust and has been responsive to faculty input. While he understands the faculty's desire to know what the entire reorganization looks like, the board's responsibility is to approve the organization from the president and his direct reports, and nothing beyond. The board needs to have sufficient faith that the president will be attentive to the details.

Regent Acoba noted that there is a constitutional mandate that regents have responsibility over the internal structure of the university, which is not limited to the president and direct reports. He cited a 2015 WICHE study that recommended that the president and chancellor positions remain separate, and reminded the board that in August 2015, the president requested and the board affirmed keeping the positions

separate. He further elaborated on the history of the organizational changes within the university between 2016 and 2017, and noted the failure to start a search for a UHM chancellor despite the reaffirmation of keeping the positions separate.

Regent Acoba cited a conflict between a February 2017 board resolution in support of the president continuing in his dual capacity and revisiting how to fill the position of chancellor in two years, and a subsequent conflicting board resolution proposed and adopted in March 2018 which stated that the board would consider the president's proposal to re-consolidate the president and chancellor positions, before the two years mentioned in the February 2017 resolution was even up, and then in November 2018 the board approved reorganization in concept. He challenged the argument that changes in chancellors were a sign of instability, and noted that the university did not appear unstable during the tenures of Presidents Matsuda, McClain, and Cleveland, even though there were multiple chancellors during that time. He further expressed that people leave for different reasons and that the stability of the university is represented by the president.

Regent Acoba concluded that it is in the best interest of the university to follow the WICHE recommendation to keep the positions separate and that the proposed structure makes it difficult to assign accountability and responsibility. He added that thought needs to be given towards a long-term structure that is not based on the individuals currently in place as they may not be here tomorrow.

Regent Nahale-a appreciated the background and perspectives provided, but agreed the action memo was confusing as to what was driving the change. Although he initially did not think it was a good idea to consolidate the positions, he agreed with the logic behind the proposal. He noted that the issue needs to be settled and that although this is not an easy path for the president, it is at his request. He further noted that the role of the regents is to hold individuals accountable for their roles and less about design. Regent Nahale-a expressed his cautious support of the proposal and that the board needs to restore confidence in the system and address fears. He added that it will be a distraction if the board does not take action on the proposal.

President Lassner explained that this proposal originated organically from the design team and stemmed from the belief that a provost was needed to pull the academic mission into coherence. They were unable to identify a research university that doesn't have a provost. About one year ago, a design team member suggested that if there is a provost and president then the job of chancellor may be unsustainable given the remaining complexities of the organization, where things were moving to consolidated administrative functions to reduce costs based upon directive by the board. Given all of these things combined with the political climate, the chancellor position would not be easy to fill.

Vice Chair Higaki explained that understanding the circumstances and discussions that have taken place, he was not sure that WICHE would not say today that we couldn't proceed with this reorganization proposal. He expressed confidence in President Lassner in executing the proposal and that he will be supporting it primarily

for that reason. He appreciates the views of others, but indicated that we do not live in a vacuum and the board is in a position to move in this path with the right person.

Regent Yuen explained that he previously had reservations regarding transparency, and issues brought up by UHPA and the UHMFS. However, with this motion, administration has time to address the issues and concerns. He indicated that the regents need to move forward and he will be voting in favor of the proposal.

Vice Chair Portnoy expressed his opinion that the proposal arose out of the failed chancellor search and the idea of a provost came up a few months ago. President Lassner responded that the design team came up with the provost idea near the end of 2017, and began actively discussing it in early 2018. If a chancellor had been hired then that individual would have been responsible for the reorganization.

There having been a motion that was made and seconded, the motion was put to a vote and carried, with Vice Chair Portnoy, Regent Acoba, and Regent Westerman voting no.

E. Approval of Revisions to Regents Policy 2.203, Policy on Evaluation of the President (to be renamed, Policy on Evaluation on the President and Other Direct Reports to the Board)

Chair Putnam explained that there are three positions that the board appoints and evaluates: the president, the director of internal audit, and the board secretary.

Regent Bal moved to approve the revisions to RP 2.203, Policy on Evaluation of the President and Other Direct Reports to the Board, seconded by Regent Moore.

Regent Acoba suggested the phrasing, “persons directly reporting to the board” instead of “direct reports to the board.”

Regent Bal explained that the term “direct report” is acknowledged and understood to be those individuals reporting directly to a supervisor.

Regent Bal and Regent Moore agreed to amend the motion to change the phrasing to, “policy on evaluation of the president and other persons reporting directly to the board.” The motion having been moved and seconded, the amended motion was put to a vote and carried unanimously.

G. Resolution on Senate Bill (S.B.) No. 919, Relating to the University of Hawai'i Board of Regents

There were no objections to taking up agenda items VI.G. and VI.H. before VI.F., Legislative Update. Chair Putnam explained that the board has not taken a formal position on this legislation, although several regents submitted testimony. Some regents have had strong concerns over various aspects of this legislation, and recent events have raised the level of concern about protecting the university's autonomy. She noted there is a difference of opinion on the number of regents.

Vice Chair Portnoy was pleased to see an attempt for the board to take a stand, but he did not think the resolution is strong enough. He feels the board has been remiss in not taking an active, aggressive stance against this legislation and the other events that have occurred in recent weeks that are an attack on the university's autonomy. He noted that he raised the question of autonomy with the House Judiciary Committee. He agreed that the number of regents is up for discussion, but the rest of the bill is questionable, specifically the part that orders the regents to take action against the president if he does something that leads to additional costs to the university. He added that there needs to be a two-way conversation between the board and the Legislature. He expressed that the resolution make reference to the constitution and autonomy.

Regent Moore noted that Article X, Section 6, of the Hawai'i State Constitution states that, "[t]he board shall have the power to formulate policy, and to exercise control over the university through its executive officer, the president of the university, who shall be appointed by the board. The board shall also have exclusive jurisdiction over the internal structure, management, and operation of the university. This section shall not limit the power of the legislature to enact laws of statewide concern. The legislature shall have the exclusive jurisdiction to identify laws of statewide concern." He expressed that the board has as much autonomy as authorized by the Legislature and does not have absolute autonomy, and that standing on the constitution was not in the board's best interest.

Regent Kudo explained that he was not in favor of the resolution because it was not an appropriate political strategy. He reminded the board that autonomy is given and taken by the Legislature. He noted that opposition to the bill is already on record and this resolution may not be well received. Regent Kudo indicated he would be voting against the resolution because it was not an appropriate or effective political strategy. He added that every year is different at the Legislature in terms of leadership, issues, and priorities, so better communication between regents and the Legislature is appropriate.

Regent Yuen agreed with Regent Kudo.

Regent Acoba indicated that the regents should take a stand because the argument could be made that the board doesn't care. He noted that the fact that the Legislature can override the board's autonomy does not mean the board does not have autonomy. He suggested the language of the resolution mention that the constitution provides for the board's autonomy subject to the Legislature's right to adopt laws. He felt the third WHEREAS clause relating to the number of members on public education boards across the nation undercut the board's position and should be deleted and suggested that language be added that says 15 members of the board are beneficial to conduct business of the board.

Regent Acopan indicated that the regents have been viewed as inactive and it has been noticed that the regents have not taken a position on this bill.

Vice Chair Higaki noted that no testimony is accepted during conference and asked procedurally where the resolution would go if adopted. Chair Putnam noted that the

copies of the resolution would be transmitted to the Governor, President of the Senate, Speaker of the House, Chair of the Senate Committee on Higher Education, and Chair of the House Committee on Lower and Higher Education.

Vice Chair Portnoy felt that Regent Kudo's plan for regent engagement with the Legislature several years ago was good, but it does not appear that the relationship with the Legislature has improved. He expressed his belief that the board should share its position with the Legislature.

Chair Putnam mused that there should have been a discussion on this bill earlier in the session. This is the only opportunity for regents to act as a group.

Regent Westerman agreed that it is late in the session and it could potentially agitate the Legislature, but also agreed that the board needs to stand together as a group. He reiterated a suggestion from a previous board meeting that the board allow the chair to act on behalf of the board. He expressed concern with how the Legislature perceives the board and the need to make the board's position and goals clear to faculty and others.

Regent Nahale-a expressed his belief that the resolution is too late. He would support the resolution if it comes to a vote, and thought the resolution was well-written and the direction the board should take in the future.

Chair Putnam expressed concern about legislators weighing in on faculty workload, which is a deeply involved process that they may not understand and may result in legislation that might harm the university. That issue is not addressed in this resolution, but it might be a good idea to stand up and say we want to defend the university.

The motion was put to a vote and carried, with Regent Kudo, Regent Sullivan, and Regent Wilson voting no.

Regent Acoba requested the third WHEREAS paragraph be deleted, and language be added that says 15 members of the board are beneficial to conduct business of the board. There were no objections.

H. S.B. No. 928, Proposing an Amendment to Article X, Section 6, of the Hawaii State Constitution, to Modify the Appointment Process for the Board of Regents of the University of Hawai'i

Chair Putnam explained that this bill proposes amending the Constitution to eliminate the Candidate Advisory Council. Administration has not taken a position on this bill, and Regent Moore provided individual testimony in opposition. She asked if the board wanted to take a position on this.

Regent Acoba indicated that the proposed amendment would not be good. The Council is modeled on the Judicial Selection Commission procedure, and aims to get well-qualified individuals to make the nominations.

There was not a strong sentiment from the regents to take a stand on this legislation and no action was taken.

Regent Nahale-a left at 2:10 p.m. Quorum was maintained.

F. Legislative Update

VP Young provided an update on select measures and priority issues that UH is following at the Legislature. The budget bill has been sent to the Governor for his consideration about five weeks earlier than usual. He noted that capital budget is in separate legislation and not begun the Conference process yet.

Changes to the university budget as passed by the Legislature are minimal. Of note is a \$2 million cut in existing base-funding for performance funding which has been reduced to only the first fiscal year of the biennium. A reduction of one FTE and \$91,584 from UHM is the only remnant of the originally proposed reduction in positions by the Senate. This position is vacant and impact should be minimal except for the loss in general funds. There were also vacancy reductions totaling 42.75 FTEs systemwide.

Of the original board-approved budget request for additional funding, only the student mentors and tutors for the community colleges and custodial and maintenance personnel for UHH were partially funded by the Legislature.

There were a number of legislative add-ons as noted on slide 3 of the legislature update.

With about a month left in the legislative session, administration is focused on \$2.7 million in athletics funding for UHM and \$300,000 for UHH (both of which are in the current year's budget as non-recurring funding, but is also not included in the budget passed by the Legislature for the next biennium), and funding for Hawai'i Promise, which does not appear to be in the budget (but is provided for in separate bills scheduled for conference).

Regarding capital improvement project (CIP) funding, UH originally requested \$295 million in FY20 and \$319 million in FY21, and the Senate draft of the CIP budget provides \$141 million in FY20 and \$96.5 million in FY21. However, most of the funding was for items not requested by UH.

VII. EXECUTIVE SESSION (closed to the public)

Upon motion by Regent Wilson, seconded by Regent Tagorda, the board unanimously approved convening in executive session to consider the hire, evaluation, dismissal, or discipline of an officer or employee, where consideration of matters affecting privacy will be involved, pursuant to Section 92-5(a)(2), Hawai'i Revised Statutes.

The meeting recessed at 2:38 p.m. and reconvened at 2:59 p.m.

Chair Putnam noted that the board went into executive session to discuss personnel matters as indicated on the agenda.

VIII. AGENDA ITEMS (cont.)

A. Personnel Actions (A-1 for Approval)

Regent Moore moved to approve the personnel action on Attachment A-1 related to reassigning Michael Bruno as UHM Provost, seconded by Regent Westerman, and the motion carried unanimously with Regent Nahale-a excused.

Regent Bal moved to approve the personnel action on Attachment A-1 related to extending the contract for David Matlin as UHM Athletic Director, seconded by Regent Higaki, and the motion carried unanimously with the exception of Regent Kudo voting no because of the precedent it would set and not because of AD Matlin, Regent Moore and Regent Wilson voting against, and Regent Nahale-a excused.

Regent Moore moved to approve the personnel action on Attachment A-1 related to granting Affiliate Graduate Faculty Emeritus status to Dr. Morris Lai, seconded by Regent Tagorda, and the motion carried unanimously with Regent Nahale-a excused.

IX. ANNOUNCEMENTS

Chair Putnam announced the next board meeting is scheduled for April 18, 2019, at Leeward Community College.

X. ADJOURNMENT

There being no further business, Vice Chair Higaki moved to adjourn, and Regent Sullivan seconded, and with unanimous approval, the meeting was adjourned at 3:02 p.m.

Respectfully Submitted,

/S/

Kendra Oishi
Executive Administrator and Secretary
of the Board of Regents