MINUTES

BOARD OF REGENTS MEETING

MAY 16, 2019

I. CALL TO ORDER

Chair Lee Putnam called the meeting to order at 10:02 a.m. on Thursday, May 16, 2019, at Windward Community College, 45-720 Kea'ahala Road, Hale Akoakoa 101 & 103, Kaneohe, Hawai‘i 96744.

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 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; UH-Mānoa (UHM) Provost Michael Bruno; Interim UH-Hilo (UHH) Chancellor Marcia Sakai; UH-West O’ahu (UHWO) Chancellor Maenette Benham; Windward Community College (WinCC) Chancellor Ardis Eschenberg; Honolulu Community College Chancellor Erika Lacro; Executive Administrator and Secretary of the Board of Regents (Board Secretary) Kendra Oishi; and others as noted.

Chair Putnam explained that after the agenda was posted, board leadership became aware that Emeritus Regent Chuck Gee was in poor health, and because the next board meeting is not until July, it seemed appropriate to honor him today. She requested a motion to amend the agenda to add an item to approve the awarding of the Regents’ Medal of Distinction to Chuck Gee. She noted that according to Section 92-7(d), Hawai‘i Revised Statutes, adding an agenda item requires a 2/3 vote of members provided that item is not of reasonably major importance and action by the board will not affect a significant number of persons. She confirmed with the Office of General Counsel that this agenda item meets those qualifications. She indicated that the agenda item would be taken up after agenda item VI.A.

Vice Chair Portnoy moved to approve amending the agenda to include approving the award of the Regents’ Medal of Distinction to Mr. Chuck Gee, seconded by Regent Wilson. The motion was put to a vote and carried unanimously.

II. APPROVAL OF MINUTES OF THE MARCH 28, 2019 MEETING
Regent Moore moved to approve the minutes of the March 28, 2019, meeting, seconded by Vice Chair Higaki, and the motion carried unanimously.

III. PUBLIC COMMENT PERIOD

Board Secretary Oishi announced that the Board Office received written testimony from Jim Shon offering comments regarding the UHM reorganization. No individuals signed up to provide oral testimony.

IV. REPORT OF THE PRESIDENT

President Lassner provided a report highlighting the following:

- U.S. Senator Brian Schatz visited UHM last month for a Research Corporation of the University of Hawai‘i (RCUH) forum. President Lassner shared a video containing Senator Schatz’s perspective on how public policy makers should think about UH.

- President Lassner indicated that he and Vice Chair Portnoy met with the All Campus Council of Faculty Senate Chairs (ACCFSC) to follow-up on the results of the faculty climate survey. ACCFSC is working on parsing the data by campus so chancellors can work with their faculty. No recommendations have yet been provided to campuses, administration, or the board. Discussions centered on improving communications. Concerns about bullying revolved around faculty treatment of other faculty; administration will work with the ACCFSC to address these concerns.

- He commended VP Okinaga and VP Young for working with the City and County of Honolulu and the Hawai‘i Community Development Authority on an agreement to restore approximately 100 student and employee parking stalls for the John A. Burns School of Medicine and the UH Cancer Center. Rates will be approximately the same as the new parking rates.

- President Lassner provided an update on the UHM reorganization. He noted that Provost Bruno has reached out to Jim Shon to schedule a meeting regarding the questions in his testimony.

  Five functional design teams have been formed for Phase 2 and each team has two co-leaders. Meetings have been held with the team leadership, who will determine the method they will utilize to accomplish their tasks. Draft organization charts and functional statements are targeted for the end of September 2019, and informal consultation on the organization charts and functional statements targeted for end of December 2019, and formal organizational proposals available for formal consultation by January 2020, with the goal of implementation of Phase 2 by July 2020.

- Avi Soifer, Dean of the William S. Richardson School of Law, announced his intent to retire. Noreen Mokuau, Dean of the Myron B. Thompson School of Social Work, has agreed to chair the Search Advisory Committee (SAC). The
first meeting will be today and a public announcement of the SAC members is scheduled for May 17, 2019.

- Campus governance groups on the 7 community college campuses have submitted recommendations for the UH System VP for Community Colleges SAC, which is expected to be announced next week. VP Straney and Chancellor Hokoana will be co-chairing the SAC.

- He commended the UH men’s volleyball team on reaching the national championship finals in Long Beach, California, which Regent Yuen attended.

Hawai‘i Graduation Initiative (HGI)

- It is too early to predict enrollment, but preliminary numbers indicate that UHM enrollment may increase, and UHH enrollment may increase for the first time in 7 years. UHM is currently up 5% for new freshmen and 3% for new students, including transfers. Opening enrollment is up 6.7% compared to last year. Chancellors review enrollment numbers regularly. The numbers are also used to diagnose problem areas, especially the transfer of community college students to the four-year campuses.

- The Hawai‘i P-20 Partnerships for Education received a $418,000 grant to develop online Early College courses to reach students in rural areas. Online offerings for Career and Technical Education (CTE) programs are also being considered.

- Coca-Cola pledged $95,000 for a UHM scholarship program to enable first generation students to access, persist, and succeed in higher education. These funds along with $50,000 of internal UH scholarship funding will be used to support transfer student scholarships. This will help four-year campus students who are not eligible for the Hawai‘i Promise program.

- The accelerated online Associate in Arts degree is going well. Demand was three times more than what was identified for the first cohort, so UH is expanding to meet demand. An online Bachelor of Social Work will start in fall 2019, followed by a Bachelor of Arts in Interdisciplinary Studies with an emphasis in Social Sciences in fall 2020. UH is also identifying online CTE opportunities. Online courses are cohort-based, five-week courses that are targeted for returning adults.

Hawai‘i Innovation Initiative (HII)

- Extramural funding for the UH System is more than 10% ahead of last year and may exceed $400 million in total this year.

- UH will be receiving its indirect cost rate agreement from the U.S. Department of Health and Human Services. The UHM on-campus rate will increase by 4% from 41.5% to 45.5% by fiscal year 2023, the largest increase in the indirect cost rate that UH has ever received. There will be similar increases in the F&A rate at
Kaka ‘ako and off-campus. As a result, there will be increased availability of research and training revolving funds, which is the primary source of investment in new research programs, start-up funds for faculty, and other strategic opportunities.

21st Century Facilities (21CF)

- There has been recent press coverage about the Hawai‘i State Department of Education’s (DOE) effective use of Job Order Contracting for construction projects. The university has been using the same concept called Indefinite Delivery Indefinite Quantity (IDIQ) for several years. Under IDIQ, the university enters into one competitive contract, and can award individual tasks for projects without having to go out to bid every time. UH has entered into 11 IDIQ contracts, two new IDIQ contracts are in process. These contracts have resulted in 39 work orders valued at about $1.5 million. IDIQ has created numerous efficiencies including time and cost-savings.

High Performance Mission-Driven System (HPMS)

- Discussions have occurred to explore the possibility of extending a down payment assistance program for DOE employees to UH employees. This program may be useful for some employees, but will not solve the broad challenge of affordable housing for Hawai‘i’s education workforce.

- Consultation for the School of Travel Industry Management (TIM) and the Shidler College of Business reorganization is underway. The UHM Faculty Senate (UHMFS) Committee on Administration and Budget supported the reorganization with reservations, but the full UHMFS requested the matter be deferred pending a survey of the 10 TIM faculty. Consultation with the unions is in occurring, and the unions have requested some additional time.

- Consultation is underway on the reorganization and merger of the College of Arts and Humanities, the College of Languages, Linguistics and Literature, and the School of Pacific and Asian Studies. The strategic purpose for this proposed merger is to integrate language and culture with the university’s Asia-Pacific core expertise to create great strength for UHM and help emphasize the arts and humanities and languages, which have been experiencing declining enrollment.

- Meetings were held with the directors of the Maunakea observatories and the Maunakea Management Board (MKMB), with Board Vice Chair Higaki and Regent Nahale-a participating. Topics discussed included: creating a more unified structure for UH’s stewardship of Maunakea; the concept of appointing the chair of MKMB as a university executive who would directly oversee the stewardship of Maunakea across the UH System; the possibility of partnering with the 'Imiloa Astronomy Center to focus on culture and education in conjunction with stewardship; and making MKMB more representative of stakeholders.
MKMB expressed concerns regarding designating four seats to represent specific stakeholder groups, but was supportive of inviting input from stakeholder groups when appointments are made. The directors of the Maunakea observatories are happy with the way the Maunakea Support Services program is working under the leadership of the Institute for Astronomy, but expressed concern about any changes that might impact the services they pay for.

These matters can be addressed by revising the bylaws, which are under the authority of the MKMB, and are integrated with the work being done to update the Maunakea Master Plan, the Comprehensive Management Plan, and the Environmental Impact Statement for a new master lease to extend astronomy on Maunakea past 2033.

- The financial model when the Daniel K. Inouye College of Pharmacy was opened in 2007 was predicated on certain levels of enrollment and a mix of resident and non-resident students. Many universities around the country built pharmacy schools with a similar model, which has negatively impacted enrollment. He commended Dean Ma and Interim Chancellor Sakai for their efforts to address the issue before it became a financial problem. In addition to cost reductions, the structure of the program is being reviewed and a consultant has been assisting and has recommended a Blue Ribbon team.

President Lassner noted that esports is a $1 billion industry that is poised for rapid growth with the same components as the traditional sports industry, and the Mountain West Conference is starting an esports program. Sky Kauweloa, a PhD student in Communications and Information Sciences, has led UH's efforts and is doing the first dissertation in the country on esports in academia and teaches an esports course. President Lassner shared a video on the UHM esports team and noted that the team includes female team members, which is very unusual in the industry.

President Lassner ended his report by announcing that this was interim Chancellor Sakai's last board meeting and the new UHH chancellor will start on July 1, 2019. Ms. Sakai will be returning to a faculty position and utilizing her economic skills to help VP Straney with a planning project on UH's financial viability. President Lassner also recognized VP Morton, who is retiring after 49 years of service to the university.

Report of the Host Campus

Chancellor Eschenberg provided an overview of WinCC's imperative to promote excellence in education through its Early College program, pathway learning communities, and certified supplemental instruction program. WinCC provides additional support for students including a campus childcare center opening in fall 2019; the Kids at College program for school-age children of WinCC students; the Aloha Bar resource and information center; campus food pantry; financial aid outreach; and the Hawai'i Nutrition, Employment and Training (HiNET) program.

WinCC Student Caucus President Bernadette Garrett shared her experiences with student support at WinCC, specifically the HiNET program that provides financial
assistance to students for food, childcare, transportation, scholarships, textbooks, and other expenses through workforce education and training.

Chancellor Eschenberg highlighted the short-term study-abroad experiences that provide access for Native Hawaiian, female, and Pell-eligible students. She also discussed Project Imua, which is sponsored by the National Aeronautics and Space Administration, and provides students with hands-on experience in rocketry and engineering.

On behalf of the WinCC Faculty Senate, anthropology instructor Dr. Christian Palmer provided an overview on WinCC’s landscaping plan, based on research and a survey, showing a desire for more native and canoe plants on campus, the ongoing collaborative plan development process, and creating proposals to fund plan implementation. The goal is to have the landscaping and grounds support the educational mission of the campus, and helps individuals who come to campus learn about Hawai’i ecosystems, traditional cultural practices, and about WinCC.

Regent McEnerney noted that students praised the unity of faculty, staff, and students, which is a compliment to the operation of the campus.

V. COMMITTEE AND AFFILIATE REPORTS

A. Report from the Committee on Budget and Finance
Committee Chair Moore summarized the committee report.

B. Report from the Committee on Independent Audit
Committee Chair McEnerney summarized the committee report.

C. Report from the Committee on Planning and Facilities
Committee Chair Yuen summarized the committee report.

Committee Chair noted that this was his last board meeting and thanked the board and the Committee on Planning and Facilities for supporting the committee’s goals and objectives. He recognized VP Gouveia and her staff for the tremendous progress made over the last 5 years. He requested the next committee chair continue the momentum and work and noted deferred maintenance as a continuing concern and requested the board and administration continue to place a high priority on deferred maintenance. He further noted that tremendous progress has been made and he expressed his belief that trust in the university has significantly improved.

Regent Kudo commended Committee Chair Yuen for his efforts and agreed that deferred maintenance is a major problem for the university that the next committee chair will need to continue to address. He noted the challenge in garnering legislative support for deferred maintenance related to a perception that the university could not manage construction projects efficiently. He commended President Lassner and VP Gouveia for the progress over the last 6 years in improving the project management process, including the implementation of the eBuilder construction management software system, which shows real-time progress and status on construction projects.
D. **Affiliate Reports**

All Campus Counsel of Faculty Senate Chairs (ACCFSC): Vice Chair Portnoy reported that he and President Lassner met with the ACCFSC who is revising their bylaws and ascertaining their role in the UH System. He noted that criticisms of the board were mostly a result of miscommunication. He expressed his disappointment that it took a year for the ACCFSC to extend an invitation to meet for which they apologized. He concluded that the meeting was productive and believes there will be a good relationship going forward.

P-20 Council: Regent Tagorda reported that the P-20 Council met on May 3, 2019, and received an update on the Hawai’i early college state plan from the Executive Office on Early Learning. It was noted that building and supporting the early childhood education workforce and the university’s role in aligning degrees and certificates with licensing requirements and employee needs are key to helping more families and children access higher quality early childhood education and care.

The council also received an update from the Hawai’i Department of Education, which is working toward the 2030 Promise Plan that will guide Hawai’i’s public school systems from 2020 to 2030.

Extensive discussions were held regarding the 55 by ‘25 goal, and President Lassner provided an update. Data was presented on the number of students who stopped-out from the university and how that information could be utilized to evaluate and increase goals towards 55 by ‘25.

Research Corporation of the University of Hawai’i (RCUH): Regent Bal reported that the third RCUH Annual Forum entitled, “View from the Hill” was held on April 23, 2019. Senator Schatz provided his perspective and answered questions from the audience. VP Syrmos; Jennifer Sabas; Dr. Aimee Grace, Director of Health Science Policy; and Rick Rocheleau, Director of the Hawai’i Natural Energy Institute, led a panel discussion focused on federal funding priorities and shared their perspectives on obtaining and executing federal grants.

The board went into recess at 11:17 a.m. and reconvened at 11:26 a.m.

VI. **AGENDA ITEMS**

A. **Approval of University of Hawai’i Tuition Schedule, Academic Year (AY) 2020-2021 through AY 2022-2023**

VP Straney provided an overview of the proposed tuition schedule for AY 2020-2021 through AY 2022-2023 that included a summary of the January 2019 tuition proposal considered by the board, a summary of the current three-year tuition proposal, competitive challenges, proposed rates by unit, and revenue impact. He indicated that the first page of Attachment 1 of the action memo was revised to correct and clarify a footnote regarding tuition for the third- and fourth-year of baccalaureate programs at UH Maui College (UHMC).
VP Straney explained that administration took into consideration the feedback regents provided at the January board meeting and consulted with chancellors and deans to develop a modified proposal. The current proposal focuses on affordability, particularly for residents, because tuition rates have been steadily increasing over 10 years and are now higher than peers in the western United States, and addresses concerns over competitiveness, particularly for graduate programs, while maintaining the revenue required to keep the university operational.

The 2019-2020 tuition rates will be maintained for the next three years for all rate categories except UHM graduate education. Tuition for UHM resident graduate students will be reduced by 2% in 2020-2021 and remain constant for the subsequent two years. The UHM non-resident graduate tuition will be reduced by 10% in 2020-2021 and remain constant the subsequent two years. The proposed schedule provides the ability to make adjustments in response to enrollment fluctuations.

Chair Putnam reminded the board that a report was received in November and a proposal at the January board meeting, and that no action was taken in January and administration was asked to take feedback into consideration and return to the board with a new proposal.

Regent Sullivan moved to approve the proposed UH tuition schedule for AY 2020-2021 through AY 2022-2023 which:
(1) Maintains the AY 2019-2020 tuition rates for the next three years for all rate categories except graduate education at UHM;
(2) For UHM resident graduate students: reduces tuition by 2% in AY 2020-2021 and remains constant for AY 2021-2022 and AY 2022-2023;
(3) For UHM non-resident graduate students: reduces tuition by 10% in AY 2020-2021 and remains constant for AY 2021-2022 and AY 2022-2023; and
(4) For UHMC four-year programs: establishes a full-time tuition rate equal to the rate for 12 credits, to match the practice at the four-year campuses.

The motion was seconded by Regent Kudo.

Regent Sullivan shared that her first board meeting as a regent in 2011 involved approving a 5-year tuition schedule with aggressive escalations every year. As a new regent she agonized over the proposal and ended up being the only regent besides the student regent who voted against the proposal. After the Great Recession, the amount of state support decreased. She noted that the board and administration worked on increasing financial transparency to build trust with the legislature and constituents of the university, and acknowledged the efforts of the board and administration to improve fiscal transparency and accountability. She expressed her belief that tuition rates should be held flat for the benefit of the students, even under the university’s fiscal constraints.

Regent Sullivan referenced Aloha United Way’s Asset Limited, Income Constrained, Employed (ALICE) Report that provides information on Hawai‘i’s working citizens and their income and cost of living. She noted that 58% of Hawai‘i households fall below the ALICE threshold and the impact of tuition costs on the university’s goal to increase access to residents.
Regent Acopan expressed her appreciation as a graduate student with family members also in college for the proposal to make tuition more affordable and accessible. She noted that UHMC’s 4-year programs are being matched to the practice of other 4-year campuses by establishing a full-time tuition rate equal to the rate for 12 credits and asked why there was no cap on community college tuition given the 15 to Finish initiative.

VP Morton explained that approximately 60% of community college students are part-time, and the cost of their degree would be much higher than full-time students; the ratio would make it inequitable and unfair for the part-time students to subsidize the costs of the full-time students. He also noted that community colleges operate on a slim margin and campuses need to know how much revenue there will be per class so decisions can be made about course offerings. With the Hawai‘i Promise program, the community colleges have changed the way financial aid is awarded so that students on financial aid get full coverage regardless of the number of credits taken. Since all credits are paid for as part of the financial aid packaging, students are encouraged to take 15 credits because it does not cost them additional money.

Vice Chair Portnoy expressed his belief that the tuition schedules should be voted on individually and not collectively. He had no objections to the majority of the proposal but did not think it was appropriate or fiscally responsible to freeze undergraduate tuition for 3 years given the uncertainty of legislative funding and turbulent economic times. He favored a one-year undergraduate tuition freeze, with an annual financial evaluation.

Chair Putnam confirmed that the motion on the floor is to consider the entire tuition proposal.

Regent Kudo indicated that in January he agreed with Regent Portnoy about not freezing tuition for 3 years because he there was no provision in the tuition proposal to reassess. His position has changed because even though the proposal is to keep tuition constant for 3 years, it includes a provision requiring monitoring and evaluation, and allows for possible adjustment in the event of economic impact.

Regent McEnerney suggested that clarification be made with regard to annual evaluation of the tuition schedule. He expressed that he did not believe there was a causal relationship between tuition and enrollment, as other factors are involved. He also noted that Hawai‘i Promise essentially allows any low-income community college student to attend classes without charge, and that UHWO and UHH are less expensive, and thereby did not view affordability as a major issue.

Regent McEnerney further commented that it did not make economic sense to freeze tuition for 3 years. He noted that the Department of Business, Economic Development and Tourism is predicting an approximate 2% rate of inflation during the time period for the tuition schedule, and if faculty increases are 16% or more annually, the tuition increase for students is only a small percentage. He also noted that students expressed concern that student services may be reduced in the event of economic impact. He indicated he was against the proposal as written, unless the tuition actions were voted on individually.
Regent Acoba referenced slide 19 of the presentation that showed the number of students needed to offset revenue losses if tuition is increased by 1%, and asked for clarification if the figures shown were annual or over the three year period. VP Straney responded that the figures shown were annual, and clarified that the proposal is not to increase tuition by 1%; the chart illustrates that if tuition is held constant and enrollment increases by 76 UHM undergraduate resident students, the revenue impact would be the same as if tuition were raised by 1%.

Regent Acoba asked how successful UHM has been at increasing undergraduate resident enrollment annually and what the actual numbers were for the past 3 years. VP Straney responded that the campuses are more actively managing enrollment and estimated an increase of fewer than 76 students annually. He agreed to provide the actual numbers to regents. Regent Acoba commented that whether the number of additional undergraduate resident students needed was attainable seemed crucial in decisionmaking. VP Straney explained that the number will matter when the AY 2020-2021 schedule goes into effect.

Regent Acoba noted that at the May meeting of the Committee on Budget and Finance, there seemed to be concern because of declining tuition revenue and asked VP Young if he had reviewed the tuition proposal and made any projections. VP Young responded that the management team reviewed the proposal and stressed the elasticity factor whereby lower tuition rates should result in an increase in enrollment. He noted the difficulty in predicting whether the actual target would be reached and that there were numerous factors to consider.

Questions were raised as to whether affordability was the primary reason for reduced enrollment and if that was taken into consideration in developing the tuition proposal. VP Young explained that he and VP Straney identified a number of factors that lead to a reduction in enrollment, including programs such as 15 to Finish, Early College, and dual credit which contribute to student success but also contribute to reduced enrollment and decreased tuition revenues. This emphasizes the point there is not necessarily a correlation between enrollment numbers and tuition revenue.

Regent Wilson agreed with the importance of performing an annual analysis and noted the difficulty in determining the market in academia because of the different types of programs. He indicated his support for the proposal provided the university conduct a review on the market demand. VP Straney explained that UH enrollment numbers are based on headcount and acknowledged revenue as an important factor that will be evaluated annually in conjunction with enrollment.

Regent Kudo moved to add to the main motion, “all of the above will be subject to annual evaluation and adjustment to prevent significant negative economic/enrollment impact to the university.”

Chair Putnam asked VP Straney for his reaction to the proposed amendment to the motion and he responded that if administration presents the impact of enrollment on revenue, factors in a financial aid strategy, and gives a projection looking forward in November, then the board could instruct administration to bring back a tuition schedule.
adjustment in January, which provides enough time to hold public hearings necessary to present a proposal to adjust the tuition schedule at the end of the spring semester, which if approved by the board would go into effect in the fall of the following year. He clarified that any reduction in tuition would not require public hearings, and if no action is taken then whatever tuition schedule is currently in place would remain.

After clarifying that President Lassner had no objection to the amendment, Regent Sullivan seconded.

Vice Chair Portnoy stressed the importance of cost of attendance, and noted that tuition is one component of what it costs to attend a university. He added that UHM is a commuter school with most students living off campus, which is not comparable to peer institutions on the mainland. He reiterated that he was not against the tuition freeze, but thinks 3 years is too much. VP Straney explained that the reason for the focus on tuition is because it is the only element of cost of attendance determined by the board.

Regent McEnerney questioned the underlying assumption that tuition is driving enrollment because he felt cost of attendance was more important. VP Straney noted that tuition was more than 1/3 of the total cost of attendance. He agreed with earlier comments that it needed to be made very clear that tuition may need to be adjusted to mitigate economic concerns. VP Straney explained that there is a clear indication that tuition and attendance are correlated and it is a function of family income.

Regent Nahale-a asked for clarification on whether there would be approximately $3.2 million in potential lost revenue if UHM graduate tuition decreases and VP Straney responded that it was more “opportunity cost.” Regent Nahale-a commented that he was more concerned about the impact of collective bargaining agreement increases and other potential cost increases that are much more significant than the tuition increase, and it is up to administration to balance the budget if there is not enough tuition revenue. He noted that what is said to the community matters, and the message that UH understands and cares about affordability will have an impact. He agreed with concerns others have expressed, but feels they can be mitigated. He emphasized the importance of on-campus services, such as mental health services, which may keep students in school versus dropping out and losing a semester, which thereby contributes to affordability.

Regent Acoba asked whether there were alternatives to make up the deficit if there were to be an impact on the budget as a result of lower enrollment and a reduction in tuition. VP Young responded that the campuses and the university would immediately need to look at reducing existing programs and services to balance expenses with revenues, and that the extent of the reductions would largely depend on the severity of the revenue impact. He added that other financial means such as reserves are available, and campuses have demonstrated fiscal prudence in managing revenue variances.

Regent Westerman commented that some students choose to attend mainland schools because they want to experience something outside of Hawai‘i and that tuition is not the only factor. VP Young replied that, anecdotally, it does not seem that tuition
costs and affordability at UH are the most significant factor for attendance because there is a large population of students in private high schools, and almost all of those schools costs more than UH.

Chair Putnam commented that it was irresponsible not to have a tuition schedule of at least 3 years because students need to be able to plan what college will cost each year with some degree of certainty. She indicated she would vote in favor of the proposal in its entirety because it is a good balance between our fiduciary responsibilities, concerns for access and affordability, and giving students the best value the university can continue to provide.

VP Straney clarified for Regent Acoba that the number of UHM undergraduate resident students increased by 118 from last year to this year. Regent Acoba explained that this was not a question of opportunity because the university does a great job and there is public policy that supports the requirement that qualified individuals should be afforded the opportunity to go to college. He noted that if tuition is held steady, it may retard the reduction in people attending the university, but that is based on the assumption that there is a direct relation between enrollment and cost. He indicated he would support the proposal because it did not sound like there were many alternatives, and the board needs to put some trust in what administration has put forth as a way to promote revenue.

A motion having been moved and seconded, the motion as amended was put to a vote and carried with the exception of Vice Chair Portnoy and Regent McEnerney voting against.

Chair Putnam proposed combining the executive sessions for item VIH1 and items VII. There were no objections.

H. House Bill No. 398, Relating to the University of Hawai‘i

Chair Putnam explained that this bill affects the composition of the board and that the Governor’s office provides the affected agency an opportunity to respond to legislation being considered for enactment or veto. She added that the president has made a determination that it is not appropriate for him to respond on behalf of the board, so any response that is provided should come from the board. Regents will be consulting with general counsel in executive session followed by discussion in open session. She requested a motion to go into executive session to discuss legal and personnel matters as indicated on the agenda.

Vice Chair Portnoy commented that he did not agree with anything other than specific legal advice by general counsel regarding House Bill No. 398 being discussed in executive session. Chair Putnam clarified that any other discussion would be held in open session.

VI. EXECUTIVE SESSION (closed to the public)

Upon motion by Vice Chair Higaki, seconded by Regent Wilson, the board unanimously approved convening in executive session to consult with the board’s attorneys on questions and issues pertaining to the board’s powers, duties, privileges,
immunities, and liabilities, pursuant to Section 92-5(a)(4), Hawai‘i Revised Statutes (HRS), and 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), HRS.

The meeting recessed at 12:49 p.m.

The meeting reconvened at 3:02 p.m. Chair Putnam noted that the board went into executive session to discuss legal and personnel matters as indicated on the agenda.

VIII. AGENDA ITEMS (continued)

A. Personnel Actions (A-1 for Approval)

Regent McEnerney moved to approve the personnel actions on Attachment A-1, seconded by Regent Wilson, and the motion carried unanimously.

Approving the Award of the Regents’ Medal of Distinction to Mr. Chuck Gee

Chair Putnam requested a motion to approve the award of the Regents’ Medal of Distinction to Mr. Chuck Gee. Vice Chair Portnoy made the motion, seconded by Regent Acoba.

Vice Chair Portnoy noted that the Regents’ Medal of Distinction is a rare honor which has not been awarded in a very long time. He shared that Mr. Gee was a mentor to him when he first joined the board. Mr. Gee was the co-founder and longest serving dean of TIM from 1976 to 1999 and received countless awards and recognition for achievements in spanning his lifetime. Vice Chair Portnoy encouraged the board to approve this recognition.

Chair Putnam added that many regents have worked with Mr. Gee and she felt it was appropriate to recognize him.

There having been a motion that was moved and seconded, the motion was put to a vote and carried unanimously.

B. Approval to Name the New Hale Imu Building on the Kaua‘i Community College Campus

VP Morton requested the board approve naming the recently completed Hale Imu building on KauCC as Ka Hale Imu a Kikuchi in honor of Dr. Bill Kikuchi, a former faculty member who was active in archaeology and anthropology for almost 50 years. Dr. Kikuchi’s dream was the creation of a hale imu that could become a gathering place for people on Kaua‘i to celebrate Native Hawaiian and other cultures. It was made possible by a legislative appropriation sponsored by Senate President Ronald Kouchi. VP Morton noted that Dr. Kikuchi worked for KauCC for 26 years and passed away in 2003, and requested the regents honor his memory, his work, and his vision by approving this request.
Regent Westerman moved to approve naming the new Hale Imu building on KauCC as Ka Hale Imu a Kikuchi in honor of Dr. Bill Kikuchi, seconded by Regent Kudo, and the motion carried unanimously.

C. **Annual Report of the Independent Audit Committee to the Board**

The annual report was included in the materials for information only. No further action is needed and there was no discussion.

D. **Legislative Update**

Due to time constraints, this item was deferred.

E. **Year in Review by the President**

Chair Putnam explained that this self-assessment is the first step in the process of the evaluation of the president and that an executive session to conduct the evaluation will be held at a future board meeting.

President Lassner shared a handout entitled, “President’s Year in Review,” that includes comments on the role and job of the president, progress on major goals, other notable outcomes, and notable opportunities and challenges ahead.

Vice Chair Higaki departed at 3:20 p.m. Quorum was maintained.

Regent Tagorda noted her appreciation for the emphasis on student retention as a notable outcome and the importance of building a culture where students feel connected and invested in staying at UH.

F. **Report on Board Office Operations**

Due to time constraints, this item was deferred.

G. **Plan for Board Self-Assessment Under Regents Policy 2.202**

Chair Putnam stated that she is working with President Lassner and a survey will be circulated to regents soon.

H. **House Bill No. 398, Relating to the University of Hawai‘i (continued)**

Vice Chair Portnoy expressed concerns over the legislation, its impact on autonomy, and issues surrounding implementation. He disclosed that the end of his term is near and his name is on a list before the Governor. He noted that regents are volunteers, that it is difficult getting everything done with 15 regents, and the workload will be increased if there are only 11 regents. He suggested that legal and practical concerns should be discussed with the Governor and expressed his hope that regents will have input in determining the number and representation on the board.

Regent Sullivan mentioned that in March 2019 the board adopted Board Resolution No. 19-01 opposing a Senate bill that contained similar language, so the board has already taken a position. She disagreed that there was confusion on how the transition would occur and noted that the Governor could consult with the Attorney General on the
interpretation of the bill. She suggested that individual board members could submit their own opinions to the Governor.

Regent Moore agreed with Regent Sullivan. He added that the Legislature has the authority to decide the number of regents and the board has no authority to set the number of regents or determine where they are supposed to live. He noted that most of the concerns previously raised regarding the bill have been addressed, but that there was no explanation as to why this was being done and the bill contains no purpose section other than saying it is a matter of statewide concern. He cited the following in the Hawai‘i State Constitution: “The board shall have the 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.”

Regent Acoba moved that the board recommend to the chair that the Governor be notified that the board recommends the bill be vetoed and convey the reasons for the board’s position, seconded by Vice Chair Portnoy.

Regent Acoba commented that the while anyone can express their concerns to the Governor, the regents serve as a board and not as individual citizens. He commented that the board deserves to know why this is being done and has an obligation to take a position when legislation directly affects the board’s operations and regent terms. He noted that having 15 regents has worked well during his 5 years with the board, and he did not see a reason why that number should be reduced. He questioned whether having less representation from communities and diversity of opinion on the board was in the best interest of the state.

Regent Westerman commented that providing comment to the Governor on legislation is part of the legislative process. He agreed with Regent Acoba about the responsibility of this board and the amount of work involved, which will be difficult with fewer regents.

Regent McEnerney indicated he supported the motion and clarified with Chair Putnam that she was seeking input from regents on what they would like to see in a response, with the understanding that she was responsible for preparing the comments. Chair Putnam responded that a draft would be circulated to regents for input.

Regent Acopan noted that comments have been made that the board does not take action or a position. She expressed that it was important for the board to take a position and provide comments because silence can be interpreted as acceptance.

Regent Sullivan expressed that the board is an entity of 15 people with different opinions and not a department, and needs to be unified when communicating a position.

Regent Yuen noted that the two issues at hand are the imposition of the Legislature on the board’s affairs and whether the board should voice an opinion at this stage. He agreed that the Legislature should not interfere, but thinks the board missed the opportunity to speak regarding this bill. He agreed that regents could make their concerns known on an individual basis.
Regent Kudo commented that when there is a basis of objection to a bill, the attorney general reviews the legality. He added that there is already a board resolution on record and testimony submitted.

Regent Nahale-a expressed that the board has an obligation to take part in the process and there is still time to take action. He suggested that the board provide feedback regarding the implementation of the bill.

Discussion occurred as to whether requesting a veto is inconsistent with the testimony previously provided by regents.

Regent Nahale-a proposed an amendment to the motion to remove reference to a request to veto. Regent Moore seconded the amendment to the motion.

The amendment to the motion passed with Chair Putnam and Regent McEnerney opposed, and Vice Chair Higaki excused.

Chair Putnam explained that the motion is to summarize the sentiments of the board to be sent to the Governor. She added that a draft would be sent to members of the board and comments taken into consideration, and that it would be noted if the vote was not unanimous. The motion was put to a vote and passed with Regent Kudo, Regent Sullivan, Regent Wilson, and Regent Yuen voting no, and Vice Chair Higaki excused.

I. Preparation for Election of Board Officers

Discussion occurred regarding the method in which nominations for board leadership should occur. A suggestion was made that regents should be asked if they are willing to serve in a particular capacity and putting all of those names up for consideration at the July meeting. The uncertainty of the outcome of H.B. No. 398 raised questions as to how regents would know who will still be on the board in July. It was suggested that it would be better to wait until July to initiate a process when there would be more certainly.

IX. ANNOUNCEMENTS

Chair Putnam announced the next board meeting is scheduled for July 18, 2019, at the University of Hawai‘i at Mānoa.

X. ADJOURNMENT

There being no further business, Regent Acoba moved to adjourn, and Regent Moore seconded, and with unanimous approval, the meeting was adjourned at 4:36 p.m.

Respectfully Submitted,

/S/

Kendra Oishi
Executive Administrator and Secretary
of the Board of Regents