I. CALL TO ORDER

Board Chair Kudo called the meeting to order at 9:32 a.m. on Thursday, October 17, 2019, at Leeward Community College, Education Building, Room 201 A/B, 96-045 Ala Ike Street, Pearl City Hawai‘i 96782.

Board members in attendance: Chair Ben Kudo; Vice-Chair Jan Sullivan; Vice-Chair Wayne Higaki; Regent Simeon Acoba; Regent Kelli Acopan; Regent Eugene Bal; Regent Michael McEnerney; Regent Randy Moore; Regent Alapaki Nahale-a; Regent Michelle Tagorda; Regent Robert Westerman; and Regent Ernest Wilson Jr.

Others in attendance: President David Lassner; Vice President for Administration Jan Gouveia; Interim Vice President for Community Colleges Erika Lacro; Vice President for Legal Affairs/University General Counsel Carrie Okinaga; Vice President for Research and Innovation Vassilis Syrmos; Vice President for Budget and Finance/Chief Financial Officer Kalbert Young; UH-Mānoa (UHM) Provost Michael Bruno; UH-Hilo (UHH) Chancellor Bonnie Irwin; UH-West O‘ahu (UHWO) Chancellor Maenette Benham; Interim Honolulu Community College (HonCC) Chancellor Karen Lee; Leeward Community College (LeeCC) Chancellor Carlos Peñaloza; Executive Administrator and Secretary of the Board of Regents (Board Secretary) Kendra Oishi; and others as noted.

II. APPROVAL OF THE MINUTES OF THE AUGUST 30, 2019 MEETING

Regent Wilson moved to approve the minutes of the August 30, 2019, meeting, seconded by Vice-Chair Sullivan. There were no objections and the motion carried unanimously.

III. PUBLIC COMMENT PERIOD

Board Secretary Oishi announced that the Board Office received written testimony as follows:

Written testimony in support of building the Thirty Meter Telescope (TMT) from:

- Ralph LeVitt
• Graham DeVey
• Heather Galinato
• Veronica Ohara
• Kathleen “Cookie” Medeiros
• Richard Faulkner
• Jonathan Williams

Written testimony in support of a resolution recognizing that enforcement of the law on Mauna Kea is necessary:

• Katherine Roseguo

Written testimony opposing Board Resolution 19-02:

• Aaron Stene
• Dr. Roy R. Gal

Written testimony offering comments on Board Resolution 19-02 urging de-escalation of tension and non-violent solutions on Maunakea:

• P.B. Walp
• Kenneth Wagner
• Christoph Baranec
• Yvonne Taylor
• Samuel Wilder King II
• Laurie Chu

Late written testimony was received from the following in opposition of Board Resolution 19-02 urging de-escalation of tension and non-violent solutions on Maunakea:

• Thayne Currie
• Morgan Bonnet
• Paul Hirst
• Annette Reyes
• Marc Lefebvre

Late written testimony in support of building TMT from:

• Gary Kneeland
• L.J. Remillard
• Genevieve Runningwind
• Renee Ishisaka

Kekaiola Perry submitted late written testimony and provided oral testimony in opposition to Board Resolution 19-02 urging de-escalation of tension and non-violent
solutions on Maunakea and offering comments related to the Maunakea Interaction Group report.

The following individuals provided oral testimony:

- Eugene Magnier testified in support of TMT and astronomy on Maunakea
- Alfred Keaka Hiona Medeiros testified in opposition to TMT and the desecration of Hawaiian lands
- Tara Rojas provided comments relating to Board Resolution 19-02 urging de-escalation of tension and non-violent solutions on Maunakea.

IV. REPORT OF THE PRESIDENT

President Lassner thanked Chancellor Peñaloza for hosting the Board of Regent’s meeting and then proceeded to provide a report highlighting the following:

Hawai‘i Graduation Initiative

- There are two issues regarding enrollment that are concerning. First, there needs to be greater effort at recruiting more local high school graduates to pursue higher education and convince them that the University of Hawai‘i is their best choice. Second, there needs to be improvement in getting more community college transfers into four-year universities.

- The entering class for this year increased (over 2,000). However, all ten campuses of the University of Hawai‘i System continue to experience overall declines in enrollment, although to varying degrees.

- UHM experienced an increase in international students; UHH saw increases in incoming freshman and transfer students; both UHM and UHH experienced increases in classified graduate students for the second year in a row; and while community college enrollment was down, they are still above pre-recession levels and have experienced more 26-44 year old students (over 2,300) entering the community college system which is partially attributed to their returning adult program to help give adults more skills needed for better employment within the community.

- Some issues affecting enrollment numbers include:
  
  i. Educational Costs. The cost of education plays a large role in individuals foregoing post-secondary education and the University is looking at ways to help defray costs for students such as the Open Educational Resource Program. This Program would make textbooks available for free online for students which could save students thousands of dollars each. UH’s goal is to provide all textbooks for general education courses at no costs to students. This program is already being tested with English 100 level courses.
ii. **Labor Market.** The strength of the current labor market also plays a role in decreased enrollment. As more individuals opt to enter the labor market and begin to earn income, these individuals tend not to pursue a post-secondary education. This was noted during the Great Recession of 2010 when jobs became scarce and enrollment exploded across the University System.

iii. **Graduation rates.** Graduation rates have increased. As such, with more students graduating, student enrollment is affected.

- Enrollment priorities include:
  
  i. **Leveraging early college better.** UH can create better educational pathways into academic programs working with high schools and the academies.
  
  ii. **Recruiting.** Recruit more actively among high schools, as well as recruiting more community college students to pursue four-year degrees.
  
  iii. **Hawai‘i Promise Program.** Improve deployment and marketing of the Hawai‘i Promise Program.
  
  iv. **Enrollment Management.** Work with consultants in better understanding recruiting and enrollment management.
  
  v. **Program Creation.** Create more programs that attract students such as UHM’s work on creating a sustainability program, an area of interest of many young people today.

- UH System retention numbers have shown substantial improvement for most of the campuses, particularly fall-to-fall enrollment. UHM surpassed the 80% retention rate, which is the highest experienced by UHM in its history.

- Despite decreased headcount, revenue is up due to a variety of reasons including the numbers of credits being taken; types of programs being entered into; increases in graduate students; and the numbers of residents versus non-residents entering the UH system.

- UH will be hosting the SACNAS National Diversity in STEM Conference. At least 4,000 attendees are expected this year at the conference at the Hawai‘i Convention Center. This is an opportunity for UH to showcase what it is doing in STEM education and research for and with underrepresented minorities and provides an opportunity for professional development of faculty and students as well.

**Hawaii Innovation Initiative**

- As of October 17, 2019, just over $210,000,000 was received in extramural funding and is ahead of this time last year; research funding has been growing systemwide.

- UH has been gaining national/international recognition which helps with extramural funding. President Lassner highlighted two projects including one
involving a group of researchers based in chemistry at UHM that discovered and reported a bug in a core piece of software that is being used across the country in computational chemistry and a whale bubble net feeding event that was captured on video by the Hawai‘i Institute of Marine Biology while working in Alaska. The video is UH's best online research video so far with over 240,000 viewings in three days.

**Mission-Focused System**

President Lassner thanked Lance Wilhelm and Micah Kane of the Trustees of Kamehameha Schools for attending the last meeting and highlighted the Hua Ho‘opili ‘Āina Partnership noting the following:

- This is a flagship program funded by Kamehameha that exists at all three university campuses with a focus on bachelor degree completion. The program utilizes a culture-based cohort model to help Native Hawaiian students maintain their cultural identity throughout their educational experience.
- The primary focus has been on working to increase the success of Native Hawaiian students to begin and complete their education and utilizes a student support system to recognize when a student is having difficulties and interjecting interventions early to keep students on track.
- The Program has resulted in an 89% retention rate of Native Hawaiians, which is far ahead of the average retention rates of all campuses, and students in the program are graduating on time. Because of this success, the program has been able to use some of the funding slated to support undergraduates to get some students into graduate school.

**Report of the Host Campus**

Chancellor Peñaloza welcomed everyone and provided an overview of LeeCC’s demographics, enrollment statistics, and initiatives. He highlighted the diversity of the student body with a strong representation of Hawaiian and Filipino populations, and consisting of primarily of liberal arts students, followed by career and technical program students.

Chancellor Peñaloza noted that LeeCC experienced growth in online programs with 27% of the student population attending in an online capacity. Similar to other campuses, LeeCC has experienced a decline in enrollment (2.1%). LeeCC is modeling strategies to mitigate the decline in enrollment including reducing economic barriers such as providing low- to no-cost textbooks to students and is a leader in these efforts with 35% of courses offered at LeeCC providing low to no costs textbooks to students as of this fall with direct cost savings to students of approximately $3.3 million.

LeeCC is aligning programming to meet workforce needs such as development of a certified teaching program to help meet the demand for teachers. LeeCC continues to support entrepreneurial development through initiatives such as working in partnership with the Agribusiness Development Corporation to renovate an existing facility in
Wahiawa that will be the site of the Wahiawa Product Development Center that will serve as an entrepreneurial incubator for the region, particularly in the food-based product business.

Chancellor Peñaloza highlighted accomplishments of LeeCC including working in collaboration with UH-West O‘ahu to obtain $2.2 million in Title III grant monies to improve the ability of Native Hawaiian students to earn STEM degrees, working with UHM College of Social Sciences to create a clear pathway to obtain four-year degrees, and enhancing the student experience through improvement of student facilities.

Regent McEnerney commented that he was impressed with student leaders that some Regents met and noted that the student leaders were pleased with Chancellor Peñaloza and the things being done at LeeCC.

Regent Wilson asked Chancellor Peñaloza about the product development center in Wahiawa and whether it contained a certified kitchen. Chancellor Peñaloza did not have an answer to the question but would get back to Regent Wilson with that information.

**Faculty Report**

Michael Cawdery, Associate Professor and Chair of the LeeCC Faculty Senate, provided a presentation highlighting the faculty’s priorities of evaluating the work of LeeCC, systematically reviewing policy, and conducting internal reviews and audits.

Dr. Cawdery noted the efforts being made to elevate the work of the faculty and move forward with faculty-driven initiatives. He observed that the faculty has a responsibility to evaluate their work in order to continue to drive their initiatives and that faculty is also responsible for ensuring that their work is in alignment with campus and University policies. As such, various methods of auditing and evaluating the work of faculty are currently being reviewed. He also noted that policy reviews are occurring at LeeCC and at the system level.

Dr. Cawdery added that the Faculty Senate has also taken initiatives to redefine their internal roles, ensuring that their own work is audited, including their bylaws and charter, and ensuring that they are in compliance with policy, and that it is attempting to adjust their policies to develop continuity in leadership so that continuity is not lost each time there is a change in leadership.

Regent McEnerney asked Dr. Cawdery what the faculty loss was at LeeCC and how they were dealing with faculty recruitment. Dr. Cawdery replied that there has been significant turnover in long-time positions in his college. He noted that this provided an opportunity to invigorate and pursue new initiatives, and recognized the importance of getting the right resources to the right places at the right time.

**V. COMMITTEE AND AFFILIATE REPORTS**

**A. Report from the Committee on Independent Audit**
Committee Chair McEnerney summarized the Committee report.

**B. Report from the Committee on Personnel Affairs and Board Governance**

Committee Chair Tagorda summarized the committee report.

Committee Chair Tagorda elaborated on the update provided on executive and managerial compensation, noting that Regents Policy (RP) 9.212 requires that an update be provided to the Board on guidelines used for salary adjustments but that no approval was required by the Committee or the Board. She added that the presentation was provided in advance of the posting of the attachment A to today’s agenda, which is an item for information based on state law which requires that EM proposed compensation or changes in compensation be disclosed in open meeting.

She further elaborated on the history of RP 9.212, the legislative appropriation for salary adjustments, and the methodology used for the adjustments. She noted that questions were raised during the meeting about the note in the presentation that a “small number of additional special adjustments made by the President for equity, retention, new duties assigned and/or growth in job” and that it applied to fewer than 10 people and that those adjustments were based on job responsibilities.

She concluded by noting that the Committee would be open to considering policy changes in the future if there is a desire to clarify the mechanism by which salary adjustments for EMs are determined or approved.

Chair Kudo added that he would be recommending that this item be discussed in executive session.

**C. Report from the Committee on Research and Innovation**

Committee Chair Sullivan summarized the committee report.

**D. Affiliate Reports**

**Maunakea Management Board (MKMB):** Vice-Chair Higaki reported that MKMB met last month and recommended not to approve the notice to proceed with the decommissioning of Hoku Kea (teaching telescope) on Maunakea. The recommendation was made by MKMB to the Chancellor.

Chair Kudo noted that MKMB is an advisory board.

**UH Student Caucus:** Regent Acopan reported that the UH Student Caucus will be meeting on October 19 at UH Mānoa and on October 26 in Hilo.

**VI. AGENDA ITEMS**
A. Consent Agenda

1. **Recommend Board Approval of Revisions to RP 2.205, Policy on Whistleblowing and Retaliation**

2. **Recommend Board Approval of Delegation of Authority to the President to Indemnify, Defend, and Hold Harmless a County Agency, its Officers, Agents, and Employees, Pursuant to Section 46-71.5, Hawai‘i Revised Statutes (HRS), and Other Revisions to Regents Policy 8.201, Contracts and Official Documents**

Regent Westerman moved to approve the consent agenda. Regent Wilson seconded the motion.

Regent Acoba noted that there was a change made at committee relating to RP 2.205 which did not appear in materials to reflect the word “respective” be added before “designees”. Board Secretary Oishi noted that the change was overlooked and will be included in the final draft of the policy.

Regent Westerman amended his motion to approve the consent agenda with the amendment to RP 2.205 seconded by Regent Wilson, and the motion carried unanimously.

B. **Final Report and Dissolution of the Investments Permitted Interaction Group**

Regent Moore explained that the final report summarized the work of the task group and recommended that three regent policies dealing with investments be combined into one policy. The task group requested that the administration review and propose policy amendments taking into account the work of the task group.

Vice-Chair Sullivan stated that she had no objection to the recommendation but asked whether the administration would have parameters to work with in reviewing and amending the policy. Regent Moore replied that no strict parameters were provided but that the administration should rewrite the policy to conform to conclusions made by the task group as to what the contents of the policy should be.

Regent Acoba noted that the proposal would allow the Associated Students of the University of Hawai‘i (ASUH) to determine what stocks they buy, although they will follow the same standards of investment policy as the Board and will report semiannually to the Board the results of their investment policy and the distribution of funds.

Regent Moore stated that ASUH is not a separate legal entity and that the Board still had a fiduciary responsibility for the ASUH fund, but clarified the reasoning behind allowing ASUH to choose what type of investments they want to make. He also provided an overview of the history of the stadium stock and how ASUH received those funds. Regent Moore added that ASUH still wants to be able to invest in fossil fuel
producing companies even though the Board’s policy is to divest from such investments. Accordingly, ASUH will be given this exemption to the investment standards followed by the Board.

Regent Moore recommended that the Board approve the recommendation that the administration work on the policy and amendments and present a draft to the Board, but questioned whether that draft should be returned to the Budget and Finance Committee or sent directly back to the Board. Regent McEnerney responded that it would be better to have the policy sent back to the Budget and Finance Committee and President Lassner agreed.

Regent McEnerney made the motion to accept the report of the task group with the recommendation that the amended policy be forwarded to the Budget and Finance Committee and the task group be dissolved. The motion was seconded by Regent Moore and the motion carried unanimously.

C. Report of the Maunakea Governance Permitted Interaction Group

Chair Kudo stated that this item is on the agenda for information only and that discussion would occur at a November 6, 2019, special meeting in Hilo.

D. Board of Regents Resolution to Urge De-Escalation of Tension and Non-Violent Solutions on Maunakea

Vice-Chair Sullivan provided an overview of the origins of the resolution noting that the discussions began at the last Board meeting but that due to meeting schedules and sunshine law requirements, the Board was not able to effectively take a position or make a statement on the Board’s position of the events that were occurring on Maunakea. She added that after reviewing the public comment she proposed to revise the resolution to read: “Now, therefore, be it resolved that the University of Hawai‘i administration under the leadership of President David Lassner is encouraged to pursue good faith efforts to de-escalate tensions on its campuses regarding Maunakea including exploring again the use of ho‘oponopono, and to pursue other non-violent solutions to the conflict regarding Maunakea” so that the resolution is not misinterpreted as condoning violence.

Vice-Chair Sullivan made the motion to adopt the resolution, as amended, and the motion was seconded by Regent Acoba.

Regent Moore asked whether this resolution is to be applied only to campuses within the UH system and not the entirety of the issue as UH does not control what happens off campus or UH managed lands, and, if so, suggested the resolution be clarified further to reflect this including amending the title.

Vice-Chair Sullivan suggested adding “on its campuses” to the title to clarify Regent Moore’s point.
Regent Acoba stated that President Lassner’s role cannot be separated in terms of the campuses because he has other roles and acts on behalf of UH when dealing with external people and groups and that these interactions extend beyond the campuses.

Regent Acopan noted that her understanding of the resolution was that it was intended to address the UH community, the students and faculty, and that it was not limited to the proximity of the campuses and asked for clarification.

Vice-Chair Sullivan clarified the intent to respond to concerns raised in testimony that the Board was taking a position on the use of force on Maunakea and that the suggested amendment was intended to be applicable to UH, but realizes that it does restrict the resolution to only UH campuses and is open to other suggestions.

Regent Moore suggested changing the language from UH campuses to “within the UH community” and Regent Sullivan had no objections.

Vice-Chair Sullivan withdrew her original motion and made a new motion to amend the title to read: “Urging de-escalation of tension and non-violent solutions within University of Hawai‘i community regarding Maunakea”, and the first Be It Resolved clause to read: “Now, therefore, be it resolved that the University of Hawai‘i administration under the leadership of President David Lassner is encouraged to pursue good faith efforts to deescalate tensions within the UH community regarding Maunakea, including exploring the use of ho‘oponopono and to pursue non-violent solutions to the conflict regarding Maunakea”.

Regent Wilson seconded the motion.

Chair Kudo noted that he would abstain from the vote since he previously issued a personal statement regarding nonviolence on Maunakea.

After no further discussion, the motion carried unanimously, with Chair Kudo abstaining.

The Board went into recess at 11:08 a.m. and reconvened at 11:16 a.m.

VII. EXECUTIVE SESSION (closed to the public)

Regent McEnerney made a motion to add an item to the agenda for executive session to discuss the president’s evaluation with respect to the eight or so executive and managerial salary increases as proposed in Attachment A. The motion was seconded by Regent Wilson and the motion carried unanimously.

Regent Wilson made a motion to enter into executive session, seconded by Regent Moore, and the motion carried unanimously.

The meeting recessed at 11:18 a.m.

The meeting reconvened at 12:43 p.m. Chair Kudo reported that the Committee on Personal Affairs and Board Governance will review RP 9.212 regarding special compensation of executive and managerial positions going forward and that President
Lassner will be meeting with the Committee on Personal Affairs and Board Governance to review the methodology used to make adjustments to executive and managerial compensations at an upcoming meeting.

VIII. ANNOUNCEMENTS

Chair Kudo announced that the next meeting is a special meeting of the Board scheduled for November 6, 2019, at the University of Hawai‘i at Hilo.

IX. ADJOURNMENT

There being no further business, Regent Wilson moved to adjourn, and Regent Moore seconded, and with unanimous approval, the meeting was adjourned at 12:45 p.m.

Respectfully Submitted,

Kendra Oishi
Executive Administrator and Secretary of the Board of Regents