MINUTES OF THE REGENTS’ COMMITTEE
ON UNIVERSITY AND EXTERNAL AFFAIRS

Date: Thursday, October 21, 2004

Place & time: University of Hawai‘i at Hilo
University Classroom Building, Room 127
10:26 a.m.

Committee Members Present: Regents Albano (presiding)
Bender
Kai
Lagareta
Lee (ex-officio)

Committee Member Excused: Regent Tatibouet

Other Regents Present: Regents de la Peña
Haynes
Kakuda
Tanaka
Yamasato

Others Present: David McClain, Acting President, University of Hawai‘i
Sam Callejo, Chief of Staff
David K. Lassner, Chief Information Officer, Information
Technology Services
Russell W. Miyake, Director, Financial Management
Office
David Morihara, Director, Governmental Relations
Jan Yokota, Director, Office of Capital Improvements
David Iha, Executive Administrator and Secretary of the
Board
Carl H. Makino, Executive Assistant to the Board

Approval of Committee Meeting Minutes

Regent Bender moved to approve the minutes of the meeting of the Regents’
Committee on held on September 9, 2004. The motion was seconded by Regent Lagareta
and unanimously carried.
Legislative Proposals, 2005 Legislature

Director Morihara explained the proposed legislative package for the University of Hawai‘i which is to be submitted for the 2005 legislative session. The proposed bills were:

UOH-01(05) Procurement would amend the current law to exempt the University of Hawai‘i from the State procurement process.

UOH04 (05) Would allow the University to have independent bonding authority to build Housing.

UOH-13 (05) Would allow the University of Hawai‘i to have independent bonding authority for maintenance projects.

UOH-09(05) Would eliminate the lease limit established in chapter 37D. This would allow the University to enter into developer lease agreements on projects like student housing, West O‘ahu, Cancer Research Center as well as major equipment leases.

UOH-11(05) Would authorize the University to spend earnings from the Kaka‘ako Health and Wellness Center bond.

UOH-06(05) Would consolidate some special funds into new special funds.

UOH-05(05) Appropriates funds to pay fringe benefit cost of employees who are being paid through special funds.

UOH-07(05) Modifies last year’s legislation to make it easier for the University to develop an optional retirement system and would remove the five-year sunset provision and raise the cap to match the IRS limit.

UOH-02(05) Repeals the 2005 sunset provision of Act 321 allowing the University to run its own system of accounting and disbursing.

UOH-03(05) Would appropriate matching funds of $1.5 million per year as required for the National Science Foundation’s Experimental Programs to Stimulate Competitive Research grant.

UOH-12(05) Would allow the University to make rules regarding the management of University lands, including Mauna Kea.
Director Lassner spoke briefly on the details for UOH-01, related to procurement. He explained that this proposal would give the University some exemptions from the State’s Procurement Code to give the University flexibility. Acting President McClain added that under the proposed bill the President would have the ability to grant exceptions.

Regent Albano asked if someone did not get a bid, what would be the recourse. Director Lassner explained that it would be a mandatory appeal process heard by DCCA to avoid costly legal disputes.

Regent Albano asked if there was an evaluation of contractors. Chief of Staff Callejo explained that the plan is to have an evaluation system. Not all Facilities Management Offices have an evaluation system so there is some inconsistency.

Regent Albano asked if the procurement bill sets a preference for local vendors. Director Lassner said it does not, because it is difficult to determine what constitutes a local vendor. Therefore the administration did not include such language in the proposal.

Chairperson Lee asked if UOH-13 addresses the repair and maintenance (R&M) needs of the University. Director Yokota stated that this would address some of the R&M needs but is merely one of the means to address the growing R&M backlog at the University.

Regent Lagareta commented that UOH-04 makes reference to “political corporations” as well as “political subdivisions.” She asked for a clarification of this language. Director Miyake said it would not mean partisan political subdivisions and that the language was recommended by the bond council. He would look into this for clarification.

Regent Tanaka inquired about the specifics on UOH-09 which would eliminate the lease limit established in Chapter 37D, HRS. Director Morihara said it would lift the amount of leases the University can enter into.

Regent Lagareta stated that from her review she would support the legislative package since it does seem to enhance the University’s autonomy and appears to make good sense. The critical thing is to get the Legislators and the public to understand the need for increased autonomy for the University.

Regent Tanaka inquired about the special funds to be used for fringe benefits. Director Morihara explained that it would be any special funds.

Chairperson Lee suggested that a bill be introduced to allow for easier interaction between the Board and the Legislature and that amends to the Sunshine Law be introduced to help boards become more efficient while keeping within the spirit of the public’s right to know.
Regent Lagareta moved to approve the proposed legislative package for submission to the Governor and inclusion in the Executive Administration's legislative package as described. The motion was seconded by Regent Kai and unanimously carried.

There being no further business before the Committee, the meeting was adjourned at 11:20 a.m.

Respectfully submitted,

David Iha, Secretary

Dated: November 12, 2004

c: Chairperson Patricia Y, Lee
Members, Board of Regents
Acting President David McClain