

NOTICE OF BOARD OF REGENTS MEETING

Board business not completed on this day will be taken up on another day and time announced at the conclusion of the meeting.

Date: Thursday, February 22, 2018

Time: 9:30 a.m.

Place: University of Hawai'i at Hilo
'Imiloa Astronomy Center of Hawai'i
Moanahoku Hall
600 'Imiloa Place
Hilo, HI 96720

AGENDA

I. Call Meeting to Order

II. Public Comment Period: All written testimony on agenda items received after posting of this agenda and up to 24 hours in advance of the meeting will be distributed to the board. Late testimony on agenda items will be distributed to the board within 24 hours of receipt. Written testimony may be submitted via US mail, email at bor@hawaii.edu, or facsimile at 956-5156. Individuals submitting written testimony are not automatically signed up for oral testimony. Registration for oral testimony on agenda items will be provided at the meeting location 15 minutes prior to the meeting and closed once the meeting begins. Oral testimony is limited to three (3) minutes. All written testimony submitted are public documents. Therefore, any testimony that is submitted verbally or in writing, electronically or in person, for use in the public meeting process is public information.

III. Report of the President

IV. Committee Reports

- A. Report from the Committee on Independent Audit
- B. Report from the Committee on Planning and Facilities
- C. Report from the Committee on Research and Innovation
- D. Affiliate Reports

V. Items for Discussion and/or Approval

A. For Action

1. Consent Agenda:

- a. Minutes of the January 25, 2018 Meeting
- b. Approval of an Indemnification Provision to Allow the University of Hawai'i to Accept Subcontracts from the STScl

2. Conveyance of UH Mānoa College of Tropical Agriculture and Human Resources Waialeale Research Station Property to the State Agribusiness Development Corporation situated at Waialeale, Koolauloa, Oahu, City and County of Honolulu, and designated as tax map key nos. (1) 5-8-001:013, (1) 5-8-001:055, (1) 5-8-001:007, and (1) 5-8-001:006

B. For Information & Discussion

1. Legislative Update

VI. Announcements

- A. Next Meeting: March 22, 2018 at Kapi'olani Community College

VII. Adjournment

ATTACHMENTS

A – Personnel actions posted for information only

Attachment A: Pursuant to §89C-4, Hawaii Revised Statutes, the following proposed compensation action for excluded Executive/Managerial are disclosed for purposes of public comment.

Executive/Managerial

Campus	Last Name	First Name & Middle Initial	Proposed Title	Unit	Nature of Action	Monthly Salary	Effective Date
System	Chinn	Leslie	University Associate General Counsel	Office of the Vice President for Legal Affairs and University General Counsel	Appointment	\$9,000	March 1, 2018
UH Mānoa	Kono	Teresa	Interim University Academic Affairs Program Officer	Office of the Vice Chancellor for Academic Affairs	Appointment	\$8,834	March 1, 2018 - February 28, 2019
UH Mānoa	Mallik	Amrita	University Academic Affairs Program Officer	Office of the Chancellor	Temporary Reassignment	\$10,750	March 1, 2018 - February 28, 2019
UH Hilo	Cerf	Kei-Lin	Program Director	North Hawai'i Education and Research Center	Appointment	\$8,584	March 1, 2018
Windward CC	Doi	Thomas	Interim Vice Chancellor	Student Affairs	Appointment	\$8,168	March 5, 2018 - March 4, 2019

Campus	Last Name	First Name & Middle Initial	Proposed Title	Unit	Nature of Action	Annual Compensation	Effective Date
Kapi'olani CC	Napoleon	David	Dean	Arts and Sciences	Salary Adjustment	\$110,550	January 1, 2018 - December 31, 2018

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PRESIDENT'S OFFICE

18 FEB 16 A9:35

UNIVERSITY OF HAWAII
BOARD OF REGENTS

Item III.
Report of the
President

NO MATERIALS

ORAL REPORT

Item III.

**Report of the
President – UHH
Chancellor & Faculty
Senate Chair Report**

MATERIALS



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HILO

UH Hilo: Directions & Strategies

Interim Chancellor Marcia Sakai

Feb. 22, 2018

UH Board of Regents Meeting

Hilo



High Performance Mission-Driven System: Indigenous Serving University

- **KA HAKA ULA O KE'ELIKŌLANI COLLEGE OF HAWAIIAN LANGUAGE**
 - 'Ōlelo Hawai'i classes for faculty/staff offered in fall/summer since 2016, 71 participants
 - **Hawaiian Language and Culture Distance Learning** courses since Fall 2014, 41 classes, 610 students
 - **Kahuawaiola Indigenous Teacher Education** prepares teachers across state to teach in Hawaiian language medium schools
 - **Hale Kuamo'o Hawaiian Language Center** develops instructional materials for use in state's Hawaiian medium schools, university, and community; manages Ulukau Hawaiian Digital Library, 1.5 million hits per month; 6,000 publications annually



High Performance Mission-Driven System: Indigenous Serving University

- **‘IMILOA ASTRONOMY CENTER**
 - Hosts 30,000 visitors annually, 9,000 children
 - Intersession Workshops, 150 annually, 3,000 attendees
 - Annual Special Events
 - Wayfinding & Navigation Festival, 2,500 attendees
 - Merrie Monarch Lecture Series, 1,000 attendees
 - ‘Imiloa Birthday Pā‘ina, 2,500 attendees



High Performance Mission-Driven System: Indigenous Serving University

- **KĪPUKA NATIVE HAWAIIAN STUDENT CENTER**
 - **Makalapua Na‘auao**, 4-yr pilot scholarship program, 37 recipients, 97% retention
 - **Mālama Kaiaulu**, cultural-focused applied learning activities, 12 activities per year, 150 participants
 - **Eia Hawai‘i Lecture Series**, developing a Hawaiian worldview at UH Hilo, six lectures per year, 300 attendees
 - **Aha Haumāna**, an annual leadership conference for UH/Hawai‘i CC NH students, 100 attendees annually



21st Century Facilities: Leader in Sustainability

- **ENERGY**

- Submeters and monitoring, LED lighting, photovoltaic
- Energy reinvestment account
- Decreased kWh purchase/sf by 14% between 2009 and 2017

- **FOOD PROCUREMENT**

- Local First

- **SOCIAL PLACES**

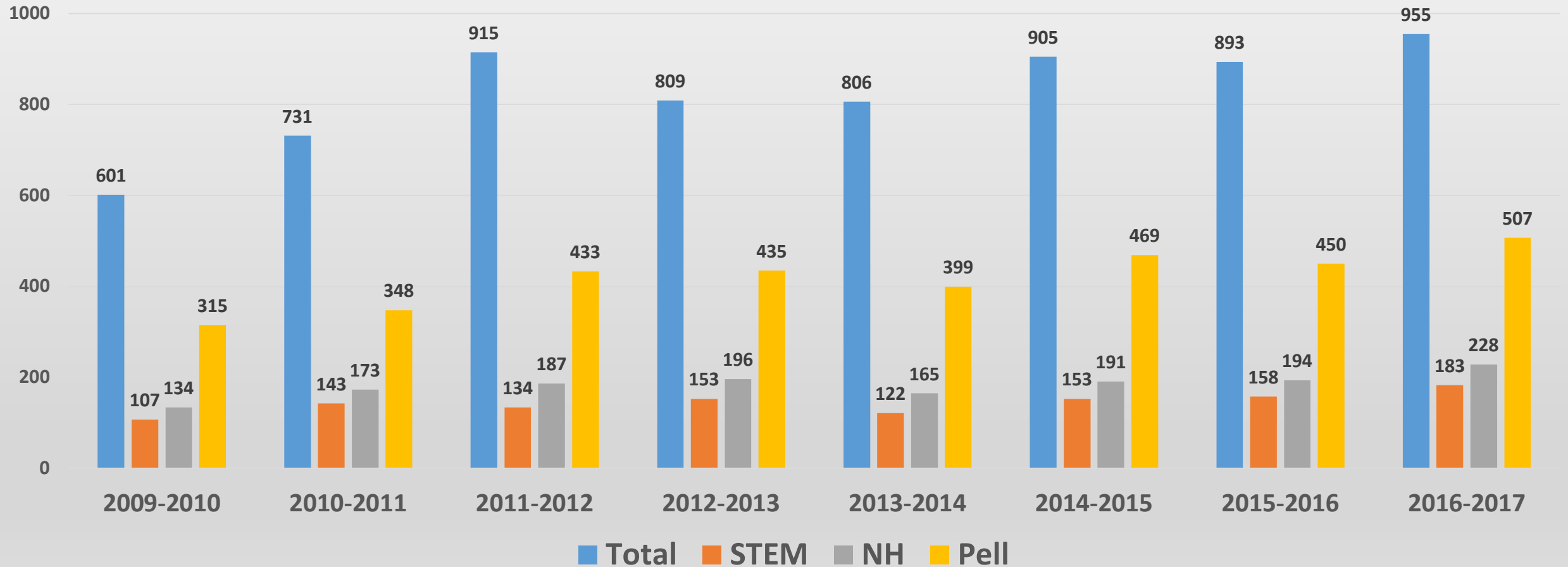
- Areas to eat, with solar powered ports to recharge electronics



Campus Learning Gardens

Hawai'i Graduation Initiative: Student Success

Degrees and Certificates



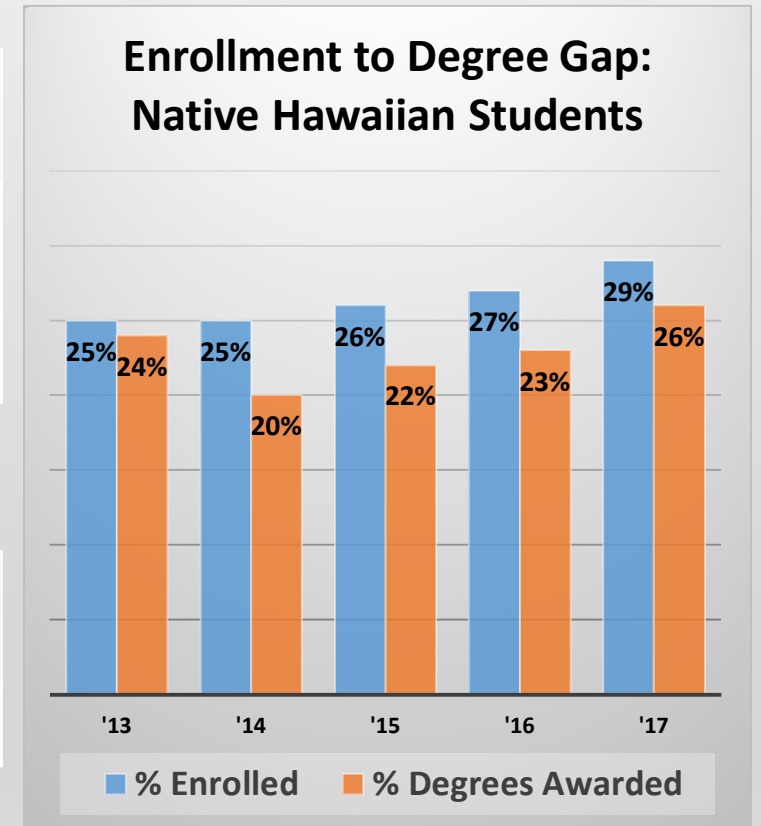
2017 UH Strategic Directions Measures

ENROLLMENT TO DEGREE GAP

	% Enrolled	% Degrees Awarded	% Difference	Met/Exceeded Goal ?
Native Hawaiians	29%	26%	-3.0%	▲
Pell	53%	54%	+1.0%	▲

STEM DEGREES AWARDED

Goal	Actual	Met/Exceeded Goal?
157	183	▲



Hawai'i Graduation Initiative: Enrollment Management Plan 2018-2021

PRIORITY	MEASURE	ACTUAL FALL 2017	PAST 3- YEAR AVERAGE GROWTH	TARGETED ENROLLMENT COUNT 2021		
				4-year Total Enrollment	4-year % Change	Change
	TOTAL ENROLLMENT	3,539	-3.3%	3,983	12.5%	444
	Total Enrollment of Targeted Groups	1,126	-2.6%	1,307	16.1%	181
1	Targeted Undergraduates	926	-3.8%	1,107	19.5%	181
1a	First-time Freshman	415	-1.3%	455	9.6%	40
1b	Transfer	511	-5.6%	551	7.8%	40
1c 1/	Retention (increase from 70.9% to 75%)	0	-4.1%	377	NA	377
2	Graduate	200	4.8%	200	0%	0

1/ Count in the 4-year total enrollment column is cumulative, Fall 2018 through Fall 2021

Hawai'i Graduation Initiative: Student Engagement

- **RAISE ME**

- **Micro-scholarship platform**, high school freshmen earn funds toward scholarship
- 80 students anticipated in first cycle

- **MENTORSHIP COLLECTIVE**

- **Peer mentoring** pairing juniors and seniors with freshmen and transfer students
- 70+ student mentees

- **LIVING-LEARNING COMMUNITIES**

- **Themed communities:** Business, Creative Arts, Environmental Sustainability Hawaiian Language & Culture, Health and Wellness and Natural Science
- 411 participants since 2013
- Overall fall-spring persistence 95%, fall-fall persistence 75%



Environmental Sustainability Living Learning Community

Hawai'i Graduation Initiative: Student Engagement

- **WORKFORCE/LEADERSHIP DEVELOPMENT**

- **Employment and internship opportunities** for students to gain real life experiences within their academic field of study or future careers goal, 800+ student employees/interns each year

- **'OPIHI: UH HILO STUDENT SUCCESS**

- Targeted student retention and graduation initiatives:
 - **Prep Day** for first-time freshmen to assist with admissions and registration process
 - **My Success Hilo**, an early warning platform to improve communication between instructor, student and student's on-campus network
 - **Student Success Tips**, using social media outlets and other strategies to communicate with students regarding important deadlines and processes



Interns in Washington, DC

Hawai'i Graduation Initiative: Academic Programming and Career Pathways

PROGRAMS IN CONSOLIDATION

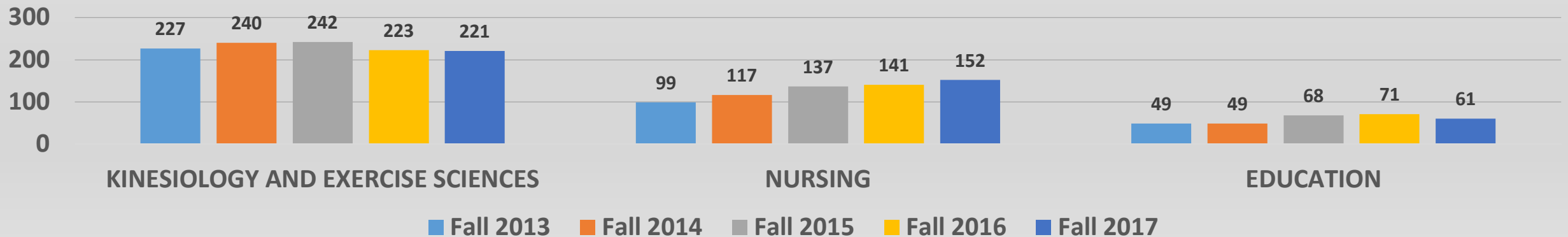
- BA Economics
- BA Environmental Sciences
- MS Clinical Psychopharmacology
- BS Agriculture subject tracks
- MA Counseling Psychology

PROGRAMS IN EXPANSION

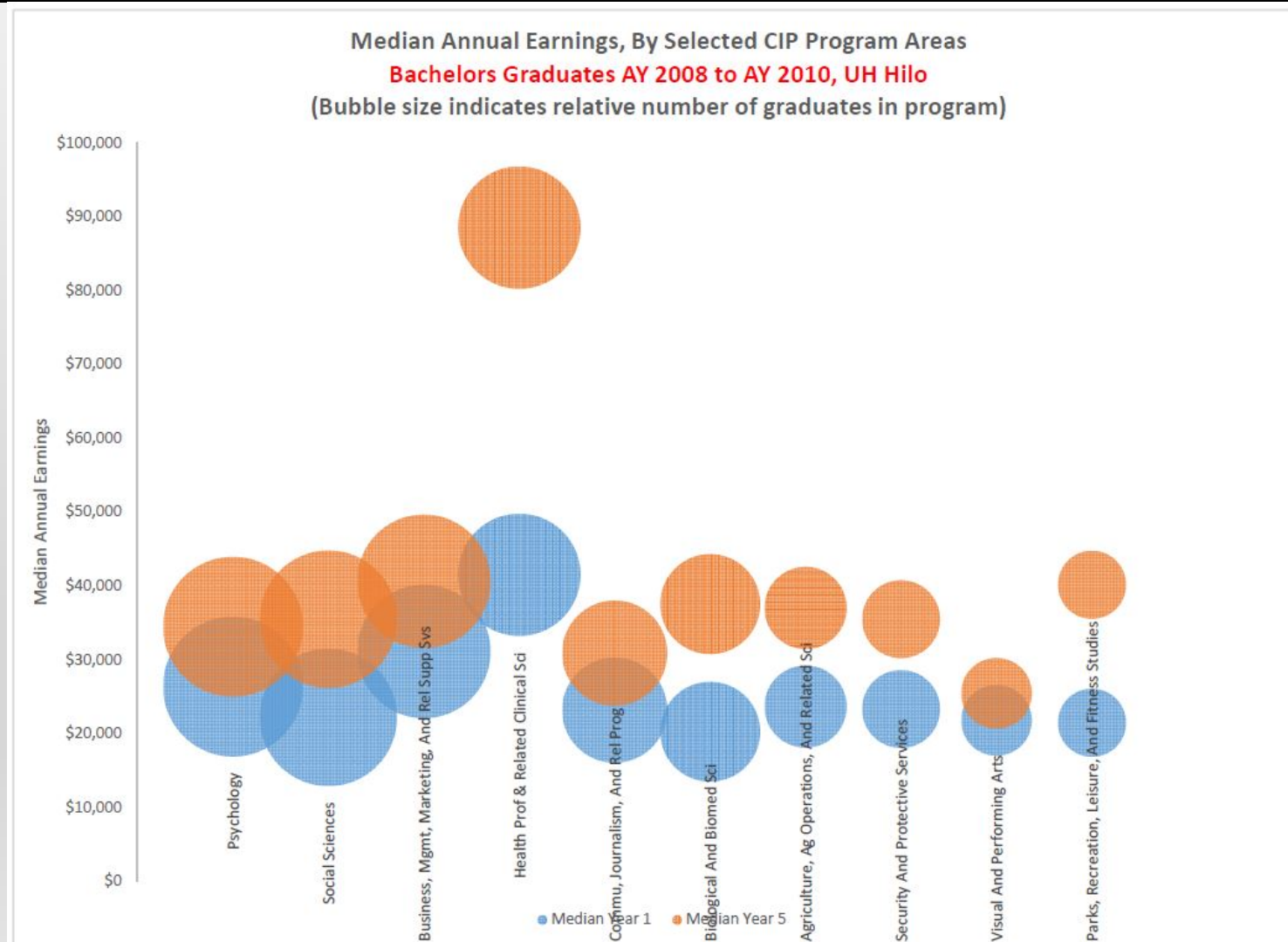
- BA in Kinesiology and Exercise Sciences
- BS in Nursing
- Master of Arts in Teaching
- Masters of Education

NEW PROGRAMS IN PLANNING

- Data Science Certificate
- Cybersecurity
- Aviation and Unmanned Aircraft Systems



Employment and Earning Outcomes



UH Hilo Faculty Congress

- **HAWAI‘I GRADUATION INITIATIVE**

- Support Students
 - Advanced Placement Seminar and Research (A)
 - Open Educational Resource (P)
 - Student Athletics (P)

- **HIGH PERFORMANCE MISSION-DRIVEN SYSTEM**

- Assure Self-Governance
 - College of Pharmacy Faculty Senate Executive Committee Establishment and Faculty-Selected Representation to Faculty Congress

- **HIGH PERFORMANCE MISSION-DRIVEN SYSTEM**

- Develop Policies
 - Distance Learning (A)
 - Course Incompletes (A)
 - Non-Enrolled Students Attending Classes (P)
- Develop Procedures
 - Contract Renewal, Promotion and/or Tenure Process Tracking (P)
- Provide Requests
 - Updated Strategic Plan (P)
 - Permanent Distance Learning Coordinator (P)
- Develop Guidelines
 - Early Promotion and Tenure (P)



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HILO

ALOHA



Item IV.A., IV.B.,
IV.C.

Committee Reports

MATERIALS

Agenda Item	Discussion	Follow Up/Action
Minutes	None	Approved
Testimony	None	
<p>For Action:</p> <p>IV.A.1. Review & Acceptance of the Associated Students of the University of Hawai'i at Mānoa Financial Statements & Management Letter for the Year Ended June 30, 2017</p>	<p>David Estes, Auditor with the UH Office of Internal Audit presented for acceptance the Associated Students of the University of Hawai'i (ASUH) Mānoa Financial Statements & Management Letter for the Year Ended June 30, 2017. The ASUH Constitution requires an annual audit and a financial statement review every three years. The review is substantially less in scope than an audit, but they do take into consideration operational and compliance activities. The management letter contains a recommendation related to compliance with investment policies during a period when there was not an investment consultant. Management's response contained an explanation of how the situation came about and the corrective action plan going forward.</p> <p>Questions were raised and discussion ensued regarding the reason for there being no comparison of investment returns for similar portfolio structures or spending rate; the difficulty of maintaining continuity over the portfolio given the turnover in ASUH leadership; what ASUH would recommend in terms of mechanism, procedure, or process to ensure ongoing supervision and monitoring of the portfolio; whether it would make sense to have the stadium stock fund and legacy endowment portfolios managed together; the lack of a deadline in the corrective action plan for ASUH to find an active investment manager; whether the training ASUH leadership received in association with this project was helpful; what advice ASUH would give to future leaders; whether ASUH or the board owned the portfolio; how impressed the board had been by the thorough work and presentation by ASUH leadership when they came before the board for approval of the selected investment managers and fund investments for the ASUH stadium stock fund; and discussion regarding whether board policy should be amended to allow this</p>	<p>The committee accepted the financial statements & management letter.</p>

	<p>type of transaction to be delegated to ASUH.</p> <p>ASUH explained that during the period in question, the portfolio was with Bank of Hawai'i, and ASUH subsequently negotiated a contract with a new financial advisor. ASUH expressed concerns over managing the stadium stock fund and legacy endowment portfolios together, and noted that the current investment advisor was encouraging them to revise board policy to allow ASUH to manage their own affairs and create their own policies regarding the portfolio instead of having to go through the bureaucratic process of obtaining board approval. ASUH is working on policy proposals to bring back to the board in the future.</p> <p>Chair McEnerney clarified that only the review of financial statements was before the committee, and the committee would not be directly participating in a change in policy. He also noted there was a two year gap in getting an investment advisor, but once Graystone Consulting was selected, the approval went before the Budget & Finance Committee in October and the Board in November, so the major delay was not a function of the board approving the investment advisor.</p>	
<p>IV.A.2. Review & Acceptance of the University of Hawai'i Review of Employee Cell Phone Charges</p>	<p>David Estes, Auditor with the UH Office of Internal Audit, presented for acceptance the UH Review of Employee Cell Phone Charges that was requested by UH administration, and management's response. There is no current UH cell phone policy, whereas comparable peer institutions have established a formal cell phone policy. The lack of policy has led to inconsistencies across the System. Administration indicated appreciation for internal audit taking this project on with such short notice, and noted that it stemmed from information and data on another audit related to check disbursements less than \$2,500, which showed a fair amount of disbursements for cell phone providers. Administration is prepared to undertake the process to create a policy that adheres to best practices for similar organizations without impeding current field</p>	<p>The committee accepted the UH Review of Employee Cell Phone Charges report.</p>

	<p>operations, and establishes sound practices on how to evaluate employees who utilize cell phones.</p> <p>Discussion ensued regarding there being no employees at Leeward, Windward, and Kaua'i Community Colleges using university cell phones during FY2017; why the university did not have a single service provider; and the option of employees using personal cell phones since most individuals own one.</p>	
<p>IV.A.3. Review & Acceptance of the University of Hawai'i at Mānoa Outreach College Financial & Operational Review</p>	<p>David Estes, Auditor with the UH Office of Internal Audit, presented for acceptance the UHM Outreach College Financial & Operational Review and management's response.</p> <p>Questions were raised and discussion ensued regarding the net cash flow not being allocated back to the division/school providing the facilities; the utilization of lecturers vs full-time faculty; full-time students having to pay additional tuition for Outreach College classes; how Outreach College assures that credit classes are equivalent to classes offered at the regular UHM campus; what UHM Outreach College attributes its success to; and how other programs might be more profitable if operated under this type of model.</p> <p>It was noted that the Outreach College has done a fantastic job of supporting programs that might not otherwise have started, but they have also not had to bear the indirect costs that a program might incur if it started up within the regular UHM day school. There are disadvantages to running parallel programs with parallel modes of delivery, especially for programs that overlap with the regular UHM day school, and this audit will be very useful in figuring out what can be done without damaging programs that are serving unique populations.</p>	<p>The committee accepted the UHM Outreach College Financial & Operational Review.</p>
<p>IV.A.4. Review & Acceptance of the University of Hawai'i at Mānoa Intercollegiate Report on Agreed</p>	<p>External Auditor Cory Kubota submitted for acceptance the audit report required by the National Collegiate Athletic Association (NCAA) to confirm the program is in compliance in meeting the minimum home attendance requirements, with no exceptions noted.</p>	<p>The committee accepted the UHM Intercollegiate Report on Agreed Upon Procedures</p>

<p>Upon- Procedures – 2017 Football Season</p>	<p>Discussion ensued regarding the reason for low attendance at the November 11, 2017 game. Possible reasons provided were weather and it being a holiday.</p>	
<p>IV.A.5. Review & Acceptance of Review of Check Disbursements Less Than \$2,500</p>	<p>Due to time constraints, this item was deferred. There were no objections.</p>	<p>Deferred</p>
<p>For Information: IV.B.1. Whistleblower Report</p>	<p>The committee reviewed the latest draft report that collected complaints made to date and status, including a summary of the types of complaints made. There are several older cases at Kapi'olani Community College: the chancellor will be rendering a decision soon for one, the vice chancellor will be rendering a final decision for the other, and one has been delayed due to additional related complaints requiring additional investigation. There is an open case involving an HR matter at UHM that is currently under investigation.</p>	
<p>IV.B.2. Enterprise Risk Management Update – Overview of Cybersecurity at University of Hawai'i</p>	<p>VP Yoshimi explained that a recently issued report by EDUCAUSE Center for Analysis & Research identified cybersecurity as the number one issue of the Top 10 IT Issues facing higher education institutions. Administration is working on updating and revising executive policies in this area. He reviewed the staffing & resources dedicated to security within the IT organization that fall under the Office of Chief Information Security Officer, and first line responders in the Client Services & Operation Center that provide 24/7 manned response. Staffing and training are continually updated in this area to be able to respond in a timely manner, and technical staff is well connected to various national organizations and peers that provides UH with a network of intelligence. Having the security program within the IT organization allows them to commandeer additional technical resources when incidences occur.</p> <p>Discussion ensued regarding the need for a board policy on cybersecurity governance; and whether sources of compromises have been from internal or external sources, and what</p>	

	<p>types of testing or training is being done to prevent this happening.</p> <p>It was noted that Regents Policy 11.208, Information & Communication Technologies, gives the president the authority to do whatever is necessary to protect and ensure the availability of information and technology resources, which enables the executive policies and actual practices. Data classification is done at the executive policy level.</p>	
<p>IV.B.3. Board Education Session – Walk Through of University of Hawai'i Consolidated Financial Statements</p>	<p>External Auditor Cory Kubota gave a presentation on the purpose of UH's consolidated financial statements that included an explanation of the following documents: Management's Discussion & Analysis; Statement of Net Position; Statement of Revenues, Expenses & Changes in Net Position; Statement of Cash Flows; Notes to the Consolidated Financial Statements; and Required Supplementary Information Other Than Management's Discussion & Analysis.</p> <p>Discussions ensued regarding concern over the difference in end of year balances on the Statement of Cash Flows; whether the liability for retirement benefits was shared with the state; and the diversity of UH's investment portfolio.</p>	

Agenda Item	Discussion	Follow Up/Action
Minutes	None	Approved
Testimony	None	Approved
<p>Information & Discussion:</p> <p>IV.A.1. University of Hawai'i at West O'ahu Mauka Lands Photovoltaic Developer Briefing</p>	<p>Administration provided a briefing on the UHWO Mauka Lands Photovoltaic (PV) Developer that included critical milestones & timeline, and the key terms of a binding letter of intent. Hawaiian Electric Company (HECO) has issued a request for proposals (RFP) from PV providers to develop up to 180 megawatts (MW) PV farm that can tie into HECO's grid. Most PV developers do not own land, so HECO also asked large land owners on O'ahu to identify parcels land that could be available to the PV providers to be packaged as a proposal to HECO. UH is one of approximately 10 to 12 landowners who have offered to partner with PV providers who will put together Power Purchase Agreement (PPA) proposals with established land and construction costs to submit to HECO by the April 13, 2018 deadline. UH has identified approximately 460 acres of UHWO Mauka Lands that could support 64 MW of PV, which is approximately the size of UHM campus. The current RFP may be limited as HECO's nearest existing circuit can only take 18 MW. UH intends to enter into multiple letters of intent (LOI) with multiple PV providers as it is unknown which provider HECO will select. UH has a March 13, 2018 deadline for PPA providers to submit LOI proposals, any LOI will be brought to the board for approval in March 2018, and if approved will become binding with a 20-year term. HECO will be issuing awards in October 2018. UH does not run the risk of there being more than one successful proposal on the UHWO Mauka Lands parcel. Through this exercise, UH can demonstrate it can be nimble as an institution and enter into agreements in the public-private partnership (P3) arena or with private industry and developers. Discussions held regarding whether UH would be entering into a lease or a use and occupancy agreement with PPA providers; that this transaction is a straight land deal with cash</p>	

	<p>being the only consideration UH will receive as there are no additional terms that offset HECO rates; whether another term would be preferable to “binding letter of intent”; the possibility of doing an easement instead of an LOI; when the final site would be determined; whether the developed area would be common area; if the developer would be responsible for removal of the PV after the 20 years; the possibility of UH self-generating power at some point in the future; the current estimated costs (e.g., legal, feasibility and project management fees); whether track record and financial viability was a criteria for potential partners; whether there was any risk to UH for proceeding with this project; and whether the agricultural lands were being leased and the revenue from those leases; and the advantages of having agricultural activities near the proposed PV project. It was noted that the National Park Service (NPS) acquired the nearby Honouliuli Internment Camp to create a national park, so UH may want to consider coordinating with NPS.</p> <p>Extensive discussions were held regarding the preliminary green tariff discussions with HECO, which is a separate, distinct, and unrelated transaction from the current HECO RFP. Any sort of green tariff consideration would be in the form of discounted electricity rates for UH. A question was raised regarding whether HECO was receptive to the concept of kilowatt credits per consumption. It was noted that UH should be able to do both the RFP and green tariff opportunity should that ever become a reality. Concerns were expressed regarding whether any consideration had been given to potential unrelated business income tax, general excise tax, or property tax implications, if any.</p> <p>The committee reiterated the need to keep the board informed as much as possible during the process but also recognized the need for UH administration to respond quickly given the circumstances.</p>	
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<p>IV.A.2. Update on University of Hawai'i at Mānoa Campus Space Utilization Study and Master Physical Plan</p>	<p>Consultants from MKThink gave a presentation recapping the UHM space utilization study that showed how the data is being utilized to support university planning processes and provide a foundation for decision making and risk management. Highlights included the total square footage for UHM buildings; inventory by building, administrative/academic unit, and individual room level; scheduling of classrooms and labs; variance of classroom utilization during the course of the week; quantifying the opportunity with improvements in both utilization and occupancy that could yield additional effective classroom space which can be repurposed for other priorities; examples of applicability; examples of College of Engineering projects; faculty survey on facilities results, participation, themes, collaboration, space priorities, and technology; and master planning general approach, team organization, and timeline.</p> <p>Questions were raised regarding how UHM's classroom utilization compares with peer institutions; whether there were exemplars in higher education of high space utilization; the scarcest resource for UH was ineffective utilization of land and not the land itself; the need to obtain input from students, not just faculty; and whether year-round school should be considered at UHM. The committee requested MKThink provide information on universities that have done year-round school, or different programs in the summer, evenings, and weekends.</p>	
<p>IV.A.3. University of Hawai'i Repair & Maintenance Operating Budget Overview</p>	<p>Administration gave a presentation on the difference between repair & maintenance (R&M) and capital improvement projects (CIP), and their components; a breakdown of FY18 facilities operating budget (R&M, custodial and grounds) for UHM, UHH, UHWO, and the community colleges, including the FY18 operating budgets for R&M, custodial, and grounds, and facilities operating budget per gross square foot; the FY18 facilities staff</p>	

Planning and Facilities Committee Report

Summary of Meeting

2/7/2018

	<p>coverage rates by campus; the FY18 R&M as percentage of total campus operating budget (general funds and tuition & fees special funds); and FY18 UHM R&M at a glance.</p> <p>Discussions held regarding whether the master plan takes into consideration the amount of square footage UH could afford and the need to prioritize R&M.</p>	
<p>IV.A.4. FY18 Q2 Major Projects Update</p>	<p>Due to time constraints, this item was deferred. There were no objections.</p>	<p>Deferred.</p>

Agenda Item	Discussion	Follow Up/Action
Minutes	None	Approved
Testimony	None	Approved
<p>For Information & Discussion:</p> <p>IV.A.1. FY18 Q2 Extramural Awards Report</p>	<p>Vice President for Research & Innovation Syrmos presented the FY18 Q2 Research & Innovation Metrics Summary; the FY18 Monthly Report of Extramural Awards as of December 31, 2017; and the FY18 Extramural Awards Analysis Report. FY18 Q2 total is \$62 million, which is 4.3% more than FY17 Q2. Overall the total Q2 amounts increased by 4.3%, but results for FY18 Q2 were \$11.9 million (16.1%) short of the forecast and 27.7% short of the target, with only UH West O’ahu and the UH Community Colleges surpassing expectations.</p> <p>Discussions held raised questions on issues regarding the small number of extramural awards at Shidler College of Business; whether Kaua’i Community College was actively pursuing grants and what type of assistance were they receiving in these efforts; the need of having programs that bring value to the university and how to determine value; the importance of looking at what other universities have done to grow their research portfolios; and how positions are handled when faculty retires. Concerns were expressed over whether the significant decline in revenues from research at the UH Cancer Center was due to timing issues; and the trends of underperforming on targets given the important role research plays at UH, what is being done to reverse the trend, or whether it was time to reevaluate UH’s strategy for research.</p> <p>Administration noted that the numbers fluctuate by quarter, but the numbers continuing to decline over a one to two year period is cause for concern.</p>	
<p>IV.A.2. Update on Act 38 & Act 39 Session Laws of Hawai’i 2017</p>	<p>Vice President for Research & Innovation Syrmos gave a presentation that provided an update on Act 38 & Act 39, Session Laws of Hawai’i 2017. The presentation included an overview and history; sunset and reporting; highlights of Act 38; notable powers under Act</p>	

	<p>39; examples of using Act 39 and benefits; the incorporation of UH Ventures, LLC in September 2017 to manage conflicts of interests, protect the university from risks and exposures, and avoid comingling of private and state funds; and organizational charts for UH Ventures LLC and the Office of the VP for R&I. It was noted that Act 39 gives UH the ability to act as a private institution to directly or indirectly finance concepts or proposals like any other private entity, which is unique among public higher education institutions. It was noted that transparency is very important, and administration would like for UH Ventures, LLC to have a managing or advisory board with members from among UHM deans & directors, the business community, and one or two regents. The board will be the vetting mechanism to ensure the organization and projects are managed properly. The next Director of the Office of Innovation & Commercialization will help with the structure of the board and operating procedures, and once set this will give UH the ability to run its own technology accelerators and invest directly in its own start-ups.</p>	
<p>IV.A.3. Applied Research at the University of Hawai'i</p>	<p>Due to time constraints, this item was deferred to the next committee meeting. There were no objections.</p>	<p>Deferred</p>
<p>IV.A.4. Update on Research & Innovation Long Range Plan Progress – UH West O'ahu presentation</p>	<p>UHWO Chancellor Maenette Benham gave a presentation on UHWO's value proposition (Pūpūkahi I Holomua) & guiding principles (Pahuhopu); growth of extramural funding at UHWO during 2012-2018; Office of Research Services Awards Summary FY2017 including award amount, award count, and percentage of grand total for all campuses; UHWO's Comprehensive Institutional Strategic Action Plan, 2018-2028; background information on the Institute for Engaged Scholarship (IES) and current organizational structure; examples of funded engaged scholarship; highlights of research engaged scholarship; student examples of engaged scholarship; information on a research grant collaboration with Kamehameha</p>	

	Schools; Goals for 2017-2019; current strategic actions; funded projects in-process; and aspirations.	
IV.A.5. Strategic Research & Innovation/Hawai'i Innovation Initiative Metrics	Due to time constraints, this item was deferred to the next committee meeting. There were no objections.	Deferred

Item IV.D.
Affiliate Reports

NO MATERIALS

ORAL REPORT



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BOARD OF REGENTS

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February 7, 2018

MEMORANDUM

TO: Jan N. Sullivan
Chairperson, Board of Regents

VIA: David K. Lassner
President

VIA: Kalbert K. Young
Vice President for Budget and Finance/Chief Financial Officer

VIA: Carrie K.S. Okinaga
Vice President for Legal Affairs and University General Counsel

FROM: Vassilis L. Syrmos
Vice President for Research and Innovation

SUBJECT: Approval of an Indemnification Provision to Allow the University of Hawai'i to Accept Subcontracts from the STScI

UNIVERSITY OF HAWAII
PRESIDENT'S OFFICE

David Lassner

Kalbert K. Young

Carrie K.S. Okinaga

Vassilis L. Syrmos

SPECIFIC ACTION REQUESTED:

It is respectfully requested that the University of Hawai'i ("University") Board of Regents ("Board") approve a hold harmless provision in favor of Space Telescope Science Institute ("STScI") to allow the University to accept research subawards issued by STScI pursuant to a prime award STScI receives from the National Aeronautics and Space Administration ("NASA") for the calendar year 2018. The request is made pursuant to the Hawai'i Revised Statutes Section 304A-110 ("Indemnification"), appended as "Attachment 1" to this memorandum.

RECOMMENDED EFFECTIVE DATE:

The recommended effective date is upon Board approval. Upon Board approval, the hold harmless obligation may be accepted in any STScI subawards issued during calendar year 2018.

ADDITIONAL COST:

There are no additional costs associated with this request.

PURPOSE:

The purpose of this request is to allow the University to accept research subawards from STScI during calendar year 2018, where the subaward requires the University to hold STScI harmless from various risks. Hawai'i law requires approval from the Board before the University undertakes a hold harmless obligation.

BACKGROUND:

STScI is one of several facilities operated by a consortium of 44 U.S. institutions and four international affiliates (Associate of Universities for Research in Astronomy or "AURA"). Since 1990 STScI has been the science operations center for the Hubble Space Telescope. STScI will also lead the science and mission operations for the James Webb Space Telescope, and for the Wide Field Infrared Survey Telescope.

STScI holds a prime contract from NASA, and pursuant to this prime contract intends to issue approximately six to eight subawards to the University this year ("Subawards"). The University has had a successful research collaboration with STScI for the past 22 years and has received, annually, subawards totaling between \$13,163 (in 1996) and \$1,216,537 (in 2012).

The research work requires principal investigators ("PIs") at the Institute for Astronomy ("IfA") to create models of star clusters and the area between the stars, analyze data received by the Hubble Space Telescope, calculate distances between stars, and other similar fields of study. Occasionally, as required, the PI may be asked to visit STScI located in Baltimore, Maryland, or other STScI facilities.

Hold Harmless Obligation

The subawards incorporate STScI's general grant provisions including the following obligations (bold faced added for emphasis):

Section 28 – Grantee Liability and Insurance

A. Liability

The grantee is considered an independent researcher and not an employee of STScI. The grantee is responsible for all actions taken or not taken in the performance of the activity under a grant funded by STScI, including actions taken at the Institute, and STScI expressly disclaims any responsibility to any third party therefor. **Further, to the extent allowable by State law, the grantee agrees to hold STScI harmless from, and to accept all responsibility for any harm suffered by anyone arising out the actions of the grantee or its employees, agents, and representatives while visiting STScI.**

Because the obligation covers “all responsibility for any harm suffered by anyone arising out of the actions of the UH employee” it is akin to an open-end, contingent liability of an indemnification. The University offered alternative contract language which would not necessitate Board approval, but STScI indicated it would take several months to approve the alternative language. To avoid delays in commencing research, Board approval of the STScI template hold harmless obligation is requested.

Risk Analysis

The “Grantee Liability and Insurance” clause requires the University to hold STScI harmless from any damages arising from the actions of University personnel when visiting STScI. Since the majority of the PIs do not visit STScI during their projects, the hold harmless clause is unlikely to be invoked during the course of the subaward. If the PI does intend to visit STScI, the risk of the visiting PI causing injury to third parties is assessed as remote, and can be mitigated by the visiting PI fully understanding and abiding by visitor protocols of the hosting STScI. In the opinion of the Office of the Vice President for Research and Innovation (“OVPRI”), the benefits of these site visits to STScI facilities for face-to-face interaction on a research project outweigh the risks of the “hold harmless” protection to the host.

As indicated in the address field of this Memorandum, the president, following favorable review by the university general counsel approves the proposed obligation, and the chief financial officer has obtained an insurance policy in an amount sufficient to cover the liability that may be reasonably anticipated to arise under the indemnity provision, or has determined that it is not in the best interest of the university to obtain insurance.

ACTION RECOMMENDED:

It is recommended that the UH BOR approve a hold harmless provision in favor of STScI to allow the University to accept research subawards issued by STScI pursuant to a prime award STScI receives from NASA for the calendar year 2018.

Attachment

c: Executive Administrator and Secretary to the Board of Regents

DU 18736

College of Tropical Agriculture and Human Resources
Founding College of the University of Hawai'i

Office of the Dean and Director of Research and Cooperative Extension

UNIVERSITY OF HAWAII
BOARD OF REGENTS



UNIVERSITY
of HAWAI'I
MĀNOA

18 FEB 16 P4:29
RECEIVED

February 16, 2018

TO: Jan N. Sullivan
Chairperson, Board of Regents
University of Hawai'i

*18 FEB 16 P4:26

VIA: David Lassner
President
University of Hawai'i

UNIVERSITY OF HAWAII
PRESIDENT'S OFFICE

David Lassner

VIA: Kalbert K. Young
Vice President for Budget and Finance/Chief Financial Officer
University of Hawai'i

Kalbert K. Young

VIA: Jan S. Gouveia
Vice President for Administration
University of Hawai'i

Jan S. Gouveia

VIA: David Lassner
Interim Chancellor
University of Hawai'i at Mānoa

David Lassner

FROM: Nicholas Comerford
Dean, College of Tropical Agriculture and Human Resources
University of Hawai'i at Manoa

Nicholas Comerford

SUBJECT: Conveyance of UH Mānoa College of Tropical Agriculture and Human Resources
Waialeale Research Station Property to the State Agribusiness Development Corporation
situated at Waialeale, Koolauloa, Oahu, City and County of Honolulu, and designated as
tax map key nos. (1) 5-8-001:013, (1) 5-8-001:055, (1) 5-8-001:007, and (1) 5-8-001:006

SPECIFIC ACTION REQUESTED:

As provided in Board of Regents Policy RP 10.201 (Interests in Real Property), the Board of Regents is requested to approve the University's conveyance to Agribusiness Development Corporation ("ADC") of its fee simple interest in the property comprising the Waialeale research station, consisting of approximately 131.72 acres, designated as Tax Map Key Nos. (1) 5-8-001:013 (Parcel A - 12.54 acres), (1) 5-8-001:055 (Parcel B - 30.88 acres), (1) 5-8-001:007 (Parcel C - 87.20 acres), and (1) 5-8-001:006 (1.1 acres) (collectively the "Property"), and shown on the attached map. Since acquiring ownership of the Property, the University of Hawai'i at Mānoa College of Tropical Agriculture and Human Resources ("CTAHR") has managed and operated an experimental farm and agriculture operation within the Property.

RECOMMENDED EFFECTIVE DATE:

Upon approval of the Board of Regents and the ADC Board of Directors.

3050 Maile Way, Gilmore Hall 202 Honolulu, Hawai'i 96822-2271
Telephone: (808) 956-8234, Fax: (808) 956-9105
E-mail: dean@ctahr.hawaii.edu

BACKGROUND:

The University acquired ownership of the Property in 1958 when the State of Hawai'i set aside the Property to the University by Governor's Executive Order No.1848 issued on May 16, 1958 ("EO") after approval by the State Board of Land and Natural Resources ("BLNR"). The BLNR subsequently approved the cancellation of the EO and the transfer of fee simple title to the Property to the University at BLNR's meeting held on February 11, 1994. This approved transaction was not implemented or completed. Nevertheless, the University's position has been that lands set aside to the University are owned in fee simple by the University.

University use of the Property

Since the EO was issued, CTAHR has operated an experimental farming and agricultural operation within the Property. The University constructed a number of buildings and structures, including a swine nursery, poultry nursery, and animal husbandry complexes. The University installed utility lines and facilities serving the Property, including establishing a well and constructing water transmission and irrigation lines. The University also established a number of agricultural plots upon which different crop varieties were grown and tested.

More recently, due in part to budget constraints, CTAHR has scaled back agricultural and livestock raising operations. The University also explored returning the Property to the BLNR but the State Department of Land and Natural Resources ("DLNR") would only accept a return of the Property if the University demolished and removed all buildings and structures and cleaned up and remediated any and all hazardous material conditions within the Property. Without sufficient funding to complete these tasks, the University evaluated other alternatives for Property use, including leasing it to third parties for eco-tourism purposes and use as a construction baseyard.

Use of the Property by others

Within the past four to five years, the University has become aware of several unauthorized occupiers of the former swine nursery complex. Portions of the Property consist of kuleana lands and certain individuals have claimed kuleana rights to use and/or occupy such lands. There is an individual, Vernon Lindsay, who claims to have paid \$75,000 to the McCandless Land and Cattle Company to acquire rights to kuleana lands within the Property and upon which a portion of the former swine nursery complex is located. Some of the unauthorized occupiers have been claiming that V. Lindsay has given them permission to occupy his kuleana lands. V. Lindsay himself has been in contact with CTAHR seeking University recognition of his ownership of kuleana rights within the Property and asking that CTAHR not proceed with plans to demolish the former swine nursery complex, a very small portion of which is purportedly situated within his claimed kuleana parcel. The University has not recognized or determined who might rightfully own this claimed kuleana parcel or the kuleana rights relating thereto. Having received title from the State of Hawai'i ("State") through the EO setting aside the Property to the University, the University has consistently maintained that the University owns the fee simple title to all such kuleana parcels situated within the Property. As such, CTAHR has been in contact with V. Lindsay but has been careful not to take any action or respond in a way that can or could be interpreted as University recognition of any rights V. Lindsay might allege or claim in or to the Property.

There have been an increasing number of complaints alleging that illegal activities posing a danger to the surrounding community have been taking place within the former swine nursery complex. It has also been alleged that the number of seemingly abandoned vehicles being brought onto and stored within the Property are increasing, large dogs kept within the Property have been allowed to roam in the adjacent

Chairperson Jan N. Sullivan

February 16, 2018

Page 3

community attacking neighbors and causing damage, and alleged meth or other drug labs are being operated within the Property.

The University has been in contact with the Honolulu Police Department and the State Department of Public Safety and more recently, has been working with Scott Morishige, the State's homeless coordinator, discussing the feasibility, logistics, and costs of possibly performing a sweep of the former swine nursery complex within the Property. Our understanding is that the authorities are not willing at this time to treat this as a homeless issue but rather as a property ownership dispute. This means that such authorities will or may respond only if it can be established that criminal or illegal activity is taking place within the former swine nursery complex and is posing a danger or threat to the nearby and surrounding communities.

It is anticipated that any legal action (either or both a quiet title and trespass actions) will take a long period of time and require the University to expend significant funds and resources to clear the Property, particularly the former swine nursery complex. Despite the presence of the unauthorized occupiers, ADC appears willing to accept conveyance of the Property subject to being responsible for handling and addressing the issues relating to the unauthorized occupiers.

ADC involvement

For several years, CTAHR and the University have had discussions with ADC regarding the conveyance of the Property, including preparing and forwarding to ADC a draft quitclaim deed that contains the terms and conditions of the proposed conveyance of the Property to ADC. ADC desires the Property in order to help implement its statutory mandate to advance diversified agriculture in the State. The University believes that this objective is very consistent with the purposes of CTAHR and the EO by which the University was originally provided this property. One condition is that ADC acknowledges and accepts responsibility for handling and addressing the unauthorized occupiers and releases the University from any further responsibility.

A major term sheet containing the significant terms and conditions contained within the quitclaim deed is attached ("Major Term Sheet"). ADC has retained consultants to assist ADC in preparing an environmental assessment and due diligence report pertaining to the condition of the Property. It is anticipated that the results of the assessment and due diligence report will be submitted to the ADC Board, along with the terms and conditions of the quitclaim deed.

The University has checked with DLNR and confirmed that DLNR will not require the University or ADC to seek any BLNR approval for the University's conveyance of the fee simple ownership interest in the Property to ADC. By this confirmation, DLNR is acknowledging that the Governor's executive order setting aside the Property to the University was sufficient to convey the State's fee simple ownership interest in the Property to the University.

CTAHR appropriation

The Legislature has exhibited support for this transfer. Act 049 (2017), the state budget, appropriated \$6 million for CTAHR capital projects. However, that appropriation includes a proviso: "Provided that the college of tropical agriculture and human resources does not receive the funding until parcels on O'ahu, further identified by tax map keys (1) 5-8-01-:007, (1) 5-8-01: 013, and (1) 5-8-01: 055 are transferred over to the agribusiness development corporation..." While the University is not necessarily legally bound to implement this transfer, the University is willing convey its ownership interest in the Property to ADC. CTAHR does not currently have substantial business use or plans for the Property,

having substantially scaled back its on-site research activities over time, partly due to budgetary limitations. In addition, ADC has indicated that it plans to keep the Property in active agriculture use, which would be consistent with the EO purpose, advance ADC's mandate to advance diversified agriculture, and potentially help provide better security for the Property and nearby community.

Board of Regents Policy RP 10.201

Board of Regents Policy RP 10.201 (Interests in Real Property) requires that the Board of Regents approve the conveyance of ownership of or the fee simple interest in any University lands. The policy also contemplates that an appraisal of the value of the subject property be prepared for the Board's consideration. The University acquired the Property subject to the EO restriction that it be used only for "experimental farm purposes" and the University was not required to pay the State any monies as part of the University's acquisition. ADC has informed the University that it plans to keep the Property in active agricultural use consistent with ADC's mission. With the use restrictions applicable to the Property, it appears that an appraisal may be of limited use. The administration did review county real property tax assessments just for information; the 2018 property tax assessed value (land and building) for all parcels totals approximately \$8,338,500.00

If, however, the Board wishes that an appraisal be done prior to making its decision regarding this conveyance, such an appraisal can be completed.

In addition, CTAHR has over the years significantly reduced the scale of its use of the Property, already ending its swine, cattle, and poultry on-site research operations together with its active use of many of the structures and facilities, all partly due to budgetary limitations. In fact, CTAHR had demolished some of poultry structures and facilities and planned to demolish most of the others as well. ADC appears willing to accept the Property with the remaining structures and facilities, thereby saving the University the cost of continued demolition.

The University, ADC, and the Hawai'i State Legislature desire that the University transfer the Property to ADC. Given the Property's use restrictions, CTAHR's reduced on-site operations, ADC's willingness to accept the Property, and the Legislature's support, the Administration is recommending that the ownership transfer of the Property to ADC be approved.

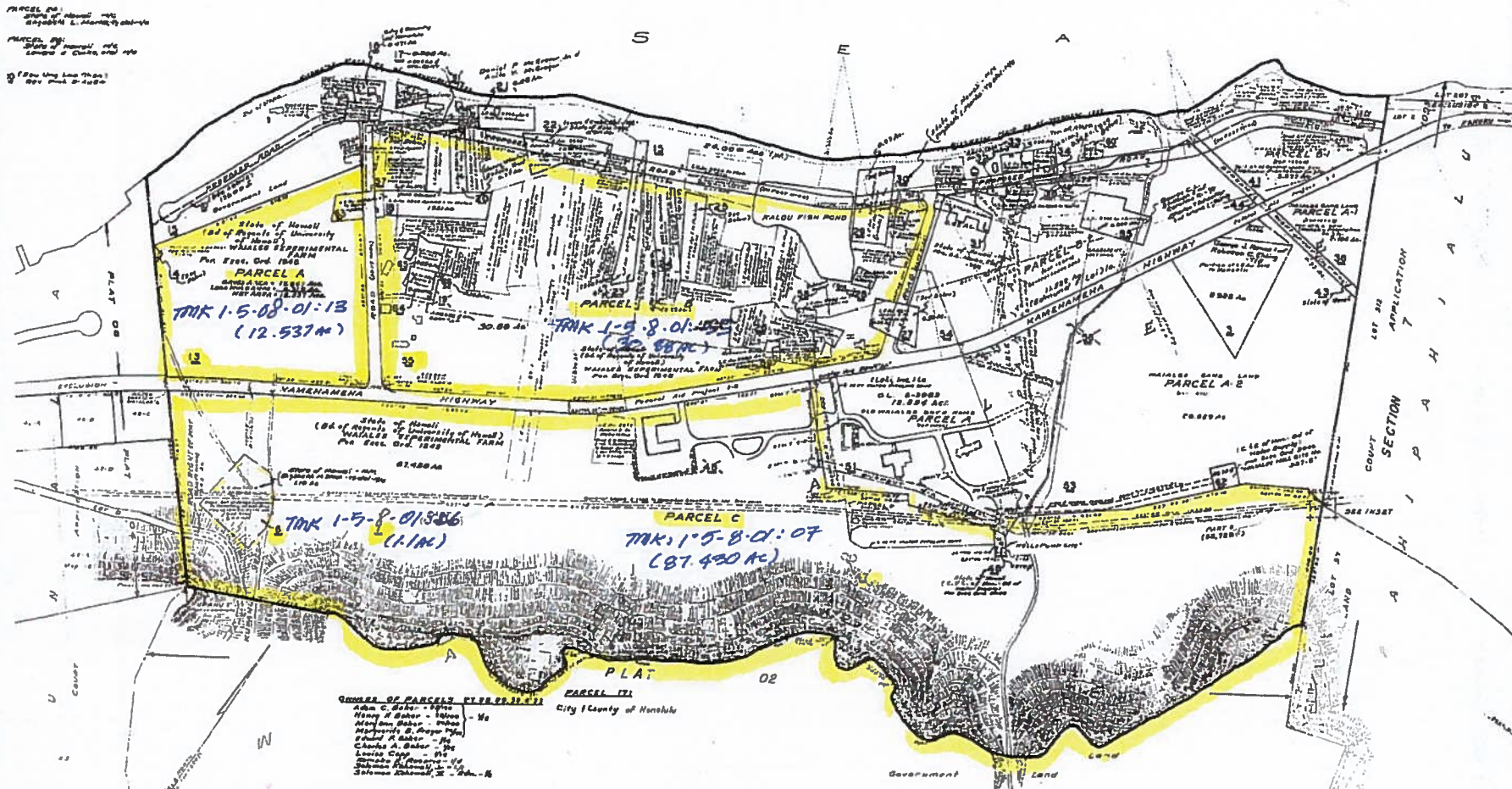
ACTION RECOMMENDED:

It is recommended that the Board of Regents take the following actions:

1. Approval. Approve the conveyance of the fee simple ownership interest in the Property to ADC, subject to and consistent with the terms and conditions contained in the attached Major Term Sheet.
2. Authorization. Authorize the President and/or the Vice President for Budget and Finance/Chief Financial Officer to negotiate, finalize, and execute the quitclaim deed or other document conveying the fee simple ownership in the Property to ADC, consistent with the terms contained in the attached Major Term Sheet, and execute such other documents and take any further action as they deem necessary to consummate the transaction to convey the fee simple ownership interest in the Property to ADC.

c: Kendra Oishi, Executive Administrator and Secretary to the Board of Regents

Attachments: Map of the Property; Major Term Sheet



OWNER OF PARCELS STREETS, ETC.
 City & County of Honolulu

- John C. Baker - 1900
- Henry H. Baker - 1900
- William Baker - 1900
- Marion D. Baker - 1900
- Edward A. Baker - 1900
- Charles A. Baker - 1900
- Louis C. Baker - 1900
- George A. Baker - 1900
- Salomon Baker - 1900
- John Baker - 1900

PARCEL 31 (An of 8')
 State of Hawaii
 (Ed of Reports of University of Hawaii)
 WAIALEALE EXPERIMENTAL FARM
 No. 100, 101, 102

PARCEL 32:
 John Baker - 1900
 Dennis Macpherson - 1900
 John Baker - 1900
 David H. Baker - 1900

OWNER OF PARCEL 14 12 5 13
 Division of Survey

PARCEL 24:
 Division of Survey
 State of Hawaii - NYC

McCombs Land 1 Entry 89-12 and

Dropped Parcels 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100

NOTE: All parcels owned by State of Hawaii unless otherwise noted.

DEPARTMENT OF TAXATION		
TAXATION MAPS BUREAU		
STATE OF HAWAII		
TAX MAP		
FIRST	DIVISION	
5	8	01
CONTAINING PARCELS		
SCALE 1 IN. = 200 FT.		

OWB. NO. 1772 (Revised)
 SOURCE: A.S.S. PLAT. 1957-B
 BY: H.W.H. March 1959.

WAIALEALE, KOOLAULOA, OAHU

SUBJECT TO CHANGE

MAJOR TERM SHEET

FEE SIMPLE OWNERSHIP CONVEYANCE
CTAHR WAIALEE RESEARCH STATION PROPERTY

UNIVERSITY OF HAWAI'I
(for the benefit of the University of Hawai'i at Mānoa and CTAHR)

to

AGRIBUSINESS DEVELOPMENT CORPORATION, STATE OF HAWAI'I

CTAHR Waialeale Research Station Property
Waialeale, District of Koolāupoko, City and County of Honolulu, State of Hawai'i

1. Parties.
 - a. Grantor: University of Hawai'i ("University") for the benefit of its University of Hawaii at Mānoa College of Tropical Agriculture and Human Resources ("CTAHR").
 - b. Grantee: State of Hawai'i Agribusiness Development Corporation ("ADC").
2. Property. Approximate 131.72 acre parcel of land situated in Waialeale, District of Koolāupoko, City and County of Honolulu, State of Hawai'i, designated as tax map key number key nos. (1) 5-8-001:013 (Parcel A - 12.54 acres), (1) 5-8-001:055 (Parcel B – 30.88 acres), (1) 5-8-001:007 (Parcel C - 87.20 acres), and (1) 5-8-001:006 (1.1 acres) and comprising CTAHR's Waialeale research station and experimental farm, all as shown on the map attached as Exhibit A ("Property").
3. No payment required. Under the proposed transaction, the University is not requiring ADC to make any monetary payments to the University. The University, however, is requiring ADC to assume responsibility for complying with a number of obligations and conditions applicable to the Property.
4. Title to Property. The predecessor to the State Board of Land and Natural Resources ("BLNR") approved the set aside of the Property to the University and the Governor issued Governor's Executive Order No. 1848 dated May 16, 1958 ("EO") setting aside the Property to the University for purposes of establishing and operating the Waialeale experimental farm.
5. Condition of Property. ADC is accepting the Property in an "as is" and "where is" condition without any representation, warranty or guarantee of any kind from the University, including, without limitation, any representation, warranty or guarantee: (a) as to quantity, quality, character, condition, size, or kind, or that the same is in any particular condition or fit to be used for any particular purpose or (b) concerning the condition or state of repair of the Property,

including the state of repair, use, or occupancy of any improvements, buildings, structures, and facilities situated on or within the Property (hereafter the "Improvements").

6. Property subject to covenants. ADC is accepting the Property subject to certain covenants, restrictions, and conditions, which shall be deemed to run with the land, including the EO purpose, the non-discrimination covenant, electric transmission, water pipelines and access easements, mineral and water rights reservation in favor of the State, payment of applicable real property taxes, the boundary location and free flowage of Kaunala Stream, unrecorded leases, and a continuing agricultural use covenant.
7. Property subject to rights and encumbrances. ADC is acknowledging and accepting the Property with full disclosure, knowledge, and understanding of the following:
 - a. Kuleana Rights. Kuleana lands have been defined as those parcels of land granted to native Hawaiian tenant farmers between 1850 and 1855 and rights attaching to such kuleana lands include reasonable access, agricultural uses, gathering rights, rights to a single-family dwelling, water rights, and fishing rights. ADC is agreeing that: (1) purported conveyances and transfers of kuleana rights may have occurred prior to and during the time the State of Hawai'i and the University owned the Property, respectively, (2) the University is not making any representation or warranty with respect to the extent to which the kuleana rights may apply or not apply to any specific portion of the Property, (3) ADC is accepting and assuming title and ownership of the Property subject to any and all applicable kuleana rights, including any access rights, that may be and are legally recognized under Hawai'i law, and (4) the location of the parcels of land within the Property that may be affected or encumbered with kuleana rights are roughly shown on the map attached hereto as Exhibit B.
 - b. Public Land Trust. The Property is a part of the public land trust which is comprised of section 5(f), Admissions Act lands (collectively the "Ceded Lands"). Revenue or income generated from such Ceded Lands may be subject to an obligation to pay a portion to the Office of Hawaiian Affairs ("OHA"). The Grantee and the Grantor acknowledge that the lands comprising the public land trust are to be held for five primary purposes, including: (1) the betterment of native Hawaiians ("for the betterment of the conditions of native Hawaiians, as defined in the Hawaiian Homes Commission Act, 1920, as amended"), (2) the "support of public schools and other public educational institutions," and (3) the "development of farm and home ownership on as widespread a basis as possible for the making of public improvements." Once ADC acquires the Property, ADC will assume the responsibility for making any Ceded Lands payments to OHA. ADC's obligation to make such payments may be impacted or qualified by ADC's plans to use the Property to develop farm ownership.
 - c. Broken Title. ADC is acknowledging and agreeing that: (1) there are breaks within the chains of title involving portions of the Property that have apparently occurred prior to the time the State of Hawai'i and the University owned the Property, respectively, (2) the University is making no warranties or representations as to the title and ownership of the Property, and (3) ADC is accepting and assuming title and ownership of the Property without any University representations or warranties and notwithstanding any breaks or discrepancies in the chains of title to the Property and/or any other title or ownership matters.

- d. Unauthorized occupants within the Property. ADC is acknowledging and agreeing that: (1) the University has disclosed that one or more groups of people are occupying portions of the Improvements within the Property without the University's authorization, (2) such unauthorized occupancy has continued for some time, and (3) notwithstanding such unauthorized occupancy, ADC will assume and accept title and ownership of the Property and the responsibility for addressing any issues arising from or related to such unauthorized or unpermitted occupancy.
 - e. Hazardous Materials. ADC is acknowledging that the University has disclosed past use of pesticides within the Property and the presence of lead based paint and asbestos containing materials in some of the Improvements. ADC is: (1) accepting the Property notwithstanding such disclosures, (2) acknowledging that ADC should rely on its own hazardous materials inspection of the Property, and (3) agreeing not to hold the University responsible or liable or assert any claims against the University for any clean up or remediation of hazardous materials within the Property.
8. Release. ADC is agreeing to release and waive any claims or actions ADC may have or acquire against the University with regard to: (a) the title or condition of the Property and the Improvements, (b) compliance with any covenants, applicable laws, or terms and conditions contained in the quitclaim deed, (c) the presence of any hazardous materials within the Property or the Improvements, (d) the presence of any occupants on or within the Property or the Improvements, and (e) the issuance of this quitclaim deed to ADC or any of its terms and conditions.

Item V.B.1.

For Information & Discussion
– Legislative Update

MATERIALS



UNIVERSITY *of* HAWAII®

2018 University of Hawai'i Legislative Measures of Interest

For Presentation

UH Board of Regents
February 22, 2018



2018 Budget Package Comparison

FY19 Supplemental Budget Request – Operating
Comparison of Board-approved budget and Governor’s request

Campus	Description	UH BOR	Governor
Mānoa	Facilities Maintenance	\$4,038,848	\$1,500,000
Mānoa	Student Success Initiative - Veterans, Filipinos, Mental Health	\$575,000	\$400,000
Mānoa	Native Hawaiian Affairs Action Plan	\$700,000	\$500,000
Mānoa	Student Research & Innovation	\$535,000	\$175,000
Mānoa	Graduate Student Initiative - Phase I	\$2,850,000	\$621,397
Hilo	DKICP - Janitorial & Groundskeeping	\$120,495	\$120,495
Hilo	Native Hawaiian Development	\$260,000	\$200,000
Hilo	Student Workforce	\$200,000	
UHWO	Health & Safety / Utilities / Equipment	\$781,000	\$300,000
UHWO	Academic Affairs Restructure & Growth	\$680,000	\$400,000
UHWO	Student Affairs	\$446,364	\$200,000
CCs	Hawai'i's Promise Program	\$700,000	\$700,000
CCs	Architecture/Engineering for Facilities	\$273,600	
CCs	Additional Positions for Security	\$1,083,264	
CCs	Apprentice Lecturer Costs	\$260,000	\$260,000
CCs	Filipino Student Support	\$614,920	\$350,000
CCs	Veterans Support	\$473,108	\$473,108
CCs	Native Hawaiian Student Support	\$1,729,908	\$500,000
System	Office of Strategic Planning & Development	\$500,000	
Total		\$16,821,507	\$6,700,000



2018 Budget Package Comparison

FY19 Supplemental Budget Request - CIP
Comparison of Board-approved budget and Governor's Request

Project Title	UH BOR	Governor
Mānoa - Renew, Improve, Modernize (RIM) projects	139,500,000	
Mānoa - Sinclair Library Renovation	41,000,000	20,000,000
Mānoa - Keller Hall Renovations, design phase	1,500,000	
Hilo - Renew, Improve, Modernize projects	27,900,000	
Hilo - Puako Marine Educational Center, design phase	1,000,000	
West O'ahu- Renew, Improve, Modernize projects	3,000,000	
Relocation of Dental Hygiene Program from UH Mānoa to UH West O'ahu	10,000,000	
CC - Capital Renewal & Deferred Maintenance	25,000,000	12,000,000
CC - Minor Capital Improvement Projects	10,000,000	10,000,000
Hawai'i CC - Campus Development, design phase	2,000,000	2,000,000
Leeward CC - Repave Fascia & Replace Walkways Campuswide	8,800,000	
UH - Renew, Improve, Modernize (RIM) Projects		76,000,000
Total	269,700,000	120,000,000



2018 Bills of Interest

SUBJECT AREAS

1. 2018 UH Legislative Package (Admin Bills)
2. Hawai'i Promise
3. Board of Regents / Governance
4. UH Operations
5. Mauna Kea *



2018 UH Legislative Package

Revenue Bonds

HB 2005 HD1 (HB 2406)

RELATING TO UNIVERSITY OF HAWAII REVENUE BONDS

Authorizes the University of Hawai'i to issue revenue bonds for the purpose of financing the construction and maintenance of qualifying capital improvement projects.

Update: HB 2005 passed out of HED with amendments; pending hearing in FIN

SB 2833 SD1

RELATING TO UNIVERSITY OF HAWAII REVENUE BONDS

Relating to University of Hawai'i Revenue Bonds

Authorizes the University of Hawai'i to issue \$100,000,000 in revenue bonds for the purpose of financing the construction and maintenance of qualifying capital improvement projects.

Update: SB 2833 passed out of HRE with amendments; pending hearing in WAM



2018 UH Legislative Package

Green Fund

HB 1830 HD2 (HB 2405)

RELATING TO ENERGY AT THE UNIVERSITY OF HAWAII

Allows the deposit of funds appropriated by the Legislature into the University of Hawai'i Green Special Fund (Fund). Requires notice to the Legislature for any expenditure from the Fund.

Update: FIN hearing on 2/23/18 @ 2:00pm

SB 2832 SD1

RELATING TO ENERGY AT THE UNIVERSITY OF HAWAII

Allow funds appropriated by the Legislature to be deposited into the University of Hawai'i Green Special Fund and clarify the authority to expend funds and the scope of projects that can be funded.

Update: SB 2832 passed out of HRE with amendments; pending hearing in WAM



2018 UH Legislative Package (cont.)

Procurement

SB 2831 SD1 (HB 1831, HB 1887, HB 2404)

RELATING TO PROCUREMENT FOR THE UNIVERSITY OF HAWAII

Reinstate the President of the University of Hawai'i as the chief procurement officer for contracts for construction and construction related professional services furnished by licensees under chapter 464, Hawai'i Revised Statutes. Requires the University of Hawai'i to submit an annual report to the legislature detailing a list of all capital improvement projects approved by the Board of Regents prioritized by each campus no later than twenty days prior to the convening of each regular session. Repeals June 30, 2021.

Update: SB 2831 passed out of GVO/HRE with amendments; pending hearing in WAM



2018 UH Legislative Package (cont.)

Indemnification

HB 2299 HD1 (HB 2407, SB 2834)

RELATING TO INDEMNIFICATION OF COUNTY AGENCIES

Facilitate the process by which the University of Hawai'i obtains approval to indemnify, defend, and hold harmless a county agency, its officers, agents, and employees for university purposes and functions on county property.

Update: HB 2299 passed out of JUD as is; pending hearing in FIN



2018 UH Legislative Package (cont.)

P3

HB 2172 HD2

RELATING TO UNIVERSITY OF HAWAII PUBLIC-PRIVATE PARTNERSHIPS

Authorizes the University of Hawai'i to enter into public-private partnerships and establishes an Office of Strategic Partnerships and Development to specifically analyze, evaluate, recommend, coordinate, oversee, and manage public-private partnerships that benefit the University of Hawai'i.

Update: HB 2172 passed out of HED with amendments; pending hearing in FIN



2018 Bills of Interest – Hawai‘i Promise

HB 2501 HD1

RELATING TO THE UNIVERSITY OF HAWAII COMMUNITY COLLEGE PROMISE PROGRAM

Establishes the University of Hawai‘i Community College Promise Program to provide scholarships for the unmet direct cost needs of qualified students enrolled at any community college campus of the University of Hawai‘i system. Appropriates funds to establish and implement the program.

Update: FIN hearing scheduled for Thursday, 2/22/18 @ 12:30pm

HB 2165 HD1

RELATING TO THE UNIVERSITY OF HAWAII PROMISE PROGRAM

Establishes the University of Hawai‘i Promise Program to provide scholarships for the unmet direct cost needs of qualified students enrolled at any campus of the University of Hawai‘i system or any community college campus. Appropriates funds to establish and implement the program. Creates a special fund.

Update: FIN hearing scheduled for Thursday, 2/22/18 @ 12:30pm



2018 Bills of Interest – Hawai‘i Promise

HB 2640

RELATING TO THE UNIVERSITY OF HAWAII PROMISE PROGRAM

Makes scholarships under the Hawai‘i promise program available to any qualified student enrolled at the University of Hawai‘i, regardless of whether the student is enrolled at a community college. Establishes a trust fund for the program. Increases individual income taxes for the highest income earners to provide funding for the program.

Update: Failed to meet First Lateral deadline

HB 2082

RELATING TO THE UNIVERSITY OF HAWAII PROMISE PROGRAM

Establishes the University of Hawai‘i Promise Program to provide scholarships for the unmet direct cost needs of qualified students pursuing an undergraduate degree in registered nursing, elementary or secondary education, and civil engineering and enrolled at any campus of the University of Hawai‘i system. Appropriates funds to establish and implement the program.

Update: Failed to meet First Lateral deadline



2018 Bills of Interest – Hawai‘i Promise

SB 2206

RELATING TO THE UNIVERSITY OF HAWAII

Codifies the Hawai‘i promise program into law to provide scholarships for the unmet direct cost needs of qualified students. Expands the Hawai‘i promise program to qualified students enrolled at any University of Hawai‘i campus in addition to qualified students enrolled at any University of Hawai‘i community college campus. Establishes a special fund and appropriate funds to maintain the Hawai‘i promise program.

Update: Failed to meet First Lateral deadline



2018 Bills of Interest – Hawai‘i Promise

SB 2250

RELATING TO THE UNIVERSITY OF HAWAII

Codifies the Hawai‘i promise program into law to provide scholarships for the unmet direct cost needs of qualified students beginning with the 2019-2020 school year. Expands the Hawai‘i promise program to qualified students enrolled at any University of Hawai‘i campus in addition to qualified students enrolled at any University of Hawai‘i community college campus. Establishes a special fund to maintain the Hawai‘i promise program. Directs all revenues collected from resident and nonresident tuition fees to be deposited into the special fund beginning with the 2018-2019 school year.

Update: Failed to meet First Lateral deadline



2018 Bills of Interest – Board of Regents

SB 2316

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 HAWAII

Proposes an amendment to article X, section 6, of the Hawai'i State Constitution to modify the appointment process for the board of regents of the University of Hawai'i. Repeals reference to the candidate advisory council for the board of regents of the University of Hawai'i.

Update: Passed out of WAM as is



2018 Bills of Interest – Board of Regents

SB 2319 SD1

RELATING TO THE UNIVERSITY OF HAWAII BOARD OF REGENTS

Amends the composition and term limit of the board of regents of the University of Hawai'i. Reestablishes the governor's authority to nominate and, with the advice and consent of the senate, appoint the members of the board of regents of the University of Hawai'i. Requires the governor to fill a vacancy on the board of regents within ninety days. Abolishes the regents candidate advisory council. Requires the governor to nominate new members to the board of regents by January 29, 2019, and for those new members who are appointed to begin serving terms on March 1, 2019.

Update: Passed out of WAM with amendments



2018 Bills of Interest – Board of Regents

SB 2317

PROPOSING AN AMENDMENT TO ARTICLE X, SECTION 6, OF THE CONSTITUTION OF THE STATE OF HAWAII TO REPEAL THE BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII'S EXCLUSIVE JURISDICTION OVER THE INTERNAL STRUCTURE, MANAGEMENT, AND OPERATION OF THE UNIVERSITY

Proposes an amendment to Constitution of the State of Hawai'i to repeal the exclusive jurisdiction in the internal structure, management, and operation that the University of Hawai'i's board of regents holds over the university.

Update: Failed to meet First Lateral deadline

SB 2318

RELATING TO THE UNIVERSITY OF HAWAII

Limits the autonomy of the board of regents of the University of Hawai'i to that provided by law; effective upon ratification of an amendment to article X, section 6, of the Hawai'i State Constitution.

Update: Failed to meet First Lateral deadline



2018 Bills of Interest – Board of Regents

HB 2093 HD1

RELATING TO THE REGENTS CANDIDATE ADVISORY COUNCIL

Restores the voting status of the member of the Association of Emeritus Regents of the University of Hawai'i on the Candidate Advisory Council. Specifies term conditions.

Update: HB 2093 passed out of HED with amendments; pending hearing in FIN

SB 2543

RELATING TO THE REGENTS CANDIDATE ADVISORY COUNCIL

Expands the candidate advisory council for the board of regents of the University of Hawai'i from seven to eight members to make the member of the Association of Emeritus Regents of the University of Hawai'i a voting member. Specifies term conditions.

Update: Failed to meet First Lateral deadline



2018 Bills of Interest – Operations

Ceded Lands Pro Rata

SB 2136 SD1

RELATING TO INCREASING THE OFFICE OF HAWAIIAN AFFAIRS' PRO RATA SHARE OF PUBLIC LAND TRUST FUNDS

Establishes a blank amount as the office of Hawaiian affairs' pro rata share of the public land trust. Transfers a blank amount less certain funds to the office of Hawaiian affairs for underpayment of the public land trust funds for July 1, 2012 to June 30, 2018. Requires the department of budget and finance to provide an annual accounting of receipts from lands described in section 5(f) of the Admissions Act. Establishes a committee to recommend the annual amount of the income and proceeds from the public land trust that the office of Hawaiian affairs shall receive annually. Appropriates funds.

Update: WAM decision making scheduled for 2/23/18 @ 10:30am



2018 Bills of Interest – Operations

Ceded Lands Pro Rata (cont.)

HB 1747 HD1

RELATING TO INCREASING THE OFFICE OF HAWAIIAN AFFAIRS' PRO RATA SHARE OF PUBLIC LAND TRUST FUNDS

Establishes \$35,000,000 as the Office of Hawaiian Affairs' pro rata share of the public land trust proceeds. Transfers \$119,000,000 less certain funds to the Office of Hawaiian Affairs for underpayment of the public land trust revenues for July 1, 2012 to June 30, 2018. Requires the Department of Land and Natural Resources to provide an annual accounting of receipts from lands described in section 5(f) of the Admissions Act. Establishes a committee to recommend the amount of the income and proceeds from the public land trust revenues that the Office of Hawaiian Affairs shall receive annually. Appropriates funds.

Update: HB 1747 passed out of OMH with amendments; pending hearing in FIN



2018 Bills of Interest – Operations

Institute for Astronomy

SB 2865 SD1

RELATING TO THE INSTITUTE FOR ASTRONOMY

Transfers administrative authority, personnel, and facilities for the University of Hawai'i Institute for Astronomy currently located at the University of Hawai'i at Mānoa to the University of Hawai'i at Hilo.

Update: SB 2865 passed out of HRE/WAM with amendments; pending Second Reading

HB 2047

RELATING TO THE INSTITUTE FOR ASTRONOMY

Transfers administrative authority, personnel, and facilities for the University of Hawai'i Institute for Astronomy currently located at the University of Hawai'i at Mānoa to the University of Hawai'i at Hilo.

Update: Failed to meet First Lateral deadline



2018 Bills of Interest - Operations

Online Educational Resources (OER)

SB 2328 SD1

RELATING TO THE UNIVERSITY OF HAWAII

Establishes the University of Hawai'i open educational resources task force to conduct a comprehensive analysis and evaluation on all general education courses and high attendance courses taught at the University of Hawai'i system to identify open educational resources for those courses. Establishes and appropriates funds for an open educational resources pilot project grant program to incentivize faculty that adopt, develop, and implement open educational resources.

Update: SB 2328 passed out of HRE with amendments; pending hearing in WAM

Tuition

SB 2329 SD1

RELATING TO TUITION AT THE UNIVERSITY OF HAWAII

Caps increases in tuition for the University of Hawai'i based on the change in the State's median

Update: SB 2329 passed out of HRE with amendments; pending hearing in WAM



2018 Bills of Interest - Operations

Collective Bargaining

SB 2585 SD1, HB 1651 HD1

RELATING TO COLLECTIVE BARGAINING

Establishes a collective bargaining unit for graduate student assistants employed by the University of Hawai'i.

Update:

SB 2585 – passed out of WAM as a SD2 with amendments

HB 1651 - passed out of HED as is; pending hearing in FIN

Development

SB 2893

RELATING TO UNIVERSITY DISTRICTS

Specifies the purposes of a university district. Authorizes the University of Hawai'i to adopt rules related to university districts.

Update: Failed to meet First Lateral deadline



2018 Bills of Interest - Operations

Funding

SB 2224 SD1

RELATING TO TOURISM

Renames the convention center enterprise special fund as the convention center operations and maintenance special fund and repeals the allocation of TAT revenues to that fund, and amends the allowable uses of that fund.

Defines administrative expenses as used in section 201B-11(c), HRS, as office equipment, salaries, and supplies. Redistributes transient accommodations tax revenue from the Hawai'i tourism authority to different state agencies for certain purposes.

Update: WAM decision making deferred until 2/28/18 @ 10:08am



2018 Bills of Interest - Operations

Mānoa Innovation Center

SB 48 SD2

RELATING TO TECHNOLOGY

Transfers title, control, custody, and management authority of the land under the Mānoa innovation center, including any buildings, structures, and appurtenances situated on the land, from the University of Hawai'i to the Hawai'i technology development corporation. Prohibits final execution of the conveyance until July 1, 2019. Returns title, control, custody, and management authority of the land, including any buildings, structures, and appurtenances situated on the land, to the University of Hawai'i on June 30, 2029. Takes effect on January 1, 2050.

Update: SB 48 passed out of ETT/HRE/WTL with amendments; pending hearing in WAM



2018 Bills of Interest – Mauna Kea

SB 3090 SD1

RELATING TO GOVERNMENT

Establishes the Mauna Kea Management Authority. Limits the number of telescopes that may be authorized on Mauna Kea. Authorizes the renegotiation of leases, subleases, easements, permits, and licenses pertaining to Mauna Kea. Requires that revenue derived from activities on Mauna Kea be shared with the Office of Hawaiian Affairs. Excludes Mauna Kea lands from the definition of "public lands." Provides for free access to Mauna Kea for traditional cultural purposes. Establishes police powers and provides for enforcement of laws on land under the jurisdiction of the Mauna Kea Management Authority. Appropriates funds. Effective December 31, 2033.

Update: WAM decision making scheduled for 2/23/18 @ 10:30am



2018 Bills of Interest – Mauna Kea

SB 757 SD1

RELATING TO THE UNIVERSITY OF HAWAII

Requires the auditor to conduct a financial audit of the University of Hawai'i's activities related to Mauna Kea. Requires the auditor to submit a report to the legislature. Appropriates funds.

Update: Passed out of HRE with amendments; pending hearing in WAM

SCR 29 SD1

REQUESTING THE STATE AUDITOR TO CONDUCT A FORENSIC FINANCIAL AUDIT OF THE UNIVERSITY OF HAWAII'S ACTIVITIES RELATED TO MAUNA KEA

Update: Passed out of HRE with amendments; pending hearing in WAM

SB 2325

RELATING TO MAUNA KEA

Requires the auditor to conduct a forensic financial audit of leases, agencies, and other activities related to Mauna Kea. Report to the legislature.

Update: Failed to meet First Lateral deadline



Notable Dates

- February 16 - First Lateral
- March 2 - Non-budget Decking
- March 8 - Non-budget Crossover
- March 12 - Budget Decking
- March 14 - Budget Crossover
- March 23 - Second Lateral
- April 12 - Second Crossover
- May 3 - Sine Die



Conclusion