Notice of Meeting
UNIVERSITY OF HAWAI’I
BOARD OF REGENTS

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, July 15, 2021
Time: 10:30 a.m.
Place: Virtual Meeting

In light of the evolving COVID-19 situation, protecting the health and welfare of the community is of utmost concern. As such, this will be a virtual meeting and written testimony and oral testimony will be accepted in lieu of in-person testimony. Meetings may be monitored remotely via the livestream pilot project. See the Board of Regents website for information on accessing the livestream: www.hawaii.edu/bor. Mahalo for your consideration.

AGENDA

I. Call Meeting to Order
II. Welcome Reappointed Regent Higaki and New Regents Haning and Paloma
III. Approval of the Minutes of the May 20, 2021 Meeting
IV. Election of Officers
V. Public Comment Period for Agenda Items:
   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 the board’s website through the testimony link provided on the Meeting Agendas, Minutes and Materials page. Testimony may also be submitted via email at bor.testimony@hawaii.edu, U.S. mail, or facsimile at (808) 956-5156. All written testimony submitted are public documents. Therefore, any testimony that is submitted for use in the public meeting process is public information and will be posted on the board’s website. Those wishing to provide oral testimony for the virtual meeting may register here. Given constraints with the online format of our meetings, individuals wishing to orally testify must register no later than 7:00 a.m. on the day of the meeting in order to be accommodated. It is highly recommended that written testimony be submitted in addition to registering to provide oral testimony. Oral testimony will be limited to three (3) minutes per testifier.

VI. Report of the President and COVID-19 Update

VII. Committee and Affiliate Reports
   A. Report from the Committee on Academic and Student Affairs
   B. Report from the Committee on Budget and Finance
C. Report from the Committee on Independent Audit
D. Report from the Committee on Intercollegiate Athletics
E. Report from the Committee on Planning and Facilities
F. Report from the Committee on Research and Innovation
G. Affiliate Reports

VIII. Agenda Items
A. Consent Agenda
   1. Approval of Lease Between the University of Hawai‘i (UH) and Las Cumbres Observatory Global Telescope Network, Inc. to Allow the Continued Use of Existing Observatory Facilities for Education and Research at Waiakea, Papa‘anui, Makawao (Honua‘ula), Maui, Hawai‘i, covering approximately 0.5 Acres at the Haleakalā High Altitude Observatory Site
   2. Approval of Extension of Lease Between the University of Hawai‘i and the U.S. General Services Administration dba National Oceanic and Atmospheric Administration Agency (National Weather Service) for Office Space on the UH Mānoa Campus

B. Approval of the Establishment of the Dr. Alfred A. Yee Chair of Sustainability and Resilience at the College of Engineering at the University of Hawai‘i at Mānoa

C. Approval of the Establishment of the Chin Sik and Hyun Sook Chung Endowed Chair in Public Health Studies at the Thompson School of Social Work and Public Health at the University of Hawai‘i at Mānoa

D. Review and Approval of a Proposed Long-Term Vision for a Reimagined UH pursuant to Board Resolution 21-01, Requesting a Comprehensive Plan to Achieve a Reimagined University of Hawai‘i

IX. Executive Session (closed to the public):
A. Private Donations: (To consider matters relating to the solicitation and acceptance of private donations, pursuant to Section 92-5(a)(7), HRS)
   1. Discussion on Naming Opportunity

B. Personnel: (To consider the hire, evaluation, dismissal, or discipline of an officer or employee, where consideration of matters affecting privacy will be involved, pursuant to Section 92-5(a)(2), (HRS))
   1. Discussion of Personnel Actions (Attachment A-1 for Approval)

C. Legal Matters: (To consult with the board’s attorneys on questions and issues pertaining to the board’s powers, duties, privileges, immunities, and liabilities, pursuant to Section 92-5(a)(4), Hawai‘i Revised Statutes (HRS))
   1. Settlement of Civil Actions entitled, (1)Honolulu Builders, LLC v. University of Hawai‘i, Civil No. 19-1-0171; and (2) University of Hawai‘i v. Honolulu Builders, LLC, Civil No. 20-0-0118
   2. Quarterly Status Report on Legal Matters

For disability accommodations, contact the Board Office at 956-8213 or bor@hawaii.edu. Advance notice requested five (5) days in advance of the meeting.
X. Agenda Items (continued)
   A. Approval of Establishment of Class Specification for Chief Business Officer, University of Hawai‘i at Mānoa, with Assignment to the SM-4 Salary Schedule
   B. Personnel Actions (Attachment A-1 for Approval)
   C. Approval Settlement of Civil Actions entitled, (1) Honolulu Builders, LLC v. University of Hawai‘i, Civil No. 19-1-0171; and (2) University of Hawai‘i v. Honolulu Builders, LLC, Civil No. 20-0-0118

XI. Announcements
   A. Next Meeting: August 19, 2021, at a location to be determined

XII. Adjournment

ATTACHMENTS
Attachment A1 – Personnel actions posted for action
Attachment A2 – Personnel actions posted for information only
Executive/Managerial

<table>
<thead>
<tr>
<th>Campus</th>
<th>Last Name</th>
<th>First Name &amp; Middle Initial</th>
<th>Proposed Title</th>
<th>Unit</th>
<th>Nature of Action</th>
<th>Monthly Salary</th>
<th>Effective Date</th>
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<tr>
<td>Mānoa</td>
<td>French</td>
<td>Alexandra</td>
<td>Chief Business Officer</td>
<td>Office of Business and Finance</td>
<td>Appointment</td>
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<td>July 16, 2021</td>
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Recommendation: That the Board approve the personnel action as recommended.

David Lassner
President
Attachment A-2: Pursuant to §89C-4, Hawai‘i Revised Statutes, the following proposed compensation actions for excluded Executive/Managerial are disclosed for purposes of public comment.

<table>
<thead>
<tr>
<th>Campus</th>
<th>Last Name</th>
<th>First Name &amp; Middle Initial</th>
<th>Proposed Title</th>
<th>Unit</th>
<th>Nature of Action</th>
<th>Monthly Salary</th>
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<tr>
<td>System</td>
<td>Ishida</td>
<td>Kevin</td>
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<td>Gaye</td>
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<td>College of Arts, Languages &amp; Letters</td>
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<td>Nikki</td>
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<td>Jennifer</td>
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<td>Lori</td>
<td>Vice Provost for Student Success</td>
<td>Office of the Vice Chancellor for Students</td>
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<td>Acting Dean</td>
<td>Office of Graduate Division</td>
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<td>Cancer Center</td>
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<td>Susan</td>
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<td>Academic Affairs</td>
<td>Appointment</td>
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<td>August 1, 2021 - July 31, 2022</td>
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</table>
Note: On January 30, 2020, the World Health Organization declared the outbreak of COVID-19 a public health emergency of international concern, subsequently declaring it a pandemic on March 11, 2020. On March 16, 2020, Governor David Y. Ige issued a supplementary proclamation that temporarily suspended Chapter 92, Hawai‘i Revised Statutes, relating to public meetings and records, “to the extent necessary to enable boards to conduct business in person or through remote technology without holding meetings open to the public.”

I. CALL TO ORDER

Chair Kudo called the meeting to order at 8:37 a.m. on Thursday, May 20, 2021. The meeting was conducted with regents participating from various locations.

Quorum (10): Chair Benjamin Kudo; Vice-Chair Randy Moore; Vice-Chair Alapaki Nahale-a; Regent Simeon Acoba; Regent Kelli Acopan; Regent Eugene Bal; Regent Wayne Higaki; Regent Jan Sullivan; Regent Robert Westerman; and Regent Ernest Wilson.

Excused (1): Regent Michelle Tagorda

Others in attendance: President David Lassner; Vice President (VP) for Administration Jan Gouveia; VP for Community Colleges Erika Lacro; VP for Legal Affairs/University General Counsel Carrie Okinaga; VP for Research and Innovation Vassilis Syrmos; VP for Information Technology/Chief Information Officer Garret Yoshimi; VP for Budget and Finance/Chief Financial Officer Kalbert Young; VP for Advancement/UH Foundation (UHF) Chief Executive Officer (CEO) Tim Dolan; UH-Mānoa (UHM) Provost Michael Bruno; UH-Hilo (UHH) Chancellor Bonnie Irwin; UH-West O‘ahu (UHWO) Chancellor Maenette Benham; Kapi‘olani Community College (KapCC) Chancellor Louise Pagotto; Executive Administrator and Secretary of the Board of Regents (Board Secretary) Kendra Oishi; and others as noted.

II. APPROVAL OF THE MINUTES

Regent Wilson moved to approve the minutes of the April 15, 2021, meeting, seconded by Regent Westerman, and noting the excused absences of Regent Tagorda and Regent Sullivan, the motion carried, with all members present voting in the affirmative.

III. PUBLIC COMMENT PERIOD
Board Secretary Oishi announced that the Board Office received written comments as follows:

Numerous individuals provided written comments regarding the vaccination requirements for students attending the university in person in the fall.

Resolutions calling for an increase in student mental health and well-being support at UHM, as well as the establishment of Alice Ball Day and the Alice Ball Award recognizing excellence in research by a graduate student, were received from the UHM Faculty Senate.

Late testimony was received from Academic Labor United (ALU) regarding the ALU complaint relating to the unionization of graduate students.

Written comments may be viewed at the Board of Regents website as follows:

Late Written Testimony Comment Received

Two individuals signed up to provide oral testimony but were not present at the meeting.

Regent Sullivan arrived at 8:41 a.m.

IV. REPORT OF THE PRESIDENT AND COVID-19 UPDATE

President Lassner provided an update on the university’s current state of affairs with regard to the COVID-19 pandemic stating that, while the situation is improving, the university continues to remain vigilant to ensure the health and safety of students, faculty, and staff. The university ended its academic year with a total of 124 confirmed COVID-19 positive cases across all ten of its campus with very few instances of community transmission.

As vaccination efforts continue both nationwide and in Hawai‘i, the university is actively preparing for a more normalized campus experience for its students over the next academic year with a projected increase in in-person course instruction and the associated increase in levels of engagement between students, faculty, and staff. After careful consideration and based upon guidance received from the university’s Health and Well-Being Working Group, as well as a recommendation from the American College Health Association that all on-campus college students be required to be vaccinated against COVID-19, the university has announced that it is adding the COVID-19 vaccine to its student health clearance requirements beginning in the fall 2021 semester. However, President Lassner noted that concerns raised regarding this requirement have not been taken lightly. He stressed that the COVID-19 vaccine requirement is only applicable to students that choose to be physically present at a university campus and that unvaccinated students will still be welcome and may enroll in online courses. Online learners will continue to be able to engage with student services online, as they have done over the past year, and will be able to participate in student activities virtually. Additionally, it was noted that the vaccine requirement will take effect only after at least one of the three COVID-19 vaccines currently under
emergency use authorization has been approved and fully licensed by the United States Food and Drug Administration, and that, as with existing health clearance requirements, students will be able to request exemptions for medical and religious reasons. Nevertheless, the university believes that this vaccination requirement, along with amended guidelines from the Centers for Disease Control and Prevention concerning physical distancing and mask-wearing requirements for fully vaccinated individuals, affords students with the best opportunity to safely return to classrooms this fall.

COVID-19-safe commencement activities for the class of 2021 took place across all university campuses with graduates being honored in a variety of ways including drive-through ceremonies; walkthrough ceremonies involving students and their parents; and online ceremonies. Many of these ceremonies also included photo opportunities, livestreamed speeches, and virtual commentaries. The efforts of university faculty and staff to create a memorable experience for all of the graduates were lauded.

Extramural funding received by the university continues to exceed expectations. UHF has received just under $86 million in philanthropic donations, surpassing last year’s total of $84.7 million, with slightly more than one month remaining in the current fiscal year. Extramural funding for research has also experienced steady growth with just under $424 million being awarded to date. He noted that UHM accounted for a little more than $300 million of the funds awarded and stressed that figures for extramural research funding only reflect monies received from competitive awards and do not include any formula-based Higher Education Emergency Relief Funds. Year-to-date extramural funding for research at the university and UHM is roughly 12 and seven percent higher than the same period last year, respectively.

To illustrate the economic importance of the university, President Lassner highlighted a $2.7 million grant awarded to the Office of Innovation and Commercialization for a project entitled Innovation to Impact which supports the efforts of faculty-student start-ups through an accelerator incubator program focused on both technology and workforce development for the innovation sector. Through this project, the university will be able to assist the State with its economic recovery goals, develop new economic sectors, and strengthen the research enterprise as a major economic driver.

Preliminary indications show improvement in university enrollment for the fall semester although the situation remains dynamic. As of May 20, headcount students registered for fall 2021 has increased by six percent over the same period last year. Applications at both UHM and UHWO have increased substantially with UHM experiencing large increases in deposits received for admitted students across all categories including resident; non-resident domestic; non-resident international; freshman; transfer; and new transfer students.

President Lassner highlighted a number of the university’s athletic accomplishments which have garnered national attention including the UHM men’s volleyball team capturing the national title with a three-game sweep of Brigham Young University; the fifth ranked UHM women’s water polo team participating in competition for a national championship; the UHH women’s volleyball team achieving a national ranking of 26th,
their highest since 2009; the UHH softball team advancing to the National Collegiate Athletics Association (NCAA) Division II West Regional as the number five seed and continuing to vie for a national championship; the UHH baseball team continuing to compete in the qualifying round for the NCAA Division II playoffs; and the UHH men’s tennis team winning the Pacific West Conference championship and competing for a national title. UHH athletics was also a finalist for the NCAA Award of Excellence for Community Service as a result of efforts to plant, harvest, and donate 10,000 ears of corn to local food banks.

Work on more than $10 million in facility improvements to the Clarence T.C. Ching Athletic Complex (Ching Complex) that was necessitated by the decision to demolish Aloha Stadium and use the Ching Complex as a venue to host home games for the university’s football team beginning in fall 2021 continues to move forward. The improvement projects remain on schedule and are expected to be completed by August 2021. The UHM Athletic Department is planning to seat fans at all home football games and is in the process of developing ideas to create an exciting, community-based game-day atmosphere at the Ching Complex. Efforts are also currently underway to establish a balanced ticketing plan that takes into consideration season ticket holders as well as single game ticket sales.

**Campus Report**

Chancellor Pagotto began by stating that KapCC is celebrating 75 years of providing post-secondary higher education to the community and gave a brief history of its establishment.

Chancellor Pagotto provided an overview of enrollment statistics and student population demographics highlighting some of the typical characteristics of students attending KapCC including age, gender, ethnicity, enrollment status, and high school of origin for direct-admit, first-year students. She also provided information on the number of students from underrepresented populations noting that, while the enrollment of Native Hawaiian and Pacific Islander students has increased, there has been a simultaneous decrease in the enrollment figures for students from other underserved populations, especially Pell Grant recipients.

KapCC experienced improvements in several established performance measures including graduation rates; time-to-degree completion for cohorts of first-time full-time freshmen; and course completion and success rates, which are considered to be metrics of academic success. However, it witnessed a downward trend in the number of students transferring to four-year institutions, although the decline has not been dramatic in proportion to the overall student headcount; an increased gap in the number of certificates and degrees awarded to Native Hawaiian students in relation to other student populations; and declining fall-to-fall and fall-to-spring retention rates. A larger proportion of students are also attending KapCC on a part-time basis, which has impacted institutional effectiveness measures, particularly regarding time-to-degree completion. Additionally, the ratio of full-time faculty and staff to student semester hours has remained relatively static even with decreasing enrollments which can be partly attributed to decreasing numbers of full-time faculty and staff and also can impact
performance metrics. However, KapCC has established a number of priorities to reverse these trends including improving student retention rates to promote success, extending distance education to reach new student populations, and globalizing the campus through supportive efforts regarding international students. Chancellor Pagotto stated that KapCC continues to work with campus governance groups and other stakeholders to gather and develop ideas and initiatives that will assist the campus in meeting its institutional goals and objectives, as well as established performance measures.

Similar to other campuses within the University of Hawai‘i System, KapCC has faced adversities due to the COVID-19 pandemic. Chancellor Pagotto reviewed some of these challenges including the rapid shift to primarily online course instruction; the large reduction in the enrollment of international students which make up approximately ten percent of the student population; and the shift in enrollment by student type. She stated that, while the demographics of its student population has not faced dramatic changes, the way its students learn has been altered significantly. However, due to its focus on improving distance education through, among other things, strong professional development efforts, KapCC was able to transition more easily to a fully online mode of instruction. It was also noted that a survey conducted by the KapCC Student Congress in which students expressed a preference for an online modality of instruction was of particular interest.

**Faculty Report**

Dr. Candy Branson, KapCC Faculty Senate Chair, spoke about the challenges faced by faculty members in adapting to the changing paradigm of course instruction brought about by the COVID-19 pandemic. She highlighted three professional development programs undertaken to address this paradigm shift and prepare faculty members to better engage students in an online modality of instruction while ensuring that the educational needs of KapCC’s local, indigenous, and international students were met. These programs included the Teaching Online Preparation Program (TOPP), a nationally recognized and award-winning program which was in existence prior to the COVID-19 pandemic; TOPP To Go, a revamped version of TOPP; and Huliāmahi, a program designed to strengthen academic and student support, particularly for Native Hawaiians, within the arts and science degree concentration and certificate pathways.

Dr. Branson provided details for each of the programs explaining that TOPP was a capacity-limited program offering intensive training in both technical and pedagogical aspects of online teaching thereby preparing faculty to provide quality online course instruction; TOPP To Go was an adapted version of TOPP that allowed for increased capacity and expanded participation to include any instructor across the 10-campus system; and Huliāmahi used a collaborative approach to support guided pathways for students and was focused on strengthening the faculty’s capacity for envisioning, developing, and implementing action plans that include meaningful and culturally-rooted learning experiences for students. All of these programs fostered a rich community of practice that bridged campuses, disciplines, staff, and faculty and allowed for the sharing of questions, challenges, insights, and resources thereby permitting the
continues mentoring of students to successfully complete the spring 2020 semester and beyond.

**Student Report**

Alex Sosa, President of the KapCC Student Congress (Student Congress), gave a presentation on the work and achievements of the Student Congress. A student survey was conducted in spring 2020 to gauge and evaluate the student experience during the COVID-19 pandemic. Through this survey, it was discovered that KapCC students faced a number of academic and personal challenges including financial difficulties; health and safety concerns; issues with school workload and faculty communications; and worries about familial and personal relationships. As such, the Student Congress embarked on several initiatives to assist students with these concerns. He reviewed some of these endeavors such as Moola Mondays, which sought to improve students' money management skills and increase their fiscal knowledge to address their financial concerns; programs to increase physical and mental health access for students through collaborative partnerships with various health care providers since KapCC does not have a student health center; a safe places program that provided secure and quiet places on campus for students to study and meet other educational needs; and a cooperative effort with the Board of Student Activities and Pohukaina food pantry to raise awareness on the availability of food on campus and provide free healthcare products to students. He stated that the ultimate goal of the Student Congress is to work with other stakeholders to support the student body and empower them with tangible resources and valuable, quality information to deal with their personal and educational needs.

Regent Acoba asked about the criteria used by KapCC to determine whether a particular group of students were underrepresented on campus; questioned whether there were any specific reasons for the noted decline in full-time students at KapCC; and requested clarification on the presence of an on-campus student health center. Chancellor Pagotto replied that student underrepresentation is determined by calculating the percentage of a particular student demographic at KapCC in relation to the presence of that demographic throughout the general population of the State; that she did not have a definitive answer as to why KapCC experienced declining enrollment in full-time students although anecdotal evidence would appear to indicate that financial stresses, particular in light of the COVID-19 pandemic, played a role in this decrease; and that KapCC did not presently have a student health center on campus but does have the capability to refer students for particular health services, including mental health services, to UHM.

Referencing the Spring 2021 Student Congress Survey which indicated that a large percentage of students preferred the continuation of online instruction for the fall 2021 semester, Regent Acopan questioned whether there were any specific reasons for this preference. Chancellor Pagotto replied that the student survey only requested that students indicate a preference for instructional modality and did not seek comments about their choice. She stated that, although she did not have a have a conclusive answer as to why KapCC students preferred online instruction, the convenience of distance education and continuing health and safety concerns may have played a role
in the choice of this instructional option. She also noted that the survey was conducted prior to vaccination efforts, which may have also played a role in students’ preferences. Regent Acopan followed-up by asking if there was interest in distance education pre-pandemic. Chancellor Pagotto replied that KapCC has been offering over 25 percent of its courses in an online modality for several years and student interest in those courses has been high.

Chair Kudo opined that the pandemic created the necessity to use distance education thereby accelerating its use and increasing the receptivity to this modality of course instruction. Chancellor Pagotto concurred with Chair Kudo’s assessment.

Chair Kudo asked whether online or in-person instruction was better at educating students. Chancellor Pagotto replied that remote learning can be just as effective as in-person learning. Every course has learning outcomes and, regardless of delivery method, a student needs to meet these outcomes to successfully complete the class.

V. REPORT OF THE UNIVERSITY OF HAWAI‘I FOUNDATION (UHF)

VP/UHF CEO Dolan provided a report on the fundraising efforts of UHF stating that approximately $86 million in philanthropic donations has been received to date, which is an increase of about $20 million as compared to the same time period last year. UHF has also experienced increased success in securing major gifts, which are defined as gifts of $25,000 or more, for the university over the last fiscal year. He noted that much of this fundraising success can be attributed to a more focused and strategic approach to fundraising that has been adopted by UHF in addition to the tremendous response and extreme generosity of the community. Better integration between UHF and the various university campuses has also been effective in improving fundraising efforts.

Mr. John Han, Chief Operating Officer for UHF, presented an overview of UHF’s operating budget as of March 31, 2021, stating that operating revenues generated were approximately $8.65 million and expenses incurred were approximately $8.43 million. As a result, UHF is currently experiencing a total net operating revenue surplus of just over $221,000. While the amount of operating revenue generated in fiscal year (FY) 2021 was roughly $2.8 million less than the amount generated in FY 2020, it was explained that the majority of this decrease could be attributed to lost income from expendable accounts due to investment management changes and a rebalancing of UHF’s investment portfolio.

Total assets contained within UHF’s endowment fund portfolio currently stands at $423 million. Mr. Han stated that the portfolio continues to perform well, producing competitive returns-on-investment (ROI). In FY 2020, the portfolio experienced an ROI of nearly 44 percent, with the value of the portfolio witnessing an increase of approximately $21 million in the fourth quarter. Since inception, UHF’s endowment fund portfolio has realized performance returns of over 7.1 percent which has exceeded the established benchmark of 6.2 percent.

Regent Acoba asked whether UHF maintained statistics regarding the ratio of operational expenses incurred in relation to revenue generated and compared these figures to similar data from comparable institutions. VP Dolan replied in the affirmative
stating that, when this data is analyzed, UHF performs better than many of its peer institutions with regard to revenues generated in relation to the size of operating budgets, despite being understaffed. UHF has also estimated that it would experience significant increases in the amount of revenue generated with proper staffing. As such, a key priority of UHF is to secure responsible increases to its operating budget to hire additional qualified staff to assist in fundraising efforts. He noted that more specific information and detailed statistics on this issue will be provided to the board.

VI. COMMITTEE AND AFFILIATE REPORTS

A. Report from the Committee on Independent Audit

Committee Vice-Chair Nahale-a summarized the committee report.

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

Committee Chair Westerman summarized the committee report.

C. Report from the Committee on Planning and Facilities (P&F)

Committee Vice-Chair Higaki summarized the committee report.

D. Affiliate Reports

Maunakea Management Board (MKMB): Regent Higaki reported that MKMB met on May 18 and received updates on the decommissioning of the CalTech Submillimeter Observatory (CSO), including the status of the environmental assessment and the Conservation District Use Application permit required for decommissioning; the decommissioning of the Hōku Kea Observatory (HKO) teaching telescope; and the Maunakea Comprehensive Management Plan (CMP). In addition, discussions took place on the formation of a new permitted interaction group being contemplated by the board to further address issues regarding the Maunakea Master Plan and CMP. It was noted that MKMB supported the formation of the new permitted interaction group as it will offer an opportunity for continued due diligence with respect to the completion of requested actions contained in Board of Regents Resolution 19-03.

VII. AGENDA ITEMS

A. Consent Agenda

1. Approval of Authorization to Amend Pre-Closing (Pre-Construction) Agreement with Greystar Development Services, LLC for Development of a Multi-Family Rental Housing Facility at the Former NOAA Site

2. Approval of Resolution 21-03 Requesting the Administration of the University of Hawai‘i to Pursue an Adjusted Utility Rate Structure for Institutions of Higher Education from the Hawaiian Electric Company, Inc. (HECO)
3. Amendments to the Bylaws of the Board of Regents Article II.C.1.a., Chairperson; Article IV.D. Public Notice of Meetings; Article VI. Voting; and Article X.C. Disclosures

Prior to acting on the consent agenda, Chair Kudo requested that Resolution 21-03 be amended to direct that copies of the resolution be sent to HECO, the Public Utilities Commission, the Consumer Advocate, the State Energy Office, the Chairs of the House and Senate energy committees, and the Governor.

Regent Acoba stated that he would be recusing himself from discussions and voting with respect to the approval of Resolution 21-03 referenced under consent agenda item A.2.

Regent Wilson moved to approve the consent agenda, seconded by Regent Higaki, and noting the excused absences of Vice-Chair Moore and Regent Tagorda, and the recusal of Regent Acoba on agenda item A.2, the motion carried with all members present voting in the affirmative.

B. Final Report and Dissolution of the Maunakea Planning Permitted Interaction Group and Approval of Resolution to Further Act on Items Relating to Maunakea Management and Amend Board of Regents Resolution 19-03

Vice-Chair Nahale-a reported on the findings and recommendations of the permitted interaction group expounding upon the reasons for its establishment and detailing the work it conducted over the past seven months. In particular, he noted that the permitted interaction group held six meetings to receive information on and discuss issues related to Maunakea management activities; proposed updates and changes to the Maunakea Master Plan and CMP; the role of astronomy on Maunakea; ongoing community engagement efforts; and opportunities, challenges, and strategies associated with these matters. A summary of the group’s specific findings and recommendations, including a recommendation for the adoption of Board Resolution 21-02 which amends several of the timelines set forth in Board Resolution 19-03 relating to decommissioning of CSO and HKO; the establishment of a new educational telescope facility; and the implementation of a suite of educational programs regarding Maunakea, is contained within its final, written report to the board.

While the permitted interaction group recommends dissolution at this time since it has concluded its current scope of work, it recognizes the long-standing issues surrounding Maunakea and the university’s commitment to stewardship is one that will last for generations to come. As such, reconstitution of a permitted interaction group remains an option should it become necessary to address any additional matters.

Vice-Chair Nahale-a moved to accept the final report of the permitted interaction group and adopt Resolution 21-02, seconded by Regent Sullivan, and noting the excused absence of Regent Tagorda, the motion carried with all members present voting in the affirmative.
C. **Appointment of a Permitted Interaction Group to Investigate Issues and Make Findings and Recommendations to the Board Related to the Review of the Maunakea Master Plan and CMP**

Chair Kudo requested that the board approve the appointment of a permitted interaction group to be known as the Maunakea Plan Review Task Group (Task Group), whose scope would encompass reviewing and investigating proposed changes to the Maunakea Master Plan and CMP (collectively Plans) which are currently being updated and finalized; seeking input from community stakeholders on the Plans; and making findings and recommendations for presentation to the board. He noted the reasons behind the requested appointment of the Task Group explaining that recent information received by the board regarding the completion dates for the updated draft Maunakea Master Plan and CMP necessitated its formation. The composition of the Task Group includes Chair Kudo, Vice-Chair Nahale-a, Regent Bal, Regent Higaki, and Regent Wilson.

Regent Sullivan moved to approve the appointment of the Task Group, seconded by Regent Wilson.

Regent Acoba questioned the reasoning behind the scale of the Task Group’s engagement with individuals and groups which includes members of the university administration, government officials, and other external parties as needed, as well as the intended extent of this engagement. Chair Kudo replied that the Task Group will be gathering information on the revised and updated Plans which may involve obtaining input from a wide range of parties. This necessitated the scale of Task Group’s engagement with individuals and groups to be very broad. Regent Acoba asked if the Task Group would be engaging with any legislatively formed groups associated with the management of Maunakea. Chair Kudo responded that the possibility of the Task Group engaging with legislatively formed groups or committees exists. Regent Acoba remarked that he does not oppose the formation of the Task Group but thinks that the board should be kept informed about its work, particularly in instances when engagement with parties external to the university take place, so that timely and appropriate action can be taken by the board on any Task Group recommendations that might not be easily summarized in a final report.

Several Regents expressed their support for the establishment of the Task Group despite the unusual nature of this request and noted the reasons they believed its establishment was warranted and necessary.

There having been a motion that was moved and seconded, a vote was conducted, and noting the excused absence of Regent Tagorda, the motion carried with all members present voting in the affirmative.

D. **Approval of Lease of Between the Agribusiness Development Corporation (as Lessor) and the University of Hawai‘i, Wahiawa, O‘ahu (Tax Map Key No.: (1) 7-4-012:016))**
VP Young stated that the administration was seeking board approval of a 35-year lease agreement for the long-term use of a 69,000 square-foot parcel of land located in Wahiawa consisting of primarily agricultural warehousing space currently owned by ADC and provided background information on the lease. Securing long-term use of the leased area will allow the university to provide educational services for the benefit of the Central O’ahu community at-large as well as move forward with a renovation project to create and develop the Wahiawa Value-Added Product Development Center (Center) to support entrepreneurial development and economic diversification. While the Center will serve as an entrepreneurial incubator with a goal of economic diversification, particularly in the food-based product industry, it will also serve as a resource to provide agribusiness-related curricula meshed with real-world experience, as well as technical research related to agriculture. The renovation project is expected to be completed in two years at an estimated cost of $17.2 million.

VP Lacro added that, while Leeward Community College (LeeCC) will be managing the Center, it is considered a university facility that will be available for use by all of the campuses. Although the Center will focus on a number of agriculture-related training programs and courses, including agricultural business development, food safety and sustainability programs, sales analysis and marketing, and culinary programs, it is being designed to allow different disciplines from across the university system to be brought together in a collaborative effort to meet the educational needs of students and the community in general.

Regent Wilson questioned whether the Center would play a role in meeting Hawai’i’s food sustainability needs and the reinvigoration of agriculture as a viable industry. Chancellor Benham replied that the Sustainable Community Food Systems Program (SCFS) which serves to train new generations of food system professionals to think critically and across disciplinary boundaries in order to actively solve real-world problems through work in agriculture, policy-making, planning, business, research, health sciences, and education, currently exists at UHWO. SCFS views the Center as an opportunity to partner and collaborate with other campuses, particularly the community college campuses, and enhance food sustainability efforts through the development of stronger programs in a number of discipline areas including food systems and risk management.

Stating that the Legislature only provided three positions for the Center, Regent Wilson asked if the intent of the university was to utilize existing faculty to address some of the Center’s staffing needs. Chancellor Benham replied that initial discussions on strategic planning for the Center are expected to take place between UHWO, LeeCC, and Windward Community College during which time discussion on program development and staffing needs to execute the educational opportunities envisioned for the Center will occur.

Regent Sullivan expressed a number of concerns with regard to the lease and the potential, long-term fiscal impacts it could have on the university. She also remarked that, in her opinion, the request for approval of the lease was procedurally deficient because the development of the Center appears to be incorporating the establishment of a new instructional program granting academic credit stating that will lead to a
certificate or degree, which has not been brought to the board for review, vetting, and approval. VP Lacro replied that a new academic program was not being established but rather programs that are already in existence at the various campuses of the university system will be using the Center to further their specific educational missions.

Regent Acoba noted his concerns with regard to the adequacy of a 35-year lease in terms of recouping the $17.2 million investment being made by the university, although he noted that the administration had mentioned a desire to obtain the parcel in fee when this item was presented to P&F. He also echoed the sentiments expressed by Regent Sullivan stating that the board is being asked to approve a lease for the establishment of the Center without knowing the programmatic costs that will be associated with the Center. Although a budget was attached to the proposal brought before P&F, the administration did not request the committee to recommend approval of the budget stating that it was only pro forma. It was his belief that the request for approval of the lease should have been preceded by the development of programmatic objectives for the Center and that the success of the Center in integrating university programs with community groups and stakeholders is dependent upon program structure and effective leadership. He opined that the open-ended nature of this project will make this difficult.

Referencing the two-year timeline for the renovation project to develop the Center, Regent Acoba asked if a construction contract has already been awarded for this project. Michael Unebasami, Associate Vice President (AVP) for Administrative Affairs for Community Colleges, responded in the affirmative noting that a contract was awarded in June 2020.

Chair Kudo suggested that it might be more appropriate to defer action on the program development issues related to the Center and refer the matter to the Committee on Academic and Student Affairs (ASA) for proper review and approval. Noting that this might cause a delay in the lease for the Center, he asked if this course of action would be acceptable to the administration. VP Lacro replied that the formation and establishment of the academic programs that will be offered at the Center is not expected to be finalized until the end of summer 2021 but that the administration can provide a report on these actions to ASA.

Regent Acoba asked VP Gouveia if she had any thoughts on this issue since it also concerns the university’s capital improvement program. VP Gouveia replied that the piecemeal approach taken with the development of the Center is not ideal; however, the matter could benefit from the vetting of both the appropriate committees and the board. Moving forward, similar projects that have long-term impacts and commitments of the university, such as what is being asked in this lease, should be properly scrutinized and allow for more informed decision-making by the board in the future.

Regent Wilson stated that food sustainability is an important and critical issue for the State and questioned what the impacts to the establishment of the Center would be if approval of the lease was deferred to allow for review and discussions on the programmatic issues. AVP Unebasami replied that a construction notice-to-proceed has been issued for July 1, 2021, and that a delay in approving the lease would call into
question whether or not the contractor can proceed with the renovations necessary for developing the Center.

Chair Kudo asked if a right-of-entry existed for the parcel in question and whether it could be amended to allow for initial stages of construction to begin while ASA reviews the establishment of the academic programs at the Center. AVP Unebasami replied that a right-of-entry did exist but that it was his understanding that it did not include provisions to allow for necessary construction to be initiated.

Regent Sullivan asked why a construction contract was awarded prior to approval of a lease for the parcel and whether awarding of the contract was based on the provision of a right-of-entry. AVP Unebasami explained that the construction contract was awarded in June 2020 because capital improvement project (CIP) funds awarded by the Legislature for the Center were scheduled to lapse. Although the university was in negotiations for a lease with ADC and anticipated that it would be finalized prior to awarding of the construction contract, lease negotiations experienced unexpected delays. As such, the construction contract was awarded prior to the completion of a lease agreement.

Regent Westerman requested clarification on the recipient of the CIP funds for the Center and the current owner of the parcel which the university is attempting to lease. AVP Unebasami replied that the property is owned by ADC and that the university was the recipient of the CIP funds.

Discussion ensued on possible next steps that could be taken by the board, including deferral of action on the lease with a recommittal to ASA for further review and scrutiny, in addition to the impact a deferral would have on construction of the Center.

Given the information received from the administration and the discussions that have taken place, Regent Sullivan opined that it appeared the board did not have a choice except to approve the lease. However, she stated that the board should be afforded the opportunity to review and approve the academic programming that will occur at the Center and made a motion to approve the lease between ADC and the university with the condition that the relevant academic programs be presented to the board for review and approval as a separate matter. The motion was seconded by Regent Wilson.

Discussions occurred on the motion as well as the Center’s compliance with a resolution adopted by the board in 2013 imposing a moratorium on all new construction at the university for an initial term of three years.

There having been a motion that was moved and seconded, a vote was conducted, and noting the excused absence of Regent Tagorda, and Regent Acoba’s clarification that his affirmative vote was with consideration being given to his concerns, the motion carried with all members present voting in the affirmative.

President Lassner expressed his appreciation to the board for approval of the lease but noted the concerns raised regarding the piecemeal approach taken on this project, acknowledged the missteps by the administration, and stated that improvements will be made to avoid a repeat of this situation in the future.
E. **Approval of the Establishment and Naming of the Colonels Stephanie Marshall and Charles Miller Endowed Director of Community Partnerships (Director) at the School of Nursing and Dental Hygiene (SONDH) at UHM**

Provost Bruno provided information on a financial commitment in the amount of $1,000,000 over a five-year period for the establishment and naming of the Colonels Stephanie Marshall and Charles Miller Endowed Director at SONDH at UHM. He also noted that an additional $100,000 has been pledged over the same five-year period to provide funds for immediate use by the Director. Funds will be used by the Director to support SONDH through recruitment and retention of high-caliber faculty and enhance the school's scholarship and community outreach mission.

Regent Westerman moved to approve the establishment and naming of the Colonels Stephanie Marshall and Charles Miller Endowed Director at SONDH at UHM, seconded by Vice-Chair Nahale-a, and noting the excused absence of Regent Tagorda, the motion carried with all members present voting in the affirmative.

F. **Approval of the Establishment and Naming of the Queen’s Health Systems (Queen’s) Endowed Professorship at SONDH at UHM**

Regent Higaki stated that he is currently an employee of Queen’s and will be recusing himself from discussions and voting on this agenda item. He left the meeting at 10:51 a.m.

Provost Bruno provided information on a financial commitment received by UHF from Queen’s in the amount of $1,000,000 to establish the Queen’s Endowed Professorship at SONDH at UHM. Funding for the endowed professorship will be used at the discretion of the dean of SONDH to support and advance the educational mission of SONDH and address key priorities of the school.

Regent Sullivan moved to approve the establishment and naming of the Queen’s Endowed Professorship at SONDH, seconded by Regent Westerman, and noting the recusal of Regent Higaki and excused absence of Regent Tagorda, the motion carried with all members present voting in the affirmative.

Regent Higaki returned at 10:53 a.m.

G. **Approval of Faculty Emeritus Status Recommendation for Franklin Kuo**

President Lassner spoke about Professor Franklin Kuo providing a brief background of his long, illustrious career and highlighting a number of his academic achievements including his numerous contributions to the Department of Electrical Engineering at UHM and the development of ALOHAnet, the first radio packet switching computer network which became the basis for Ethernet development and Wi-Fi networks. Although Professor Kuo served the university for over 18 years, he did not formally retire from the university which is one of the criteria necessary to be awarded the title of faculty emeritus as noted in Regents Policy (RP) 5.219. Thus, the administration is requesting board approval for an exception to the RP to appropriately bestow this well-earned and deserved honor upon Professor Kuo.
Regent Sullivan moved to approve the faculty emeritus status recommendation for Franklin Kuo, seconded by Regent Acoba, and noting the excused absence of Regent Tagorda, the motion carried with all members present voting in the affirmative.

H. **Reorganization Proposal for the Office of the State Director for Career and Technical Education (OSDCTE)**

President Lassner stated that the administration was requesting board approval for the merger of OSDCTE with Hawai‘i P-20 Partnerships for Education (Hawaii P-20). He emphasized that the idea for this merger was brought to the attention of the administration by Bernadette Howard, State Director for Career and Technical Education, upon her announced intention to retire and introduced Stephen Schatz, Hawai‘i P-20 Executive Director, to provide additional information on the reorganization proposal.

Executive Director Schatz provided background on both OSDCTE and the Hawai‘i P-20 program, noting that last several years have witnessed greater collaboration between the two offices on several issues related to career and technical education (CTE), particularly with regard to educational pathways. This has led to greater integration between OSDCTE and Hawai‘i P-20. As a result, Director Howard suggested that a merger of the offices would be a more efficient and effective approach to addressing the career and technical educational needs of Hawai‘i’s students. It is anticipated that this merger will enhance cohesive communication and collaboration among state- and local-level secondary, postsecondary, and business and industry partners; enable Hawaii P-20 to use its expertise to leverage federal, state and private funding to support the development and implementation of aligned career pathway programs; utilize Hawaii P-20’s capacity for data use, analysis, and sharing to augment the existing work in OSDCTE; reduce duplication of effort and inefficient layers of administrative bureaucracy; and create seamless, vertically articulated pathways from middle school through high school and college and into the workforce so that all students are prepared for career and life success.

Regents noted Ms. Howard’s impending retirement, acknowledged her work and dedication to improving CTE programs in Hawai‘i, and offered their thanks and appreciation for her dedication and service.

Ms. Howard thanked Regents for their praise and thanked both the board and administration for their support over the years. She stated that Hawai‘i P-20 is doing excellent work, that she had the utmost confidence in Executive Director Schatz, and that she believed CTE in Hawai‘i will be stronger with this merger.

Regent Wilson moved to approve the reorganization proposal for OSDCTE, seconded by Regent Higaki, and noting the excused absence of Regent Tagorda, the motion carried with all members present voting in the affirmative.

I. **Legislative Update**

VP Young provided a report on legislative actions taken on matters affecting the university during the final days of the recently concluded 2021 Legislative Session. He
highlighted several measures including bills relating to the State budget, university budget and legislative package, and items of interest involving the administration and board, noting that both the State's operating and capital improvement budgets were approved and transmitted to the Governor for action.

A detailed comparison of the university's operating budget request that was approved by the board and the budget approved by the Legislature was presented. It was noted that the university experienced general fund reductions for its operating budget of approximately $47.9 million for FY 2022 and $42.3 million for FY 2023. Although each campus felt the impacts of these budget cuts, the reductions were disproportionate across the university system with general fund appropriations for UHM witnessing reductions that were significantly larger than any other unit. He stated that the administration is currently working on creating an operating budget and spending plan for the next fiscal year to address the reductions in general fund appropriations.

VP Young also reviewed the university's CIP budget request in relation to CIP funds appropriated to the university noting that $203.35 million and $102.64 million in CIP funds were received for FY 2022 and FY 2023, respectively. Although the overall amount of CIP funds received is respectable, he stated that certain items received less than requested funding and that there are projects contained within the university's CIP budget that had not been requested by the board. Additionally, the university received less than half of the requested amount for renew, improve, and modernization funding.

The status of additional measures expected to impact either the university or the board were also reviewed.

Regent Sullivan asked about the fiscal impacts to university with regard to the requirement that the university reimburse fringe benefit costs for non-general funded positions which is contained in House Bill (HB) 1296. VP Young replied that, based on the last three years of expenditures, this new requirement will result in the university experiencing additional expenses of $15 million per year, of which approximately $14 would be attributable to UHM. He emphasized that this expense is separate and apart from the reductions made to the university's general fund base budget.

Noting that HB 1296 also specifies that the cigarette tax revenues deposited to the credit of the Cancer Research Special Fund can only be used for capital expenditures, Regent Sullivan questioned the effects this would have on Cancer Center operations. VP Young stated that, based on the last three years of experience, the Cancer Center is anticipated to experience operating fund reductions in the neighborhood of $5 million per year.

Regent Sullivan asked whether there were any significant issues other than the budget bill or HB 1296 that would have large financial impacts to the university's operating budget. VP Young responded that, when quantifying the totality of fiscal effects of measures passed by the Legislature, the university is expecting negative impacts to its operational budget of approximately $80 million. He reiterated that, with the exception of university systems and the community colleges, nearly all general funds are used to address personnel costs. As such, it will be necessary to use non-
Regent Acoba asked about the reasoning behind the Legislature’s reduction of general fund support for the university and to what extent the allocation of federal relief funds provided to the State and university impacted this decision. VP Young replied that he could not speak for the Legislature as to the reasons for the reductions in general funds for the university although it did not appear the Legislature had any negative issues with the university as funding reductions are approximately nine percent in the aggregate. However, there were disproportionate reductions made across the university system. Regarding federal stimulus funding, he remarked that the Legislature may have believed that federal relief funds received directly by the university could be used to supplant general fund reductions. Whether this is a realistic or reasonable approach remains unclear and the administration continues to assess this issue. Additionally, there are a number of non-general fund programs at the university such as the bookstore, parking, and student housing, that were severely impacted by the effects of the COVID-19 pandemic and assistance for those enterprises from federal relief funds may be muted if the funds are required to fill gaps in the budget resulting from the general fund reductions.

VIII. EXECUTIVE SESSION

Regent Sullivan made a motion to convene in executive session, seconded by Regent Westerman, and noting the excuse absence of Regent Tagorda, and with all members present voting in the affirmative, the board approved convening in executive session to carry-out deliberations concerning the hire, evaluation, dismissal, or discipline of an officer or employee, where consideration of matters affecting privacy will be involved, pursuant to Section 92-5(a)(2), Hawai‘i Revised Statutes (HRS) and to consult with the board’s attorneys on questions and issues pertaining to the board’s powers, duties, privileges, immunities, and liabilities, pursuant to Sections 92-5(a)(4), HRS.

The meeting recessed at 11:59 a.m.

Chair Kudo called the meeting back to order at 12:40 p.m. and announced that the board met in executive session to discuss several issues as stated on the agenda.

IX. AGENDA ITEMS (Continued)

A. Personnel Actions (A-1 for approval)

VP Gouveia stated that the administration was requesting approval of a UHF endowment funded salary adjustment in the amount of $50,016 for Dr. Qimei Chen, Senior Associate Dean of the Shidler College of Business (Shidler).

Regent Westerman made a motion to approve the personnel actions on Attachment A-1, seconded by Vice-Chair Moore.
Chair Kudo stated that, although Dr. Chen is a Senior Associate Dean at Shidler, she is also an Endowed Chair of Entrepreneurship, Marketing, and Information Technology and emphasized that the salary adjustment is funded solely with endowment funds through UHF and does not involve any university funds.

There having been a motion that was moved and seconded, a vote was conducted, and noting the excused absence of Regent Tagorda, the motion carried with all members present voting in the affirmative.

B. Adoption of Resolution Honoring University of Hawai‘i Regent Michelle Tagorda

Chair Kudo requested Board Secretary Oishi to read the resolution honoring University of Hawai‘i Regent Michelle Tagorda into the record.

Regents offered their thanks to Regent Tagorda for her service and commitment to the university and outstanding work as a member of the board. She was praised for her role as a consummate student advocate; calm and gracious demeanor; youthful outlook on issues; ever present positive attitude; dedication to public health issues; and thoughtful contemplation on, and knowledge of, issues that were brought before the board. It was noted that her presence on the board will be missed.

Vice-Chair Moore moved to adopt the resolution, seconded by Regent Wilson, and noting the excused absence of Regent Tagorda, the motion carried with all members present voting in the affirmative.

C. Adoption of Resolution Honoring University of Hawai‘i Regent Jan Naoe Sullivan

Chair Kudo requested Board Secretary Oishi to read the resolution honoring University of Hawai‘i Regent Jan Naoe Sullivan into the record.

Regents offered their thanks to Regent Sullivan for her service and commitment to the university, her outstanding work as a member of the board, and her friendship. She was praised for her loyalty to the university; professionalism; intelligence; insightfulness; mentorship; candor; persistence in, and approach to, addressing a number of trying issues; and courage to make the difficult decisions that were in the best interests of the university. Regents also stated that they considered her to be a role model, not only for board members, but most notably for the women of Hawai‘i. It was noted that her presence on the board will be missed.

Regent Sullivan reflected on her time on the board saying that she believes the reason public universities exist is to provide educational opportunities for individuals to pursue their dreams and change the course of these individual’s lives. As such, no institution is more important to the future of Hawai‘i than the University of Hawai‘i. Unfortunately, universities have faced a number of financial situations over the last few years which has often resulted in increased educational costs for students that the institutions are meant to serve and offered her words of wisdom on making the difficult decisions that will be necessary to address this issue. She also thanked her fellow
Regents, the administration, and staff for all the support she’s received over the years, stating that it was a tremendous honor and privilege to serve the university as a member of the board, and noted that she would be abstaining from the vote on this resolution.

Vice-Chair Moore moved to adopt the resolution, seconded by Regent Wilson, and noting the excused absence of Regent Tagorda and the abstention of Regent Sullivan, the motion carried with all members present voting in the affirmative.

X. ANNOUNCEMENTS

Chair Kudo announced that the next board meeting was scheduled for July 15, 2021, at a location to be determined.

XI. ADJOURNMENT

There being no further business, Regent Wilson moved to adjourn, seconded by Vice-Chair Moore, and noting the excused absence of Regent Tagorda, and with all members present voting in the affirmative, the motion carried and the meeting was adjourned at 1:25 p.m.

Respectfully Submitted,

Kendra Oishi
Executive Administrator and Secretary
of the Board of Regents
Item VI.
Report of the President and
COVID-19 Update

NO MATERIALS
ORAL REPORT
Agenda Items:

A. Academic Program Actions Report for 2019-2021

Debora Halbert, Associate Vice President (AVP) for Academic Programs and Policy, explained that the academic program actions report is normally provided on an annual basis but that the 2019-2020 and 2020-2021 reports were instead combined into a single document due to disruptions in the reporting cycle caused by the COVID-19 pandemic. She briefly reviewed the current program proposal process and noted that, in academic years 2019 and 2020, there was one new provisional academic program approved by the board; 13 authorizations to plan new academic programs; 5 provisional programs granted established status; 31 extensions of provisional programs; and 31 program terminations. It was noted that most of the provisional programs already in existence are on track for permanent status.

B. Review and Recommend Board Approval to Change from Provisional to Established Status: Bachelor of Environmental Design (BEnvD) at UHM

At the request of the administration, this agenda item will be taken up at a later date.

C. Progress on Academic Program Planning

Tammi Oyadomari-Chun, AVP for Academic Affairs for Community Colleges, University of Hawai‘i at Hilo Chancellor Bonnie Irwin, University of Hawai‘i-West O‘ahu Chancellor Maenette Benham, and University of Hawai‘i at Mānoa (UHM) Provost Michael Bruno provided detailed information on academic program planning activities occurring in each of their respective units which included significant engagement of faculty and staff. They stated that while each unit has unique needs and challenges, there are also cross-campus commonalities that provide opportunities for increased efficiency and effectiveness. Many of the actions and recommendations that are occurring involve the creation of campus strategic plans; centralization of administrative operations; cross-campus sharing of course and program delivery; establishing external partnerships; and consolidation of degree programs and concentrations.

D. General Education (Gen Ed) Redesign Update

AVP Halbert provided an update on a systemwide Gen Ed redesign initiative to address concerns with dated content and program structure and governance, as well as transfer and articulation challenges between campuses. She stated that a month-long Summer 2021 Gen Ed Institute (Summer Institute) tasked with examining and revamping the university’s Gen Ed curriculum has been initiated and described the guiding principles being used in the redesign process.

Dr. Christine Beaule, Director of the Gen Ed Program at UHM, provided an overview of the Summer Institute’s process, plans, goals, and timelines and discussed several Gen Ed curricular models used at other institutions of higher education. Once the work of the Summer Institute is completed, the administration will engage in consultation on the proposed academic changes during the 2021-2022 academic year and thereafter will seek board approval for any necessary changes. Implementation of a new Gen Ed curriculum is expected to take place over a three-year period and may require amendments to RP 5.201.
E. Committee Annual Review

The committee annual review matrix was reviewed and no comments were received from committee members.
Agenda Items:

A. Presentation on the Economic Impact of the University of Hawai‘i and State Economic Forecast by University of Hawai‘i Economic Research Organization (UHERO) Executive Director Carl Bonham

Dr. Carl Bonham, Executive Director of UHERO, provided an update on UHERO’s most recent macroeconomic forecast for the State noting that economic recovery is occurring at a better-than-anticipated pace and that an increase in COVID-19 vaccination rates as well as the infusion of federal stimulus funding are key factors contributing to the recovery. Early data on State tax collections show an increase in tax revenues but transient accommodation tax and general excise tax figures continue to lag.

The university’s impact to the overall economy of the State was also reviewed with Dr. Bonham explaining that the university’s economic contributions include direct revenues generated as well as induced university-related spending. Increases in individual spending and tax revenue collections due to the escalation of lifetime earnings experienced by residents receiving a post-secondary education from the university also impart long-term positive impacts on Hawai‘i’s economy. In fiscal year 2020, $3.07 was spent in Hawai‘i for every dollar in general funds received by the university which equated to $2.1 billion in university-related spending.

Discussions occurred on longer-term economic forecasts, the impacts of the economic recovery on working-class individuals, and the issue of income inequality.

B. FY 2020-2021, Third Quarter UBS Legacy Endowment Fund (Fund) Investment Performance Report

UBS representatives provided a report on the investment performance of the Fund. Overall, the asset allocation and financial performance of the Fund is on par with, or exceeds, established benchmarks. UBS also briefed the committee on the financial outlook of the Fund given the current economic condition and market situation noting that it continues to advocate for keeping the Fund’s allocation in equities at its present level for the foreseeable future. UBS will continue to monitor the financial markets and adjust its investment strategies as more information becomes available with the ultimate goal of maintaining long-term investment strategies.

C. Discussion on Ideas for Strategic Use of Legacy Endowment Funds

VP Young gave a brief overview and history of the Legacy Endowment Fund (Fund) noting that its corpus was received and invested on behalf of the university prior to the establishment of the University of Hawai‘i Foundation and stating that the Fund is currently managed by UBS Financial Services. The current value of the Fund’s overall portfolio is slightly less than $92 million and contains both restricted and unrestricted sources of funding which also governs the overall use and distribution amounts of Fund assets. He reviewed the process used for the distribution of the Fund’s assets, which is governed by Regents Policy (RP) 8.207 and noted that the administration has developed four concepts aimed at expanding the use of unrestricted monies in the Fund; increasing strategic investments focused on building the Fund’s corpus; amending the principles related to Fund payouts; and determining the types of additional revenue that can be added to the Fund. The ultimate goal of these concepts is to develop sources of funding that could consistently build the Fund and provide for more discretionary expenditures.
D. FY 2020-2021 Third Quarter Financial Report

VP Young provided the financial report for the third quarter of FY 2020-2021 stating that the State Department of Budget and Finance has been releasing general fund allocations on a quarterly basis and, as such, the allocation appears comparatively lower than previous fiscal years. Revenue and expenditure reports were presented for each of the major units. Overall tuition and fee revenues are slightly lower for the same time-period last fiscal year, although revenue levels vary by campus, and balances of tuition billed that remain uncollected continue to be higher than previous years but are projected to decline through the remainder of the academic year. Due to various factors including the implementation of cash preservation strategies, actual expenditures for all fund categories with the exception of the general fund and the Research and Training Revolving Fund, were significantly lower than prior fiscal years. Concerns regarding the fiscal sustainability of a number of special and revolving funds were also noted.

E. Research and Research Training and Revolving Fund: Financial Reporting on Revenues and Expenditures

Due to time constraints, this agenda item was deferred.

F. Federal and State Coronavirus Relief Funds to the University of Hawai‘i: Expenditures to Date, and Planned and Strategic Expenditures

VP Young provided a report on the status of the expenditure of Higher Education Emergency Relief Funds (HEERF) funds received by the university from the Coronavirus Aid, Relief, and Economic Security Act and the Coronavirus Response and Relief Supplemental Appropriations Act, noting that, as of March 31, 2021, the university expended about $12 million of the approximately $24 million received for direct disbursement to students in the form of grants and about $7.6 million of the approximately $45.5 million received for institutional expenses related to the prevention of, preparation for, and response to the COVID-19 crisis. The university received an additional $55.5 million in HEERF funds for its status as a minority-serving institution, the majority of which remains unspent. It was stated that the university could receive an additional $137.6 million in HEERF funds from the recently American Rescue Plan Act but that uncertainty remains on the actual amount as well as any associated restrictions.

G. Committee Annual Review

The committee annual review matrix was reviewed and no comments were received from committee members.
Agenda Items:

A. Review and Acceptance of the University of Hawai'i Audited Financial and Compliance Report for the Year Ended June 30, 2020

Jamie Asato, with Accuity LLP, provided an overview of Accuity’s compliance reports in connection with the audit of the university’s consolidated financial statements for the year ended June 30, 2020. The audit did not find significant risks, exposures, weaknesses, difficulties, or material uncertainties but did note five compliance findings regarding federal award expenditure requirements, a decrease from eight discovered in the 2019 audit. Management has also addressed the majority of the findings from the 2019 audit and has submitted a corrective action plan in response to the findings associated with the 2020 audit.

Action: The Committee voted to accept the report.

B. Review and Acceptance of Internal Control and Business Issues Report

C. Corrective Action Responses for the Internal Control and Business Issues Report

Ms. Asato provided a brief overview of the report on internal control and business issues noting that this report consisted mainly of comments and observations from Accuity that were noted in the course of conducting the audit on the university’s consolidated financial statements and compliance reports. There were four comments regarding issues involving either university or board policies but it was noted that these issues were not significant. Brief discussions occurred on recurring findings. Ms. Asato also noted that the associated corrective action responses were included in the materials and is the university’s response to comments made in the report.

Action: The Committee voted to accept the reports.

D. Approval of the Annual Review of the Committee Charter

Chair Moore explained that the charter of the Committee on Independent Audit is prescribed in statute. Although legislation was passed this year to amend the statute governing the committee, it has not yet been enacted into law. As such, the committee charter remains unchanged. No questions or concerns regarding the committee charter were raised.

Action: The committee voted to approve the annual review of the committee charter.

E. Approval of the Proposed Internal Audit Work Plan (Work Plan) for 2021-2022 and Discussion on Utilization of the Office of Internal Audit (OIA)

Glenn Shizumura, Director of OIA, explained that the proposed Work Plan was the outline for work to be performed by OIA during the coming year stating that it was developed in consultation with the administration. He furnished a summary of services provided by OIA, including services to the university’s external auditor, Accuity, LLP, and services provided to the committee, and presented a breakdown of new, carryover, and follow-up projects for the 2021-2022 fiscal year. A meeting to discuss how the committee could better utilize the services of OIA in the future will be scheduled next year and Internal Auditor Shizumura
was asked to provide information to the committee on the processes used by other university auditors to develop work plans at their respective institutions.

Action: The committee voted to approve the Work Plan.

F. Review and Acceptance of the Draft Committee on Independent Audit Annual Report to the Board

The committee's annual report to the board which summarizes the services provided by OIA during the past fiscal year, as well as projects included in last year's audit plan with current status, findings, and recommendations, is prepared by OIA pursuant to Section 304A-321, HRS, and the board bylaws. It was noted that this report includes audit results for the fiscal year ended June 30, 2021.

Action: The committee voted to accept the draft annual report to the board.

G. Overview of Processes for Student Account Receivables and Collections

Amy Kunz, Associate Vice President (AVP) for Budget and Finance and University Controller, provided an overview of the university’s policies, procedures, and processes for managing student account receivables and the collection of delinquent accounts. She also reviewed the laws, administrative rules, and policies and provided a breakdown of various categories of past-due account balances. As of May 21, 2021, the cumulative past-due account balance stood at approximately $30.28 million which was a decrease of approximately $7.5 million since April 2021. AVP Kunz also discussed efforts currently being undertaken to reduce outstanding and historical balances in the aggregate.

H. Review and Acceptance of Student Accounts Receivable Status of Corrective Action

Internal Auditor Shizumura reported on the status of corrective actions taken by the university to address improvement opportunities and mitigate risks documented in a student accounts receivable report dated June 20, 2018. OIA has concluded that all recommended corrective actions have been implemented or are in the process of being implemented.

Action: The committee voted to accept the report.

I. Review and Acceptance of University Bookstore System

Internal Auditor Shizumura provided a summary of an initial audit of the University Bookstore System (Bookstore) stating that the audit examined various operational and financial aspects of the Bookstore. It was noted that all Bookstore accounting functions are the responsibility of the UHM Bookstore. He highlighted several associated risks and challenges facing the Bookstore that were identified in the audit as well as corrective actions recommended by OIA, including that consideration be given to contracting Bookstore operations to a vendor specializing in managing higher education bookstores. OIA will provide a status of corrective action report to the committee in the future.

Action: The committee voted to accept the report.

J. Review and Acceptance of Real Property Lease Management
Internal Auditor Shizumura provided a summary of an initial audit of the university’s Office of Strategic Development and Partnership (OSDP) noting that it was established in 2019 to coordinate the strategic development and administration of university real property transactions. One of the objectives of the audit was to evaluate OSDP operations, as well as current processes and procedures it has been utilizing, to determine if the electronic records management repository platform known as OnBase that is used by OSDP to track real property transactions, including leases, was beneficial to the university’s General Accounting Office in connection with their implementation of the newly issued Governmental Accounting Standards Board Statement No. 87 regarding leases. He highlighted several of OIA’s recommendations. OIA will provide a status of corrective action report to the committee in the future.

**Action:** The committee voted to accept the report.

**K. Audit Project Status Update**

Internal Auditor Shizumura provided a status update on all of the projects and audits outlined in OIA’s 2020-2021 work plan which was approved by the committee at its June 4, 2020, meeting and presented a chart indicating both completed and ongoing projects, as well as the noting the current stage of the ongoing projects.

**L. Whistleblower Report**

Internal Auditor Shizumura provided an overview of the whistleblower summary and tracking reports and reviewed some of the specific information contained within these reports noting that the primary type of whistleblower complaints being made continues to be cases involving employment or human resources related issues.

**M. Enterprise Risk Management (ERM) Update**

Jan Gouveia, Vice President for Administration, provided the annual ERM update noting that the administration continually assesses risk exposures to the university as part of its internal control process and the committee’s internal control program. She stated that, primarily as a result of the COVID-19 pandemic and the recently passed State budget, the top risk categories identified by the administration were financial resiliency and the maintenance of health and safety.

**N. Designation of Committee Member Financial Expertise**

Section 304A-321, HRS, requires that membership of the committee include one or more individuals with financial expertise. Both Chair Moore and Regent Wilson submitted statements highlighting the financial qualifications they possessed that would allow for their designation as a financial expert.

**Action:** The committee voted to designate Chair Moore and Regent Wilson as the financial experts of the committee.

**O. Committee Annual Review**

The committee annual review matrix was reviewed and no comments were received from committee members.
Agenda Items:

A. Coaches Corner: Kaniela Aiona, University of Hawai‘i at Hilo (UHH) Head Men’s Basketball Coach

A talk story session was held with UHH Head Men’s Basketball Coach Kaniela Aiona who spoke about a number of the distinctive challenges faced by the men’s basketball program as a result of the COVID-19 pandemic including modified practice and training schedules and playing in a pod system to minimize team travel. As a result, UHH was limited to a 12-game schedule competing against its in-State peer institutions. Despite these challenges, the UHH men’s basketball team proved to be very competitive on the court winning the Hawai‘i pod, finishing the season with a 10 and 2 record, and narrowly missing the opportunity to compete in the National Collegiate Athletic Association (NCAA) Division II regional playoffs.

The contributions of former student-athlete Colt Brennan were acknowledged in memoriam.

B. Title IX Update

Lois Manin, University of Hawai‘i at Mānoa (UHM) Associate Athletic Director and Senior Women’s Administrator, and UHH Athletic Director (AD) Patrick Guillen provided an update on Title IX and gender equity issues at UHM and UHH and reviewed the three-prong approach used by their respective departments to provide equitable participation opportunities in athletics. It was noted that both departments focus on the issue of substantial proportionality, which requires that opportunities for participation in intercollegiate sports by gender are in approximate proportion to undergraduate enrollment, to satisfy compliance with Title IX. Data on the ratio of athletic scholarships awarded to female student athletes and female participation rates in athletics; gender equity plans, policies, and procedures; and ongoing Title IX and sexual harassment training for all coaches, staff, and student-athletes were also presented and discussed.

C. Academic Progress Report

Ms. Manin and AD Guillen presented academic progress reports for UHM and UHH. They reported on academic performance rates (APRs), success rates, and graduation rates for student-athletes during the 2019-2020 academic year. Notably, a record number of UHH student-athletes (154) were placed on the UHH honor rolls earning a cumulative grade point average (GPA) of 3.0 or higher. To date, UHH student-athletes have earned a one-year GPA of 3.173 and cumulative GPA of 3.192 for the academic year, with 114 student-athletes earning a cumulative GPA of 3.3 or higher. At UHM, an all-time high APR of 986 exceeded the national average of 983. UHM student-athletes also maintained a semester GPA of 3.13 and a cumulative GPA of 3.19, a new record.

D. Update on NCAA Policies Related to Postsecondary Student Athlete Compensation for the Use of Name, Image, or Likeness (NIL), and Transfers

Amanda Paterson, Assistant Athletic Director for Compliance and Eligibility, provided the report on NCAA policies related to NIL and transfers. She reviewed the proposed policy changes and NIL activities that will be allowed and prohibited for both student athletes and their associated universities under the proposed policies, noting that discussions are
ongoing and proposals are subject to change. It was also noted that a vote on proposed NIL policies and regulations is anticipated to take place in mid- to late-June 2021 for possible implementation on July 1, 2021, leaving minimal time for athletic departments to address any changes.

Ms. Paterson also provided an update on changes to NCAA transfer rules stating that all student-athletes will now be allowed to exercise a one-time transfer to an athletics program at another institution and become immediately eligible to participate in athletic competition. She reviewed the requirements and restrictions for obtaining a one-time transfer waiver, as well as penalties for any violations.

E. Football Facilities Update

AD David Matlin provided an update on the progress of improvements to the Clarence T.C. Ching Athletic Complex (Ching Complex) that were necessitated by the decision to demolish Aloha Stadium and use the Ching Complex as a venue to host home games for the university’s football team. He summarized the facility upgrades highlighting a number of projects that were already in progress or scheduled to begin. All improvements are progressing on schedule and are expected to be completed by September 2021 in anticipation of the football team’s opening game on September 4. While the New Aloha Stadium Entertainment District (NASED) is slated for completion by 2024, UHM Athletics is also cognizant of the possibility of project delays and is developing longer-term plans for the use of the Ching Complex beyond 2024. AD Matlin also reviewed the seating capacity of the Ching Complex, noting plans to expand the facility to 15,000 seats in 2022; the development of a football ticket distribution plan; and possible home-game viewing options in the near future, including the use of other UHM campus facilities.

F. Update on Health and Safety Matters Relating to Student Athletes, Coaches, Staff, and Spectators

AD Matlin and AD Guillen discussed the various health and safety issues and reported on each athletic department’s established COVID-19 screening and testing protocols, as well as actions taken to protect and monitor the health and safety of student-athletes and staff. To date, UHM Athletics has conducted approximately 14,801 tests, 34 of which were COVID-19 positive, and UHH has conducted 4,601 tests, five of which were COVID-19 positive. Vaccination efforts regarding student-athletes were also reviewed with the majority of UHH student-athletes and approximately 26 percent of UHM student-athletes receiving at least one dose of the vaccine. It was noted that the lower vaccination rate among student-athletes at UHM was due, in part, to the date of eligibility to receive vaccinations which occurred during the waning moments of the spring semester when many students had completed coursework and returned home. Nevertheless, vaccination efforts are ongoing and both UHH and UHM anticipate the majority of student-athletes will be fully vaccinated by the fall of 2021.

G. Update of the Athletic Budget and Financial Integrity of the UHM and UHH Athletic Departments

AD Matlin provided an update to the fiscal report provided to the committee on February 4, 2021, stating that the UHM Athletics Department’s projected net deficit for fiscal year (FY) 2021 remains at $8.2 million. It was also noted that $3.6 million in general fund
appropriations for athletic department operational costs was removed from the State Budget by the Legislature and that an analysis of the impacts of the loss of this funding is currently being undertaken.

AD Guillen reported on the UHH Athletics’ FY 2021 fiscal projections stating that it is anticipating net revenues of $2,404,728 and net overall expenses of $2,036,810 which will result in a surplus of $367,918 for FY 2021. AD Guillen attributed the anticipated surplus to the cancellation of some sports and absence of travel. However, he cautioned that legislative reductions in general fund appropriations in the amount of $400,000, in addition to a return to a more normalized form of competition which will increase travel expenses, will have negative implications for the UHH Athletic Department budget in FY 2022.

Both departments continue to search for opportunities to decrease expenses and enhance revenues.

H. Athletics Forecast for Summer and Fall 2021

Athletics forecasts and activities for both UHM and UHH were provided. The UHM Athletic Department will focus on a number of issues throughout the summer and fall of 2021 to allow for the effective and efficient management of the department and athletic competition within the dynamic landscape of intercollegiate athletics that is anticipated due to the continuing impacts of the COVID-19 pandemic. Efforts to address rules and protocols regarding competition and spectator attendance at sporting events while ensuring the health and safety of student-athletes, coaches, staff, and spectators are ongoing. Planning for budget impacts due to the pandemic and loss of legislative funding, as well as preparing for the opening of the Ching Complex by September 2021 will continue throughout the summer.

The UHH Athletic Department is anticipating the return of all student-athletes to campus in the fall and a more normalized athletics competition schedule. He noted that, while some fall 2020 sports were canceled, others such as soccer, men’s basketball, women’s volleyball, and men’s tennis were allowed to compete in extremely modified schedules during spring 2021 with a number of these teams witnessing success at both the local and national levels.

I. Committee Annual Review

The committee annual review matrix was reviewed and no comments were received from committee members. The directors, athletic department staff, and student athletes were commended for their outstanding achievements and efforts during the past academic year. Appreciation for the contributions of the committee members was also expressed.
Agenda Items:

A. **Recommend Board Approval of Lease Between the University of Hawai‘i and Las Cumbres Observatory Global Telescope Network, Inc. (LCO) to Allow the Continued Use of Existing Observatory Facilities for Education and Research at Waiakea, Papa`anui, Makawao (Honua’lua), Maui, Hawai‘i, covering approximately 0.5 Acres at the Haleakalā High Altitude Observatory Site (HHAOS)**

VP Young stated that the administration was seeking board approval of a long-term lease agreement between the university and LCO for the continued use of existing observatory facilities located on approximately 0.5 acres of land at HHAOS. He provided the historical background and parameters of the initial lease agreement that the university entered into with Faulkes Telescope Corporation (Faulkes) and subsequently with LCO, who acquired the controlling interest in Faulkes in 2005. Although the initial lease expired in 2011, the parties have continued to honor the terms of the original agreements. If the lease agreement is approved by the board, the term of this lease will be retroactive to 2011 and expire in 2031.

Mr. Michael Maberry, Assistant Director of IfA, gave a presentation HHAOS providing an overview of its establishment and noting actions taken to protect and care for cultural sites and accommodate access. He also presented the background and rationale behind LCO’s acquisition of Faulkes Telescope North and its inclusion in a worldwide telescope network.

Discussions took place on the addressing of cultural concerns when requests for observatory leases are made to the university.

**Action:** The committee recommended board approval of the lease between the university and LCO.

B. **Recommend Board Approval of Extension of Lease Between the University of Hawai‘i and the U.S. General Services Administration dba National Oceanic and Atmospheric Administration Agency (National Weather Service) for Office Space on the UHM Campus**

VP Young explained that the administration was requesting board approval for a three-year extension of an existing lease between the university and the National Weather Service (NWS) for the use of approximately 10,427 square feet of space within and adjacent to the Hawai‘i Institute of Geophysics (HIG) building on the UHM campus that consists of office space, generator pad space, and a pad area for a rooftop antenna.

Dr. Brian Taylor, Dean of the School of Ocean and Earth Science and Technology (SOEST), provided some historical background regarding the existing lease agreement with NWS and spoke about the programmatic benefits of the university’s partnership with NWS established via the lease agreement.

**Action:** The committee recommended board approval of the lease extensions between the university and NWS.

C. **Committee Annual Review**

The committee annual review matrix was reviewed and no comments were received from committee members.
Agenda Items:

A. University of Hawai‘i Research: “UH’s Search for the Process of Building a Habitable Planet” Presentation by Dr. Karen Meech, Acting Director and Astronomer, Institute for Astronomy (IfA), University of Hawai‘i at Manoa

Dr. Meech delivered a presentation on astrobiology, a scientific field dedicated to the study of the formation of habitable worlds. She highlighted the university’s role in the study of planetary formation and the formation of our solar system through the School of Ocean and Earth Science and Technology and cosmochemistry program, in addition to IfA and its assets on Maunakea and Haleakalā. It was noted that many of the university’s discoveries were the result of interdisciplinary science consultation and collaboration across campuses and between leading astronomy facilities across the globe. These efforts, in addition to the university’s location and access to invaluable astronomy assets, provide a tremendous opportunity for it to continue to be a world leader in space science.

B. University of Hawai‘i Innovation: “Overview of the UH Office of Innovation and Commercialization” Presentation by Steven Auerbach, Interim Director, Office of Innovation and Commercialization (OIC), University of Hawai‘i

Mr. Auerbach provided a report on OIC noting that its mission is to bridge connections and build partnerships between the university, the community, and the world; strategically advance discoveries; and inspire innovators and entrepreneurs to create new opportunities for Hawai‘i. He underscored the importance of the university in developing and nurturing new economic sectors in Hawai‘i through partnerships in the areas of technology and innovation and presented strategies and details of a three-point plan that will be used to grow and scale OIC’s operations. Data and statistics on innovation, commercialization, and entrepreneurship, as well as the impacts of these activities on the university, were also provided with Mr. Auerbach stating that while some success has been achieved, there remains a tremendous amount of untapped opportunities in technological research and entrepreneurship, and expressing OIC’s commitment to improving outcomes in this area.

C. Fiscal Year (FY) 2020 – 2021 3rd Quarter Extramural Awards Update

1. Extramural Awards Analysis Report
2. Research and Innovation Metrics Summary

VP Syrmos reported on the extramural awards received for the third quarter of FY 2021; provided a breakdown of trends, significant awards, and award amounts by campus; and summarized data pertaining to various research and innovation metrics. He noted that the university received $60.7 million in extramural awards during the third quarter, which was 8.9 percent higher than the same period in FY 2020. Overall, the university received $440 million in extramural awards to date and anticipates reaching nearly $500 million by the end of the fiscal year. VP Syrmos also provided information on approximately $54 million in competitively-awarded COVID-19 related extramural awards received by the university.

D. Cancer Center Update
VP Syrmos provided an update on the University of Hawai'i Cancer Center’s Early Phase Clinical Research Center business plan. After discussions with President Lassner, a five-member committee has been established to review the business plan and validate some of the assumptions made by the plan with the university’s external partners.

E. Committee Annual Review

The committee annual review matrix was reviewed and no comments were received from committee members.
Item VII.G.
Affiliate Reports

NO MATERIALS
ORAL REPORTS
May 27, 2021

TO: Benjamin Asa Kudo  
Chairperson, Board of Regents

Michelle Tagorda  
Chair, Committee on Planning and Facilities  
Board of Regents

VIA: David Lassner  
President

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

VIA: Michael Bruno  
Provost  
University of Hawai‘i at Mānoa

FROM: Karen Meech  
Interim Director, Institute for Astronomy

SUBJECT: Request for Board of Regents Approval of Lease between the University of Hawai‘i and Las Cumbres Observatory Global Telescope Network, Inc. to Allow the Continued Use of Existing Observatory Facilities for Education and Research at Waiakoa, Papaanui, Makawao (Honua‘ula), Maui, Hawai‘i, covering approximately 0.5 Acres at the Haleakalā High Altitude Observatory Site

SPECIFIC ACTIONS REQUESTED:

We request the following as further discussed herein:

1. Committee on Planning and Facilities: Recommend to the Board of Regents the approval of the lease between the University of Hawai‘i and Las Cumbres Observatory Global Telescope Network, Inc. to allow the continued use of existing observatory facilities for education and research at Waiakoa, Papaanui, Makawao (Honua‘ula), Maui, Hawai‘i, covering approximately 0.5 acres at the Haleakalā High Altitude Observatory Site ("LCO Lease").
2. **Board of Regents**: If the Committee on Planning and Facilities approves the above recommendation, approval of the LCO Lease by the Board of Regents.

**RECOMMENDED EFFECTIVE DATE:**

Upon approval of the Board of Regents.

**ADDITIONAL COST:**

No additional cost to the University.

**PURPOSE:**

To enable Las Cumbres Observatory Global Telescope Network, Inc. ("LCO") to continue the operation, maintenance, and repair of the existing telescopes, enclosures, and all handling/operating equipment installed within the lease area, which includes the fully robotic 2 meter class telescope, known as the Faulkes Telescope North ("FTN"), and two 0.4 meter telescopes located within the FTN (collectively, the "FTN Facilities").

**BACKGROUND:**

On December 12, 1961, the Governor of the State of Hawai‘i set aside approximately 18.166 acres to the University, situate at Waiakoa, Papaanui, Makawao (Honua‘ula), Maui, Hawai‘i, identified as the Haleakalā High Altitude Observatory Site by Executive Order No. 1987 ("EO 1987"), as amended by Executive Order No. 4452 ("EO 4452"), dated December 12, 1961 (collectively, the "Site"). The University, therefore holds title to the Site, including the approximately half-acre area, which is the subject of the LCO Lease.

On February 22, 2002, the University and Faulkes Telescope Corporation ("Faulkes") entered into a Lease Agreement and an Operating and Site Development Agreement (collectively, "Faulkes Agreements") under which the University provided an area within the Site to allow Faulkes to construct and operate the FTN. The Faulkes Agreements expired on November 9, 2011, but the parties have continued to honor the Faulkes Agreements and operate pursuant to the Faulkes Agreements.

On or about September 2, 2005, LCO acquired a controlling interest in Faulkes. By memorandum dated December 7, 2007, the University requested that the Board of Regents approve the assignment of the Faulkes Agreements to LCO. At its regular meeting on January 10, 2008, the Board of Regents unanimously granted its "Approval of Amendments to Lease with Faulkes Telescope Corporation (Haleakalā, Maui) and Assignment of Lease, as Amended to Las Cumbres Observatory Global Telescope
Network Inc." This action established FTN as the cornerstone of what has now become a global network of twenty-three telescopes.

At the same time the Faulkes Agreements were about to expire in 2011, litigation was commencing regarding the conservation district use permit ("CDUP") for what is now known as the Daniel K. Inouye Solar Telescope ("DKIST") on Haleakala, and the Board of Land and Natural Resources had just granted the initial CDUP for the Thirty-Meter Telescope on Maunakea. Legal challenge was also made to BLNR's approval of the Haleakalā High Altitude Observatory Site Management Plan, dated June 8, 2010 ("HMP"). In short, although the ongoing tensions indirectly impacted FTN, including initial opposition to LCO's one-time plan in 2018 to construct and install an additional one meter telescope within its leased footprint, none of the actual litigation has involved the FTN or LCO. No additional construction is planned by LCO at this time.

Following the deferral of the LCO Project, LCO and the University negotiated the terms of the LCO Lease which were finalized earlier this year. The term of the proposed LCO Lease is 20 years, starting from the previous Faulkes Agreements' expiration date of November 9, 2011, and expiring on November 9, 2031. The proposed LCO Lease combines the terms of the original Faulkes lease and the Operating and Site Development Agreement, and updates standard terms and conditions to contemporary University standards. The LCO Lease will allow LCO to continue to operate its telescope facilities as it has done for the past 13 years under the Faulkes Agreements, which contain provisions relating to the University's right to telescope viewing time on the LCO telescopes, University representation on the telescope board that approves projects for telescope time, the pursuit of research and educational project collaborations, and LCC's indemnity obligations in favor of the University.

**APPLICABLE REGENTS POLICY:**

Under Board of Regents Policy 10.201, the Board of Regents' approval is required for this real property transaction because it is a lease interest with a term exceeding five years. The six decision-making considerations enumerated under Board of Regents Policy 10.201.III.A are addressed in turn as follows.

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1 Around 2018, a Conservation District Use Application ("CDUA") and supporting documentation was prepared for the LCO project to install an additional one meter telescope within its footprint ("LCO Project"). The University submitted the CDUA and supporting documentation to the State Department of Land and Natural Resources ("DLNR"), Office of Conservation and Coastal Lands ("OCCL") in December 2018. OCCL subsequently issued a determination in March 2019 that required (1) an environmental assessment under Hawaii Revised Statutes Chapter 343, and (2) BLNR approval rather than DLNR approval of the CDUP for the LCO Project. LCO then decided to defer the LCO Project.
1. Promote and support the mission and goals of the university in education, research, service, and economic development.

Education has been a core aspect of LCO since its founding in 2005. LCO's goal is to inspire students, teachers, and the public worldwide to engage in astronomy and science endeavors. LCO annually provides more than 1,000 hours of observing time on its telescope network to educational organizations. LCO is a uniquely capable observing tool for outreach programs because it's entirely robotic, queue-scheduled operations on small telescopes enable high school students to easily get data at a time that fits their schedules.

LCO also supports the University's research mission, both directly and indirectly. While the University's LCO observing time is used primarily for education and outreach, LCO is also a powerful research asset, providing access to multiple telescopes located around the world in both the northern and southern hemispheres, which enables time-sensitive observations in support of the University's astronomical survey programs. The University's faculty and graduate students use LCO's strength in grant proposals for extramurally-funded research by demonstrating links between the funded research activity and broader public benefits.

LCO's mission is to advance human understanding of the universe through science and education with its unique global telescope network. LCO's culture is global by nature and inclusive by design. LCO's employees come from diverse backgrounds and cultures, providing the fuel that powers innovation and the success of their mission. LCO is actively engaged in developing and improving its policies and practices to create an equitable environment where everyone belongs and can do their best work, which is consistent and supportive of the University's mission and goals.

2. Advance principles and practices of sound environmental stewardship and sustainability.

LCO and all users of the Site are required to comply with all requirements of the HMP, as approved by the BLNR at its meeting held on December 1, 2010; all applicable requirements of the "Haleakalā High Altitude Observatory Site Long Range Development Plan," dated January 2005 ("LRDP"); and the terms and conditions in CDUP No. SPA: MA 09-12.

These adopted plans and permit require compliance with various stewardship and sustainability principles and practices. For example, workers at the Site need to be culturally sensitive to the fact that they are in a place considered sacred by Native Hawaiians. All permanent employees working at the Site attend University-approved "Sense of Place" training prior to working at facilities within the Site. In addition, users of the Site are made aware that all cultural and archaeological sites
and features identified in the archaeological inventory survey for the Site are protected and preserved pursuant to Hawai‘i Administrative Rules Chapter 13-277, “Rules Governing Requirements for Archaeological Site Preservation Development.”

3. *Ensure that alternative actions are considered, investigated and analyzed.*

The FTN Facilities are constructed, in operation, are well-maintained, and have substantial remaining useful life and research value. Removing the FTN Facilities would be premature and not a good use of research resources. The current use of the Site represents its highest and best use for the LCO Lease term.

Continued operation of the FTN Facilities by LCO is much more valuable to the University than having it revert to the University. The FTN Facilities represent just one leg of the LCO worldwide distributed observatory site, which comprises more than twenty individual telescopes robotically controlled by one operating system and offers unique worldwide observing capabilities. The scientific value of the FTN Facilities would be significantly reduced if the University were to operate it as a stand-alone observatory. Moreover, the University does not currently have an alternate source of operating funds available to support the FTN Facilities if the University took over ownership.

4. *Be fairly priced in the context of applicable fair market values and other relevant factors.*

The rental fee is one dollar for the term of the LCO Lease. The benefits to the University and community for allowing this LCO Lease are as follows:

- LCO is responsible for the operation, maintenance, and repair of the FTN Facilities, and related costs and expenses.
- The University is entitled to a guaranteed fraction of the observing time on the worldwide LCO Network telescopes of the same class as the telescopes at the FTN Facilities, which fraction is equivalent to fifteen percent of the time contributed to network observing by the FTN Facilities telescopes.
- The LCO Lease requires LCO to pay for and fund astronomical research and educational outreach. The initial cost of construction and installation of FTN was $8.5 Million in 2002 dollars. To date, the LCO Global Telescope Network represents a capital investment of more than $50 million, which includes twenty-three telescopes at seven of the best observational sites around the world. The annual operating cost of the FTN Facilities alone is $860,000.
- The majority of the 1-meter class telescopes were installed in 2013, and the LCO has provided nearly 24/7 rapid response observations of astronomical events that are only visible for a limited time. Some such time domain events can be observed within as little as 15-minutes. LCO has supported observations through the HI STAR program, which is a one-week Summer Camp followed by a year of mentoring. Students who participated this year
competed for $750,000 in prizes and awards and placed 2nd and 3rd place in Physics/Astronomy as well as a 1st place in the Junior Division Broadcom Masters. A Kalani High School Maunakea Scholars student used LCO observations for "Determining the Composition of the Asteroids in the Solar System." LCO observations have been used by Akamai Interns, as well as students at UH Maui College, Windward Community College, UH Hilo, and UH Mānoa.

5. Generate revenue from real property not critical to long range plans for the university to support the university’s core mission.

EO 1987 set aside the Site to the University for observatory uses. The University’s strategy for the Site has been to bring world-class expertise and scientific instruments to the Site at little or no cost to the University while ensuring that benefits from collaboration flow to the University, its students and faculty, and the community. Thus, the use of this property by LCO is directly supporting the University’s core mission.

6. Be consistent with and support long range plans that have been approved by the BOR.

The LRDP, finalized in April 2005, applies to the Site. While the LRDP did not come before the Board of Regents under the processes in place at that time, this LCO Lease is consistent with and supports the LRDP’s purposes. The FTN Facilities, which were completing construction and in their operational testing phase as of the time the LRDP was drafted, are identified in the LRDP. The LRDP describes the Site as having a fundamental role in long-term astronomical research and education using moderate aperture nighttime and solar telescopes. It is particularly well suited for educational telescope use. The FTN Facilities are identified in the LRDP as aligned with these purposes and intended to remain on the Site and continue operations.

**ACTIONS RECOMMENDED:**

We recommend the Committee on Planning and Facilities and Board of Regents adopt and approve the actions proposed above under the heading, Specific Actions Requested. Once approved, the President and the Vice President for Budget and Finance/Chief Financial Officer will conclude negotiations for and finalize and execute the LCO Lease and take such other action and execute such other documents as they determine necessary to implement the LCO Lease.

Attachments:
1. Major Term Sheet
2. Survey Map of Lease Area

cc: Executive Administrator and Secretary to the Board Kendra Oishi
MAJOR TERM SHEET

LEASE AGREEMENT

between

UNIVERSITY OF HAWAI‘I

and

LAS CUMBRES OBSERVATORY
GLOBAL TELESCOPE NETWORK, INC.

covering
0.5 Acres at the
Haleakalā High Altitude Observatory Site

1. Parties.

   a. Fee Owner/Lessor: University of Hawai‘i (by executive order)

   b. Lessee: Las Cumbres Observatory Global Telescope Network, Inc., a California nonprofit public benefit corporation (“LCO”)

2. Property/Site, Lease Area, Facilities.


   b. Lease Area. A 0.5-acre portion of the Site (“Lease Area”). See attached Exhibit A.

   c. Facilities. Existing facilities within the Lease Area include telescopes, enclosures, and all handling/operating equipment installed within the Lease Area, which includes the fully robotic 2 meter class telescope, known as the Faulkes Telescope North (“FTN”), two 0.4 meter telescopes located within the FTN, and potentially two 1.0 meter telescopes in enclosures (collectively, the “FTN Facilities”).
3. **Relevant Existing Agreements.**

Amendment No. 1 to Lease Agreement ("Lease") dated February 22, 2002, Consent to Assignment of the Lease, and Supplemental Agreement No. 2 to Operating and Site Development Agreement ("OSDA"), which the Board of Regents unanimously authorized on January 10, 2008. Among other things, this agreement assigned the lease from Faulkes Telescope Corporation to LCO. The lease expired on November 9, 2011.

4. **Project.** The existing FTN Facilities.

5. **Proposal.** The proposed Lease Agreement would allow LCO to continue its operation, maintenance, and repair of existing FTN Facilities until 2031.

6. **Lease Agreement Key Terms:**

   a. **Term.** The Lease Agreement is effective as of 4:30 p.m. on November 9, 2011 ("Effective Date"), and ends at 4:30 p.m. on November 9, 2031.

   b. **Rental Charge and Other Consideration.** LCO shall pay University a rental fee of one dollar ($1.00) for the Term of the Lease Agreement.

   Other consideration includes:

   (1) LCO is responsible for the operation, maintenance, and repair of the FTN Facilities and related costs and expenses;

   (2) The University is entitled to a guaranteed fraction of the observing time on the worldwide LCO Network telescopes of the same class as the telescopes at the FTN Facilities, which fraction is equivalent to fifteen percent of the time contributed to network observing by the FTN telescopes; and

   (3) LCO must pay for and fund astronomical research and educational outreach, contribute to conservation and preservation of environmental and cultural resources, and contribute to the management of shared support facilities.

   c. **Site Operating and Cooperation Terms and Conditions.** The Lease Agreement includes an exhibit entitled "Site Operating and Cooperation Terms and Conditions," which specifies LCO's obligations. In addition to the items listed under item (b), above, LCO shall:

      (1) Comply with all requirements of the "Haleakalā High Altitude Observatory Site Management Plan," dated June 8, 2010, as approved by the Board of Land and Natural Resources ("BLNR") at its meeting held on December 1, 2010;
(2) Comply with all applicable requirements of the "Haleakalā High Altitude Observatory Site Long Range Development Plan," dated January 2005;

(3) Comply with all requirements imposed by BLNR directly or through its Department of Land and Natural Resources, including the terms and conditions in Conservation District Use Permit No. SPA: MA 09-12;

(4) Allow the University membership in the LCO Science Collaboration, which includes decision-making on the time allocation process;

(5) Act so that research and educational activities are mutually supporting; and

(6) Ensure that data from all LCO network observing programs are calibrated by LCO using standard data pipelines, and data is placed in a publicly accessible archive.

d. **Substantial University Commitments.** The University shall:

   (1) Control and manage the Site through its Director of the Institute for Astronomy;

   (2) Provide reasonable access to University facilities outside the Lease Area, such as restroom and kitchen facilities, to LCO and its employees upon written request from LCO; and

   (3) Appoint one member to the LCO Science Collaboration Executive Committee.

7. **Indemnity, Hold Harmless, and Insurance.** The Lease Agreement includes standard indemnification, hold harmless, and insurance requirements to protect the University and its officers, agents, employees, and other persons acting on its behalf from and against any claim or demand for loss, liability, or damages.

8. **No Warranty.** University makes no representations or warranties with respect to the condition of the Lease Area or Site; LCO accepts the Lease Area as-is in its present condition.

9. **Responsibility for Permits and Approvals.** LCO is responsible for all permits and approvals unless otherwise mutually agreed to in writing and compliance with applicable laws.

10. **Effect of Termination.** Upon termination or expiration of the Lease Agreement, LCO shall, at University’s sole option and LCO’s sole cost and expense, either (a) surrender the Lease Area with all improvements existing or constructed thereon, or (b) remove and dispose of all structures, improvements (including above and below grade, such as underground utilities), and personal property and restore the Lease Area to its natural
grade and condition consistent with its surrounding area, to a condition satisfactory and acceptable to University. LCO shall promptly pay on demand any reasonable and necessary costs incurred by University to remedy any failure on the part of LCO to fully and timely perform its obligations under this Section. These rights and obligations survive expiration or termination of the Lease Agreement.
Total area of parcel 21,780 sq. feet - 0.5 acres
May 27, 2021

MEMORANDUM

TO: Benjamin Asa Kudo
Chairperson, Board of Regents
University of Hawai‘i

Michelle Tagorda
Chair, Committee on Planning and Facilities
Board of Regents
University of Hawai‘i

VIA: David Lassner
President
University of Hawai‘i

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

VIA: Michael Bruno
Provost
University of Hawai‘i at Mānoa

FROM: Brian Taylor
Dean, School of Ocean and Earth Science and Technology (SOEST)
University of Hawai‘i at Mānoa

SUBJECT: Request for Board of Regents Approval of Extension of Lease between the University of Hawai‘i and the United States of America, by its U.S. General Services Administration dba National Oceanic and Atmospheric Administration (National Weather Service) for Office Space within the Hawaii Institute for Geophysics Building on the UH Mānoa Campus

SPECIFIC ACTION REQUESTED:

We request the following as further discussed herein:

1. Committee on Planning and Facilities: Recommend to the Board of Regents the approval of the extension of the lease between the University of Hawai‘i
2. **Board of Regents**: If the Committee on Planning and Facilities approves the above recommendation, approval of the extension of the lease.

**RECOMMENDED EFFECTIVE DATE:**

Upon approval of the Board of Regents. The Extension of Lease, with the term of the Lease between the University, as lessor, and USA, as lessee dated February 1, 1994 ("Lease") will extend the Lease for three (3) years, effective from April 1, 2021, to March 31, 2024 ("Next Term"), with a mutual option to extend for an additional three- (3) year period ("Option Term").

**ADDITIONAL COST:**

It is not anticipated that the University will incur any additional costs attributable to allowing NOAA to continue leasing the Premises for the Next Term. NOAA is interested, however, in securing a long-term lease with the University at its current location, which could include certain improvements (such as building seismic upgrades) to meet NOAA, GSA and federal government standards. These improvement costs will be taken into consideration as both parties evaluate a new long-term lease, which would be presented to the BOR for approval.

**PURPOSE:**

The purpose of the Lease Extension is to allow NOAA to continue using the Premises as a NWS Honolulu Weather Forecast Office (WSFO). It covers NOAA's use of space (about 10,427 total gross square feet within and adjacent to the HIG Building), consisting of: (a) office space on the 2nd Floor (about 9,555 square feet), (b) generator pad space (about 872 square feet), and (c) rooftop antenna pad space. The HIG Building is managed by the UHM School of Ocean and Earth Science and Technology ("SOEST") and houses the WSFO.

The terms of the Lease Extension (which constitutes Amendment No. 7 to the Lease) are similar to the terms contained in prior amendments to this Lease but with some notable changes. The Lease Extension: (a) extends the Lease term by three (3) years, (b) establishes a mutual Option Term, which if exercised, would further extend the Next
Term for three (3) additional years, and (c) establishes the annual rent during the Next Term at about $267,763.70 per year or about $22,313.64 per month.

The University and NOAA entered into the Lease (which was Lease No. 93-ABF-619) on February 1, 1994, for an initial period from April 1, 1995, through March 31, 2015, subject to termination and renewal rights described in the Lease. Under a separate memorandum of understanding ("MOU") between NOAA and the University, NOAA agreed to help fund the University's Joint Institute for Marine and Atmospheric Research ("JIMAR") for the term of the Lease. The MOU was incorporated into the Lease (see paragraph 41 (Memorandum of Understanding) in the General Clauses attachment to the Lease).

Under the MOU and the Lease, NOAA is required to pay lease rent or support annually to the University for the benefit of JIMAR, subject to the appropriation of funds, in an amount equal to the following:

Annual rental value of the Premises established by an independent appraisal less the value of the tangible and intangible benefits accruing to the University (deemed to be equal to one-third (1/3) of the annual rental value) from the colocation of NOAA's WSFO with the SOEST Department of Meteorology.

In accordance with the MOU, if JIMAR support is discontinued, the parties are to reevaluate the tangible and intangible benefits remaining to see what if any of the one-third credit should apply to the rental value of the space. Both NOAA and the University have agreed that the entire one-third credit should now be applied to the rental value of the space payable by NOAA to the University.

BACKGROUND

JIMAR

The University and NOAA have maintained JIMAR since it was established in 1968. The purpose of JIMAR is to formally recognize: (a) the common interest in oceanic, atmospheric, and geophysical research of the University and NOAA and (b) that mutual collaboration has proved both fruitful and stimulating.

MOU

The purpose of the MOU was to specify the responsibilities of the University and NOAA, respectively, regarding the proposed co-location of the NOAA's WSFO with SOEST's Department of Meteorology in the HIG Building. It also provided some background on NOAA's reasons for supporting the collocation. Such collocation also helped to
advance one of NOAA's national initiatives at the time, which was to encourage collaborative research activities between universities and the NWS regional offices.

**Lease**

After entering into the MOU in February 1993, the University and NOAA negotiated the Lease which was dated February 1, 1994, but which 20-year term did not commence until April 1, 1995. The BOR approved the MOU, which called for the parties to enter into the Lease, at its meeting of January 22, 1993. The delay in the commencement of the Lease term was apparently to afford the University sufficient time to bring the Premises up to NOAA and federal government standards. The initial Lease term expired on March 31, 2015. Supplemental Lease extensions for April 1, 2015 – March 31, 2018 (5th Amendment) and April 1, 2018 – March 31, 2021 (6th Amendment) were previously approved by the Administration.

During the term of this Lease, NOAA has paid annual lease rent to the University, starting at $124,186.00 for the period from 1995-2000 to $163,361.12 for the period from 2018-2021. This constituted about two-thirds of the total annual rent value. The remaining one-third was recognized as the University’s contribution to the JIMAR operations.

<table>
<thead>
<tr>
<th>Period</th>
<th>Annual Lease Rent to UH</th>
<th>Annual UH JIMAR Support</th>
<th>Annual Total Rent Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995-2000</td>
<td>$124,186.00</td>
<td>$62,093.00</td>
<td>$186,279.00</td>
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<tr>
<td>2000-2005</td>
<td>$114,903.34</td>
<td>$57,451.67</td>
<td>$172,355.01</td>
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<td>2005-2010</td>
<td>$127,084.80</td>
<td>$65,542.40</td>
<td>$192,627.20</td>
</tr>
<tr>
<td>2010-2015</td>
<td>$127,084.80</td>
<td>$65,542.40</td>
<td>$192,627.20</td>
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<tr>
<td>2018-2021</td>
<td>$163,361.12</td>
<td>$81,680.56</td>
<td>$245,041.68</td>
</tr>
<tr>
<td>2021-2024*</td>
<td>$267,763.70</td>
<td>$0.00</td>
<td>$267,763.70</td>
</tr>
<tr>
<td>2024-2027**</td>
<td>$292,592.63</td>
<td>$0.00</td>
<td>$292,592.63</td>
</tr>
</tbody>
</table>

* - Proposed 3-Year Lease Extension (7th Amendment)
** - Proposed 3-Year Option

For the period from 2015, the amounts for lease rent are based on an appraisal report ("Appraisal") completed by Steven Chee and Sidney Komatsu of Lesher Chee Stadlbauer ("Appraiser"), who had been retained by the University and whose fees/costs were equally shared by the University and NOAA. An escalation factor of three percent (3%) per year was added to the initial annual lease rent amount contained in the Appraisal in determining the lease rent amounts for the periods 2018-2021 and 2021-2024.
The amounts listed in the above table as UH JIMAR support are the amounts that the University and NOAA had/have agreed would comprise the University's contribution to the JIMAR operations. The lease rent payable by NOAA is about two-thirds of the fair market rental value as determined by the Appraiser, with the other one-third to be recognized as the University's contribution to the JIMAR operations.

Pursuant to this Lease Extension, the University and NOAA have reassessed the JIMAR support situation and have tentatively agreed that the University should receive the full lease rent amount during the Next Term.

Throughout the Lease term, the parking charges paid by NOAA under the Lease were not to exceed the prevailing faculty parking rate then in effect. Based on information from the UHM parking office, the total annual parking fees paid by NOAA averaged $19,208 per year for the fiscal period 2018-2021. With the approved parking rate increases, the parking fees payable by NOAA to the University during the fiscal period 2021-2024 is expected to average $32,105 per year. All of these parking charges were and are based on the prevailing faculty parking rates.

**Applicable Regents Policy:**

Under Board of Regents Policy 10.201, the Board of Regents' approval is required for this real property transaction because it is a lease interest with a term exceeding five years. The six decision-making considerations enumerated under Board of Regents Policy 10.201.III.A are addressed in turn as follows.

1. *Promote and support the mission and goals of the university in education, research, service, and economic development.*

   Co-locating the WSFO with SOEST's Meteorology Department was the primary purpose behind the MOU. It was and is part of NOAA's initiative to locate its weather forecast and monitoring offices with university meteorology and similar units for educational and research purposes. This NOAA initiative continues to align with and support the University's mission and goals in education, research, community service and economic development.

2. *Advance principles and practices of sound environmental stewardship and sustainability.*

   The WSFO and SOEST's Meteorology Department are integral partners in monitoring and tracking short term weather patterns and longer term weather and climate change trends. They play a critical role in furnishing tools and information
that can be used in developing sound environmental stewardship and sustainability plans and principles.

3. Ensure that alternative actions are considered, investigated and analyzed.

Alternatives were considered but none were deemed feasible. One was to terminate the Lease. Such termination, however, would separate the WSFO and SOEST’s Meteorology Department thereby significantly reducing or eliminating the joint operational and research benefits and synergies that result from colocation. Another alternative was to relocate the Premises to another location or building upon the UH Mānoa campus. Such relocation is expected to result in additional costs to both the University and NOAA. In addition, NOAA noted its preference for the WFSO to remain in the present location.

4. Be fairly priced in the context of applicable fair market values and other relevant factors.

The lease rental amount is based on an independent Appraisal completed by the Appraiser, a licensed appraiser in the State of Hawai‘i. An escalation factor of three percent (3%) per year was added to the initial annual lease rent amount contained in the Appraisal in determining the lease rent amounts. In the past, NOAA had been paying the University approximately two-thirds of the fair market rental value for the Premises. The other one-third of the fair market rental value was deemed to be the University’s contribution to the JIMAR operations. With JIMAR support being discontinued, the parties have agreed that the University should receive the full fair market rental value. Starting with the Next Term and continuing through the Option Term.

5. Generate revenue from real property not critical to long range plans for the university to support the university’s core mission.

Under the Extension to Lease, the University will be receiving the full fair market rent value for NOAA’s use of the Premises. While the HIG Building would still be considered critical to the UH Mānoa’s long range plans, the Extension to Lease will generate revenues attributable to NOAA’s use of the Premises and which the University can use to offset the cost of operating the HIG Building.

6. Be consistent with and support long range plans that have been approved by the BOR.

The continued use of the Premises by NOAA for weather forecasting and tracking, including monitoring longer term weather and climate change trends, is consistent with UH Mānoa’s Long Range Development Plan, which was approved by the
Board in September 26, 2019. It is also consistent with the UH System Integrated
Academic Facilities Plan, which was approved by the Board in April 20, 2017.

**ACTION RECOMMENDED:**

We recommend the Committee on Planning and Facilities and Board of Regents
approve the actions proposed above under the "Specific Actions Requested" section.
Once approved, the President and the Vice President for Budget and Finance/Chief
Financial Officer will conclude negotiations for and finalize and execute the Lease
Extension and take such other action and execute such other documents as they
determine necessary to implement the Lease Extension.

Attachment: Major Term Sheet

c: Executive Administrator and Secretary to the Board Kendra Oishi
MAJOR TERM SHEET

LEASE EXTENSION

between

UNIVERSITY OF HAWA'I

and the UNITED STATES OF AMERICA,

by its General Services Administration, for the benefit of

the National Oceanic and Atmospheric Administration

and the National Weather Service

at

the Hawai'i Institute for Geophysics Building

University of Hawai'i at Mānoa

1. Parties.
   a. **Lessor:** University of Hawai'i, for the benefit of the University of Hawai'i at Mānoa School of Ocean Earth Science and Technology
   b. **Lessee:** the UNITED STATES OF AMERICA, by its General Services Administration, for the benefit of the National Oceanic and Atmospheric Administration and the National Weather Service

   a. **Premises.** Approximately 10,427 square feet of office, generator pad and rooftop antenna space within the Hawai'i Institute for Geophysics (HIG) Building within the UH Mānoa campus, the title to which the University acquired through a series of Governor's executive orders ("Premises").
   b. **Facilities.** Lessee will continue to use designated office space on the 2nd Floor (about 9,555 square feet), generator pad space adjacent to the HIG Building (about 872 square feet) and rooftop antenna space.

3. Prior Agreements. The Lease was dated February 1, 1994 and has been amended by six prior Supplemental Agreements with the last two extending the Lease term from 2015 through 2021.

4. Next Term. The Lease term will be extended from April 1, 2021 through March 31, 2024 ("Next Term"), with a mutual option to further extend the Lease term for three additional years ("Option Term").

5. Lease rent. Based on an appraisal, lease rent for the Next Term will be $267,763.70 per year or $22,313.64 per month. Lease rent for the Option Term is expected to be about $292,592.63 per year or $24,382.72 per month.
MEMORANDUM

TO: Benjamin Asa Kudo
Chairperson, University of Hawai‘i Board of Regents

VIA: David Lassner
President, University of Hawai‘i

FROM: Tim Dolan
Chief Executive Officer, University of Hawai‘i Foundation

Brennon Morioka
Dean, College of Engineering
University of Hawai‘i Mānoa

SUBJECT: REQUEST FOR ACTION TO APPROVE THE ESTABLISHMENT OF THE DR. ALFRED A. YEE CHAIR OF SUSTAINABILITY AND RESILIENCE AT THE COLLEGE OF ENGINEERING AT THE UNIVERSITY OF HAWAI‘I AT MĀNOA

SPECIFIC ACTION REQUESTED:

It is requested that the University of Hawai‘i Board of Regents approve the naming of the Dr. Alfred A. Yee Chair of Sustainability and Resilience at the University of Hawai‘i at Mānoa College of Engineering (“College of Engineering”) in recognition of a private donation.

RECOMMENDED EFFECTIVE DATE:

Request that this be effective upon Board of Regents approval.

ADDITIONAL COST:

No additional costs are associated with this request.
PURPOSE:

The purpose is to provide support for an endowed chair in the Department of Civil and Environmental Engineering ("CEE") at the College of Engineering to recruit and retain faculty of the highest caliber in the area of sustainability and resilience. The position will allow for competitive research and teaching in the area of sustainability and resilience, promoting the evolution of engineering to focus on these areas. Funds may be used by the recipient at his/her discretion to enhance and support the program. The funds may also be used to support the chair in hosting external expertise related to sustainability and resilience on occasion.

Examples of how funds may be used include, but are not limited to:

1. Salary support for the recipient based on the determination of the Dean of the College of Engineering ("Dean") and the CEE Department Chair.
2. Program support as follows:
   a. Travel by the recipient and/or other members of the CEE Department to other universities, government agencies, and industry visits.
   b. Attendance at workshops, short or extended courses, and other educational opportunities on or off campus by the recipient and/or other members of the CEE Department.
   c. Support for faculty, junior faculty, fellows, graduate researchers, and other professionals in the CEE Department.
   d. Support for research, curriculum, and/or program development in the area of sustainability and resilience.
   e. Hosting external expertise related to sustainability and resilience on occasion.

The recipient will consider input from the Dean and CEE Department Chair in determining priorities and activities for research, education, and community outreach initiatives. Funds may also be used to support the recruitment and relocation expenses of the endowed chair position.

The Dean will appoint a committee to recommend candidates for the Chair. The committee will likely be composed of the Associate Dean, Assistant Dean, CEE Department Chair, and possibly the director of the UH Institute for Sustainability and Resilience. The Dean will make the final decision in awarding the Endowed Chair after conferring with the committee. The recipient shall submit an annual budget and annual report on the previous year’s related activities to the Dean and CEE Department Chair.

The criteria for the selection of the Chair are as follows. The candidate must:

1. Be a current faculty member or new recruit.
2. Hold a doctorate, and be eligible for appointment to a tenure-track faculty position.
3. Have a documented record of research and strong knowledge in sustainability and resilience.
4. Be able to provide program leadership and to make contributions to the education and research goals of the CEE Department.
5. Have a strong interest in and substantial record of working with students.

BACKGROUND:

In accordance with Board of Regents’ policy governing the Delegation of Personnel Actions, Section 9.218, the College of Engineering requests Board of Regents’ approval for the philanthropic naming of an endowed chair to be known as the Dr. Alfred A. Yee Chair of Sustainability and Resilience. This endowed chair shall be funded by a $2,011,100 gift by anonymous donors. The donors have given $1,011,100 and have pledged an additional $1,000,000 over five years.

The Donors are establishing this endowed chair in honor of the late Dr. Alfred A. Yee, a structural engineer, inventor, and pioneer in the area of precast concrete construction. His accomplished career spanned over 65 years, during which time he served as President of Yee Precast Design Group Ltd and Director of Precast Design Consultants Pte Ltd in Singapore. His notable projects include the USS Arizona Memorial, Ala Moana Hotel, Queen Emma Gardens, Kahala Hotel, IBM Building, and the 70-story The Sail @ Marina Bay tower in Singapore.

Highly sought for his expertise, Dr. Yee served as an adjunct professor in the CEE Department and on the College of Engineering Dean’s Council. He held over a dozen patents for construction systems and commissioned the Structural Engineering laboratory at UH Mānoa to test a kwikslab connection, a new invention that would allow for the use of precast concrete panels to replace highway paving during overnight closures. The system is now being used throughout the US. His NMB Splice Sleeve mechanical connector was instrumental in seismic resistance of concrete structures during the 1995 earthquake in Kobe, Japan. For this invention, the Hawai‘i State Legislature honored Dr. Yee with an Official Proclamation.

Dr. Yee earned engineering degrees from Yale University and the Rose-Hulman Institute of Technology, which conferred to him an Honorary Doctor of Engineering degree in 1976 for his contributions to concrete technology. He graduated from St. Louis School, served on its Board of Trustees, and was inducted into its Gallery of Distinguished Achievers. He took part on technical committees for the American Society of Civil Engineers, American Concrete Institute, and Precast/Prestressed Concrete Institute, among others. His many awards include Engineer of the Year in 1969 by the Hawaii Society of Professional Engineers, election to the National Academy of Engineering, and the Hawaii Council of Engineering Societies Lifetime Achievement Award.
ACTION RECOMMENDED:

It is recommended that the University of Hawai'i Board of Regents approve the naming of the Dr. Alfred A. Yee Chair of Sustainability and Resilience at the College of Engineering in recognition of a private gift.

c: Kendra Oishi, Executive Administrator and Secretary to the BOR
June 25, 2021

MEMORANDUM

TO: Benjamin Asa Kudo  
Chairperson, University of Hawai‘i Board of Regents

VIA: David Lassner  
President, University of Hawai‘i

FROM: Tim Dolan  
Chief Executive Officer, University of Hawai‘i Foundation

William Chisman  
Interim Dean, Thompson School of Social Work & Public Health

SUBJECT: REQUEST FOR ACTION TO APPROVE THE ESTABLISHMENT OF THE CHIN SIK & HYUN SOOK CHUNG ENDOWED CHAIR IN PUBLIC HEALTH STUDIES AT THE THOMPSON SCHOOL OF SOCIAL WORK & PUBLIC HEALTH AT THE UNIVERSITY OF HAWAI‘I AT MĀNOA

SPECIFIC ACTION REQUESTED:

It is requested that the University of Hawai‘i Board of Regents approve the naming of the Chin Sik & Hyun Sook Chung Endowed Chair in Public Health Studies at the University of Hawai‘i at Mānoa Thompson School of Social Work & Public Health (“Thompson School”) in recognition of a private donation.

RECOMMENDED EFFECTIVE DATE:

Request that this be effective upon Board of Regents approval.

ADDITIONAL COST:

No additional costs are associated with this request.
PURPOSE:

The purpose is to provide support for an endowed chair in Public Health Studies at the Thompson School to recruit and retain faculty of the highest caliber in the area of Public Health Studies with a focus on environmental health research.

Funds may be used by the recipient at his/her discretion to enhance and support the program.

Examples of how funds may be used include, but are not limited to:

1. Salary support for the recipient based on the determination of the Dean of the Thompson School ("Dean") and the Public Health Studies Director ("Director").
2. Program support as follows:
   a. Travel by the recipient and/or other members of the Office of Public Health Studies to other universities, government agencies, and industry visits.
   b. Attendance at workshops, short or extended courses, and other educational opportunities on or off campus by the recipient and/or other members of the Office of Public Health Studies.
   c. Support for faculty, junior faculty, fellows, graduate researchers, and other professionals in the Office of Public Health Studies.
   d. Support for research, curriculum, and/or program development in Public Health Studies, including that which supports Environmental Health.

The recipient will consider input from the Dean and Director in determining priorities and activities for Public Health Studies in research, education, and community outreach initiatives. The recipient shall make an annual report to the Dean and Director.

Funds may also be used to support the recruitment and relocation expenses of the endowed chair position.

The Dean will appoint a committee to recommend candidates for the Chair. The Dean will make the final decision in awarding the Endowed Chair after conferring with the committee. The recipient shall submit an annual budget and annual report on the previous year's related activities including demonstrated engagement in environmental health to the Dean.

The criteria for the selection of the Chair are as follows. The candidate must:
1. Be a current faculty member or new recruit in the Office of Public Health Studies.
2. Hold a tenured faculty position, or be eligible for appointment to a tenure-track faculty position.
3. Have a documented record of research and strong knowledge in Public Health Studies.
4. Be able to provide leadership and to make contributions to the education and research goals of the Office of Public Health Studies.
5. Have a strong interest in and substantial record of working with students. The appointment will be reviewed for reassignment either to the current holder or for assignment to another individual every three years, in accordance with University policy.

BACKGROUND:

In accordance with Board of Regents' policy governing the Delegation of Personnel Actions, Section 9.218, the Thompson School requests Board of Regents' approval for the philanthropic naming of an endowed chair to be known as the Chin Sik & Hyun Sook Chung Endowed Chair in Public Health Studies. This endowed chair shall be funded by a $2,000,000 pledge by Joyce A. Chung and René Lacerte ("Donors") of Portola Valley, California.

The Donors are establishing this endowed chair in honor of Joyce's late parents and to continue the remarkable legacy of Dr. Chin Sik Chung, who impacted countless students and the field of public health in the state of Hawai'i and beyond. Recognized locally, nationally, and internationally for his contributions in genetic epidemiology, Dr. Chung was a Professor at the University of Hawai'i School of Public Health and Cancer Research Center from 1965-1995. He served as Chairman of the Biostatistics Unit, Chairman of the Public Health Sciences Department, and Associate Dean for Academic Affairs in the School of Public Health. He also served as Chairman of the Biomedical Sciences Graduate Program and was a Fellow at the East-West Center Population Institute. Dr. Chung received undergraduate degrees from Yonsei University and Oregon State University, and his MS and PhD from the University of Wisconsin-Madison. He was married to his beloved wife, Hyun Sook Chung, for 51 years.

Hyun Sook Chung was a retired teacher at Cannon's Business College, where she was recognized for excellence in teaching English and Japanese. She received undergraduate degrees from Ewha University and Skidmore College, a Master's degree from the State University of New York, and studied at the University of Wisconsin-Madison.
ACTION RECOMMENDED:

It is recommended that the University of Hawai‘i Board of Regents approve the naming of the Chin Sik & Hyun Sook Chung Endowed Chair in Public Health Studies at the Thompson School in recognition of a private gift.

c: Kendra Oishi, Executive Administrator and Secretary to the BOR
Reimagining the University of Hawaiʻi
Navigating to a Sustainable Future for UH and Hawaiʻi:
OneUH
Per BOR Resolution 21-01
Our Reimagined Path Forward Must be Grounded in our Vision for Hawaiʻi and UH

“Hawaiʻi is a special place where diverse people and communities live, work, learn and play together in a sustainable manner. Hawaiʻi’s economy is vibrant and globally competitive, characterized by engaging living-wage jobs. Inspired by its host culture, Hawaiʻi treasures and protects its amazing environment as it promotes a high quality of life for all its people.”

Integrated Academic and Facilities Plan for the UH System
Approved by the UH Board of Regents, April 20, 2017

The University of Hawaiʻi system is the single most important contributor to the future of Hawaiʻi. It provides environments in which faculty, staff and students can discover, examine critically, preserve and transmit the knowledge, wisdom, and values that will help ensure the survival of present and future generations with improvement in the quality of life. The university affords all qualified people of Hawaiʻi an equal opportunity for quality college and university education. The university ensures active participation of Native Hawaiians at the university and supports vigorous programs of study and support for the Hawaiian language, history, and culture. The university is a global leader and model for the integration of sustainability throughout its teaching, research, operations, and public service.
• The COVID-19 Pandemic!
  • Severely contracted the Hawai‘i economy
  • Forced new ways of teaching, learning and working
• Public funding to UH was deeply cut beginning in FY22 and is unlikely to return to FY20 levels any time soon
• UH is absolutely essential to the economic and social recovery of Hawai‘i
WHAT Does Hawaiʻi Need Most from UH: Priorities for Recovery and Beyond

• Hawaiʻi needs UH to leave no one behind as we educate more of our citizenry to address the challenges and opportunities before us
• Hawaiʻi needs UH to prepare more of our residents, from all parts of our islands and backgrounds, to fill the jobs Hawaiʻi needs
• Hawaiʻi needs UH to help grow healthy new economic sectors and develop new approaches to existing sectors
• Hawaiʻi needs the UH research and innovation enterprise to be more substantial economic and intellectual drivers across the islands

_These priorities must guide the hard choices before us_
Realities and Challenges Before Us

• General Funds, which have supported ~60% of our general operating costs, are unlikely to return to pre-pandemic levels for a decade or more

• Tuition rates cannot be increased without harming access and competitiveness

• UH has not managed our statewide academic program portfolio as tightly as possible: some small programs require significant resources, and UH units historically planned in isolation
  • UH has been challenged to shift academic resources from programs that have shrunk to those that have grown
  • Different UH units have different human resource challenges and opportunities

• Many UH facilities are in desperate need of renewal, improvement and modernization
  • Many UH facilities are under-utilized

*UH must exercise stronger cost controls to adapt to our new reality AND to be able to invest in what Hawai‘i needs most from us now*
HOW Will We Move Forward:
New Economic Conditions Require New Ways of Working

• Our units have discrete and important missions; Recognizing diverse island needs and assets, we must do more at every level across the UH System to align, collaborate and share resources: OneUH

• Our academic program portfolio must be rightsized and reimagined
  • UH can no longer afford to attempt to “be all things to all people”

• Without losing our values, UH must accelerate our focus on effectiveness and stewardship of public resources across every aspect of our work
  • Our costs are largely driven by our human resources and physical plants

• UH must invest in diversification of our revenue sources beyond state general funds and “traditional” tuition revenue

• UH needs stronger “town-gown” partnerships -- to help both

*Change must be driven with vision, clarity, collaboration, consultation, transparency, humanity and agility*
The Work is Underway

- Intense and inclusive post-pandemic planning in every unit
  - Public web pages document processes and work products
- Program review underway throughout UH
  - 31 Programs stopped out or terminated in last two years
- New lens on organizational structures
  - Proposals being designed and changes underway
- Development of approaches to shared services
  - Community Colleges leading the way initially
- Human resource practice redesigns underway
  - Faculty Workload Assignment Template & Classification Review
- Enrollment management efforts bearing some fruit
- Extramural funding and philanthropy now on multi-year upswing
- Managing real property assets
  - Director of Strategic Development and Partnerships hired; projects underway
  - Downsizing UH Mānoa total floorspace
Reimagine and Rightsize Our Academic Program Portfolio

• Serve new learners and teach in new ways
  • Apply lessons learned through the pandemic to increase online and distance learning across Hawai‘i and beyond

• Reimagined statewide approaches to programs that meet Hawai‘i workforce needs

• Sharing of courses and programs
  • Goal of maximizing access, leveraging capacity

• More relevant and less cumbersome Gen Ed

• Address small programs and courses
  • Stop-Out, Termination, Merger
Reorganizations and consolidations on and among campuses to provide effective and efficient shared support services for students and faculty

Leverage and accelerate the current work on:

- Faculty Workload Assignment Template
- Faculty Classification initiative to engage all qualified faculty in direct instruction

Increase funding of faculty salaries with extramural funds where feasible

Charge federal government for extramurally funded GA tuition waivers
Create flexible spaces that meet current and future needs, e.g.
- Larger classrooms at Mānoa
- Shared space for teleworkers
- Better supported shared core research facilities and equipment

Create and apply standard usage metrics
- Office space standards
- Classroom utilization standards – Friday, evening, weekend classes

Identify and repurpose campus spaces less relevant to our future

Review and divest from external leases where possible

Identify UH parcels with high carrying costs and/or low academic value
- Monetize or divest

Downsize physical plants to match current and future needs
Diversify and Strengthen Revenue Sources

- Strengthen Enrollment Management
  - Public high school going rates, internal transfers, retention, non-res students
- Entrepreneurial educational offerings
  - New students bring in new revenue: Online, distance, military, non-credit, stackable credentials
- Invest in capacity to continue to increase philanthropy
- Invest in capacity to continue to increase extramural funding
- Monetize real property assets, employ P3 approaches where possible
  - Some opportunities complement our missions, some purely financial
- Where allowable, increase community use of UH facilities and resources
Next Steps

• Feedback on this vision
• Continue planning through summer, building on processes that have been underway across the system
• Consult widely once faculty and students are back in Fall
• Present Plan to BOR in November
WHERE We Are Headed - By 2030 or Sooner

• Increased student success on all islands
• Portfolio of academic programs across the UH system that meet the highest priority needs of the state
• New models of teaching, learning, working
• Effective and efficient organizational structure and practices: OneUH
• Downsized and efficiently used physical plant – lower operating costs
• Revenues and expenditures in full balance by FY24

A highly accountable and appreciated UH
A more vibrant, sustainable and equitable Hawai‘i
The challenges are daunting
The opportunities are immense
OneUH
Item IX.
Executive Session

ITEM TO BE DISCUSSED IN EXECUTIVE SESSION
MEMORANDUM

TO: Ben Kudo
Chair, Board of Regents

FROM: David Lassner
President

SUBJECT: ESTABLISHMENT OF CLASS CHIEF BUSINESS OFFICER, UNIVERSITY OF HAWAI‘I AT MANOA

SPECIFIC ACTION REQUESTED:
It is requested that you approve the establishment of the class Chief Business Officer, for the University of Hawai‘i at Mānoa, within the executive/managerial (EM) classification plan.

The assignment to SM-4 band within the EM salary schedule has been determined by the Office of Human Resources.

RECOMMENDED EFFECTIVE DATE:
July 16, 2021

ADDITIONAL COST:
There is no cost to establish the class within the EM classification and compensation plan.

PURPOSE:
The purpose of the request is to establish the class Chief Business Officer with responsibility as the senior business and financial officer and advisor to the President and Provost. This position is part of the senior leadership of Mānoa as approved by the Board in April 2021 and is a direct report to the President, working collaboratively with both President and Provost on campus financial, budget, position control, shared services and related business matters.

BACKGROUND INFORMATION:
Pursuant to Executive Policy, EP 9.212, Executive and Managerial Classification and Compensation, the Board of Regents is the approving authority for proposed UHM Executive/Managerial actions for positions that are direct reports to the President. OHR is responsible for the assignment of the class to a band within the EM salary schedule. For human resources purposes, the establishment of the class and assignment to the band within the university’s EM classification and compensation plan occurs prior to classifying the respective position and recommending the appointment of an individual to that position.
This request is part of the implementation of the Mānoa administrative reorganization. In November 2017, the Board of Regents approved a new conceptual structure and on March 28, 2019, the Board of Regents approved Phase 1 of the Mānoa administrative reorganization. Phase 1 established a stable Mānoa leadership through the recombined roles of President and Chancellor, and established a new Provost role as the independent and dedicated voice for UH Mānoa, an officer of the University of Hawai‘i, and Mānoa’s chief academic officer with responsibility for the education, research, enrollment management, and student success across all academic units.

On April 15, 2021, the Board of Regents approved Phase 2 which established the offices that report to the President and Provost and reaffirmed the purpose and functions of the Mānoa Office of Business and Finance led by the proposed chief business officer which reports directly to the President and serves as the chief campus business and financial officer and advisor. Previously, this position was classified as Vice Chancellor for Administration, Finance and Operations. However, the concept for UH Mānoa’s chief campus business officer has evolved over the past two years, focusing on financial and budgetary strategies, campuswide implementation and operations, and evolving business services.

The proposed Chief Business Officer has responsibility for providing the innovative and effective executive leadership, vision and direction of campus business and financial affairs, working closely with both President and Provost as full partners. The Chief Business Officer is committed and is responsible for developing and advancing financial plans and actions that directly support campus goals and objectives at the highest standards, providing for both short-term and long-term budget planning and execution, overseeing the analytics that inform leadership decisions, and providing a sound model for administrative services. The Chief Business Officer establishes the necessary policies, procedures and initiatives to maintain a strong and compliant flagship and research campus. For budgetary and financial matters, President works closely with the provost and the proposed chief business officer as full partners in leading a collaborative and collegial campus budget development process that recognizes the contributions and requirements of the academic and non-academic campus processes and the need for effective, efficient and accountable use of all resources that result in top-level allocation of campus resources through its leadership team.

As such, this request aligns with the intent of the approved reorganization and associated organization chart and functional statement for the Mānoa Office of Business and Finance, and provides the official class concept for the senior campus business and financial officer. As this class of work is a direct report to the President, the approval of the Board of Regents is required.

**ACTION RECOMMENDED:**
It is requested that you approve the establishment of the class Chief Business Officer, for the University of Hawai‘i at Mānoa.

The assignment to SM-4 band on the salary schedule has been determined by the Office of Human Resources.

Attachment
The Chief Business Officer is the campus chief business and financial officer and advisor, a key member of the UH Mānoa leadership team, reporting to the President and working collaboratively with both President and Provost on the campus budget and financial and reserve management. The Chief Business Officer is charged with providing innovative and effective executive leadership, vision and direction in campus business and financial affairs and is committed and responsible for developing and advancing financial plans and actions that directly support campus goals and objectives; providing for short-term and long-term budget and financial planning and execution; overseeing comprehensive campus analytics that inform leadership decisions; overseeing campus position control; and providing a sound model for administrative services. The Chief Business Officer develops and manages the related campus plans, initiatives, policies and procedures to manage a strong and compliant flagship and research campus in alignment with strategic goals and objectives. Work involves establishing financially astute initiatives and safeguards to ensure financial stability and growth across the campus. The Chief Business Officer must provide leadership, direction, support, and open communication to ensure the achievement of a strong campus business and financial framework with short- and long-term goals and initiatives, so that the overall campus goals and objectives are achieved at the highest standards.

The Chief Business Officer is a member of the Mānoa Cabinet and the Provost's Council, and promotes the University's commitment to diversity and inclusion, equity and cultural values, and embraces and understands the university's consistencies and Hawai'i's role in the national and international arena.

The Chief Business Officer positively supports the campus and system visions, mission, and goals and clearly articulates the broader budgetary and financial perspective and responsibility to the campus community including faculty, staff and students. The Chief Business Officer must balance the strategic goals and potential growth with the short-term and long-term financial concerns and reserve management. Work is performed under broad direction, and requires extensive contact with a broad range of internal and external constituencies, groups and individuals.

The establishment of the class Chief Business Officer is established effective ____________.

David Lassner,  
President  
University of Hawai'i
MEMORANDUM

TO: Ben Kudo  
Chair, Board of Regents

FROM: David Lassner  
President

SUBJECT: WAIVER OF RECRUITMENT AND APPOINTMENT OF ALEXANDRA (SANDY) FRENCH AS CHIEF BUSINESS OFFICER, UNIVERSITY OF HAWAI‘I AT MĀNOA

SPECIFIC ACTION REQUESTED:
It is requested that you approve a waiver of recruitment and the appointment of Alexandra (Sandy) French as Chief Business Officer, University of Hawai‘i at Mānoa, effective July 16, 2021, at annual salary of $210,000 ($17,500 monthly), subject to any executive and managerial salary adjustments, as appropriate.

RECOMMENDED EFFECTIVE DATE:
July 16, 2021

ADDITIONAL COST:
There is no additional cost from the salary of the former Vice Chancellor (Administration, Finance and Operations), as the proposed compensation is below the last salary paid for this position. The additional cost from Ms. French’s current interim salary, which was based on her prior lower-level position, will be covered within the current budget.

PURPOSE:
This appointment is necessary for the implementation of the Mānoa administrative reorganization approved by the Board of Regents on April 15, 2021, and provides the pertinent and experienced leadership for the campus business, financial and budgetary strategy and related operations. The chief business officer works directly with both President and Provost to ensure the financial integrity and stability of the campus in light of current and evolving budgetary times and future goals and objectives.

BACKGROUND INFORMATION:
Pursuant to Executive Policy, EP 9.212, Executive/Managerial Classification and Compensation, the Board of Regents is the approving authority for proposed UHM Executive/Managerial actions for positions which are direct reports to the President.
This request is part of the implementation of the Mānoa administrative reorganization. In November 2017, the Board of Regents approved a new conceptual structure and on March 28, 2019, the Board of Regents approved Phase 1 of the Mānoa administrative reorganization. Phase 1 established a stable Mānoa leadership through the recombined roles of President and Chancellor, and established a new Provost role as Mānoa's chief academic officer with responsibility for the education, research, enrollment management, and student success across all academic units.

On April 15, 2021, the Board of Regents approved Phase 2 which established the offices that report to the President and Provost and reaffirmed the purpose and functions of the Mānoa Office of Business and Finance led by the proposed chief business officer who reports directly to the President and serves as the chief campus business and financial officer and advisor to the President and Provost. As we move forward to make the necessary regular appointment for the Mānoa cabinet and begin to move the senior leadership team forward to accomplish the goals set forth in the reorganization proposal, I request approval to waive recruitment and appoint Ms. French as the Chief Business Officer. Provost Bruno also supports this request.

Ms. French has nearly 28 years of experience within UH Manoa as chief administrative officer of a major organized research unit, as campus director of finance and accounting, and since 2019, as interim vice chancellor serving as the campus chief administrative officer responsible for overall campus financial, budgetary and business strategy and services.

As interim Vice Chancellor for Administration, Finance and Operations since August 2019, Ms. French has been an instrumental leader as we implemented Phase 1, and developed Phase 2 of the campus reorganization. Crucially, Ms. French has been the key senior administrator as we moved the campus forward through the past 16 months to operate through COVID-19 restrictions, manage the nine federal relief awards with their compliance nuances and associated reporting requirements. She has also been the financial lead in planning for a reimagined and rightsized post-pandemic future, working closely with the Provost, vice chancellors, deans and directors to develop various campus budget scenarios as the financial picture evolved in dramatic ways over the past 16 months.

Ms. French has collaborated with system and other unit senior financial leadership, and has worked with our campus financial, budget and business team to create guidance for the Mānoa cabinet, the deans and directors, and their respective unit fiscal administrators to navigate through the evolving budget and financial landscape. In addition, Ms. French has worked collaboratively with Provost and myself on UHM’s budget and financial and reserve management, and is a critical leader as we continue to propose and adjust our campus plans in light of the national and state economic outlook and availability of funds. Her reasoned, steady and calm leadership, her experience at the unit and campus levels, and her overall deep understanding of the campus, system and external environment are absolutely essential as we move forward through detailed planning and implementation of the changes ahead, which may be the most significant in the history of UH Mānoa.
Prior to serving as the interim Vice Chancellor, Ms. French served as the campus APT Mānoa Director of Finance and Accounting from 2009 to 2019 where she oversaw the campus budgetary processes as well as operational, accountability and compliance measures. As the Mānoa Director of Finance and Accounting position was not back-filled, Ms. French has continued to perform both roles as the senior campus administrative officer and as the operational manager in serving the Mānoa campus and its strong academic units. This unique understanding contributes to a strong, strategic skillset while being able to operationalize necessary guidance and procedures.

Ms. French also served as the lead Administrative Officer for the Cancer Center for over 15 years, where she was responsible for the management, planning, implementation and compliance of all administrative functions for this complex research unit. Throughout her career, she has successfully implemented and managed the budget and financial health of the unit, managed a wide array of appropriated and extramural funds, effectively managed a team of professionals, and provided efficient, centralized services. She continues to apply the wide depth and breadth of knowledge in budget and financial management, strategic planning and general operations in support of the overall goals and objectives of the university to ensure sound campus practices.

Ms. French received her bachelor of arts degree in Anthropology from Reed College and master's degree in Public Administration from Lewis and Clark College. She has been employed by the University of Hawai'i since 1993 where she has established and maintained effective working relationships with internal and external agencies, department and individuals. She is a respected campus authority on financial, fiscal, budgetary and business-related matters, with a strong understanding of the unique opportunities and challenges facing academic, research and administrative units of UH Mānoa that span across multiple islands and include work with international, national and domestic organizations as well as a broad range of rules and regulations associated with the variety of institutional, extramural and private funds.

Given the urgency of the strategies and initiatives needed to move our campus forward to a focused and sustainable future amidst the current challenging and evolving budgetary picture, Provost Bruno and I both believe that, given the proven breadth and depth of her experience and knowledge as well as her performance and leadership during her service as interim Vice Chancellor, the direct appointment of Ms. French to this position is necessary at this time. As Ms. French was not previously recruited into an EM position, a waiver of recruitment is required. After a thorough review, EEO has no objections for the waiver of recruitment for Ms. French. Of note, by appointing Ms. French as one of the most senior executives at UH Mānoa we will approach our goal of achieving 44% women senior executives on our campus. Losing a senior woman executive would cause women to be statistically underrepresented in senior executive positions at UHM.

With the concurrent request to the Board of Regents to establish the new class Chief Business Officer and the OHR assignment of that class to the SM-4 band of the EM classification and compensation plan, the SM-4 band minimum is $195,000 and midpoint is $247,500. The CUPA 20th percentile salary for Chief Business Officers at public universities is $216,300. We
believe that the requested salary of $210,000 is appropriate given her expertise, experience and proven record of leadership success at the Manoa campus through an exceptionally challenging period. The previous vice chancellor retired at a salary of $249,526 in 2019.

ACTION RECOMMENDED:
It is recommended that you approve a waiver of recruitment and the appointment of Alexandra (Sandy) French as Chief Business Officer, University of Hawai‘i at Mānoa, effective July 16, 2021, at annual salary of $210,000 ($17,500 monthly), subject to any executive and managerial salary adjustments, as appropriate.

Attachment
ALEXANDRA (SANDY) FRENCH

PROFESSIONAL EXPERIENCE

Interim Vice Chancellor for Administration, Finance and Operations, University of Hawai‘i at Mānoa (8/2019 to present)

- Serves as senior leader for the University of Hawai‘i at Mānoa for business, budget, and financial operations
- Advises and collaborates with President and Provost regarding campus business, budget, and financial operations, including strategy development and post-pandemic planning
- Serves as a member of the Mānoa Cabinet and the Provost’s Council; collaborates with senior leadership including vice presidents, vice provosts, deans, and directors on campus administrative matters
- Leads financial management and analytics activities including budget scenario planning, management of reserve levels, refinement of resource allocation methodologies, campus position control, and annual implementation of campus operational budget
- Provides guidance and direction for campus administrative operations, including oversight of audit responses, implementation of reorganizations, compliance reviews, and business best practices
- Serves as Principal Investigator for $83M in federal Higher Education Emergency Relief Fund awards to the Mānoa campus; strategizes with system and campus leadership regarding allocation towards pandemic mitigation efforts; oversees compliance related to use of funds

Director of Finance and Accounting, PBD, Office of the Vice Chancellor for Administration, Finance, and Operations, University of Hawai‘i at Mānoa (9/2009 – 8/2019)

- Served as chief finance administrator for the University of Hawai‘i at Mānoa for all financial matters
- Led a team of three fiscal staff responsible for the full scope of fiscal and budgeting functions for the Mānoa Chancellor’s Office and the Office of the Vice Chancellor for Administration, Finance, and Operations
- Worked closely with the Vice Chancellor for Administration, Finance and Operations and the Mānoa Budget Office staff in developing budget allocation models, revenue projections, and budget policies and procedures
- Advised campus units regarding responses to internal and external audits, coordinated corrective action plans, and ensured campus fiscal administrators are aware of audit issues
- Reviewed and recommended action on procurement requests, contractual agreements, and action memos requiring Chancellor’s approval, including analysis of campus risk and liability and compliance review
- Provided individualized coaching and mentoring to newly appointed lead fiscal administrators; developed and coordinated training and information sharing for campus fiscal administrators
Senior Administrative Officer, PBC, Cancer Research Center, University of Hawai‘i at Mānoa (4/1994 to 9/2009)

- Served as chief administrative advisor to the CRCH Director, working independently to provide the necessary support so the Center’s research mission could continue with a minimum of administrative delays and problems
- Supervised a team of eleven staff responsible for the full scope of fiscal and personnel actions, ensuring compliance with federal, state and University regulations and policies
- Prepared and executed the General, Tuition, RTRF, and Special Fund budget allocations for Center programs; analyzed expenditures, spending plans and department financial records
- Ensured that the Center’s procedures and operations met National Cancer Institute requirements for national cancer center designation; ensured that activities and overall budget for Cancer Center Support Grant were adequately documented and justified
- Represented the Center with outside evaluators, including administrative reviewers, site visit committees, funding agency grants administration personnel, and independent auditors


- Provided direction and assistance on administrative matters pertaining to the preparation and submittal of research and training project proposals, including preparation of proposal budgets
- Supervised business office staff in all financial and personnel transactions
- Served as chief fiscal officer, responsible for procurement on all funding sources


- Directed planning and marketing activities for mid-sized public transit agency
- Supervised all planning activities, including high capacity transit, transportation demand management, growth management, and route and facilities planning; including Supervised preparation of state and federal grant applications
- Improved inter-jurisdictional coordination and cooperation in performance of high capacity transit planning studies


- Administered all state and federal grants awarded to agency
- Managed procurement of all goods and services, prepared bid specifications and proposal packages, and ensured compliance with federal regulations
- Managed all contract administration activities, including preparation of contract amendments and change orders, monitoring of contractor performance, and oversight of contract expenditures

EDUCATION

B.A., Anthropology, 1980, Reed College, Portland, Oregon