

**MINUTES**  
**BOARD OF REGENTS MEETING**  
**AUGUST 20, 2020**

**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, Hawaii 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 Benjamin Kudo called the meeting to order at 8:47 a.m. on Thursday, August 20, 2020. The meeting was conducted with regents participating from various locations.

Quorum (11): 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 Michelle Tagorda; Regent Robert Westerman; and Regent Ernest Wilson.

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 Academic Planning and Policy Donald Straney; 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; UH Mānoa (UHM) Provost Michael Bruno; UH Hilo (UHH) Chancellor Bonnie Irwin; UH West O’ahu (UHWO) Chancellor Maenette Benham; Executive Administrator and Secretary of the Board of Regents (Board Secretary) Kendra Oishi; and others as noted.

**II. APPROVAL OF THE MINUTES**

Vice-Chair Higaki moved to approve the minutes of the July 16, 2020, meeting, seconded by Regent Wilson, and noting the excused absences of Regent Nahale-a 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 testimony as follows:

Written testimony offering comments on the revised internal restructuring plan for management operations of Maunakea lands was received from the Maunakea Management Board, Maunakea Observatories, and several individuals.

Written testimony in opposition to the revised internal restructuring plan for management operations of Maunakea lands was received from numerous individuals.

Written testimony offering comments on Resolution 20-03 was received from the UHM Faculty Senate Executive Committee; Kapi'olani Community College Staff Council; Associated Students of the University of Hawai'i-Hawai'i Community College; UHM Student Media Board; and several individuals.

Written testimony in opposition to Resolution 20-03 was received from the Student Activity and Program Fee Board; Mānoa Staff Senate; Executive Council of the Graduate Student Organization; Hawaii Review Editorial Board; Campus Center Board and numerous individuals.

Written testimony in opposition to both Resolution 20-03 and the revised internal restructuring plan for management operations of Maunakea lands was received from several individuals.

Late written testimony in opposition to the revised internal restructuring plan for management operations of Maunakea lands was received from KAHEA: The Hawaiian-Environmental Alliance (KAHEA) and several individuals.

Late written testimony offering comments on the revised internal restructuring plan for management operations of Maunakea lands was received from Kahu Kū Mauna Advisory Council.

Late written testimony in opposition to Resolution 20-03 was received from numerous individuals.

Late written testimony in opposition to both Resolution 20-03 and the revised internal restructuring plan for management operations of Maunakea lands was received from an individual.

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

[Written Testimony Comment Received](#)

[Late Written Testimony Comment Received](#)

Oral testimony in opposition to the revised internal restructuring plan for management operations of Maunakea lands was received from Noe Noe Wong-Wilson; E. Kalani Flores; Pua Case; Tara Rojas; Bianca Isaki; and Samantha Richardson.

Oral testimony in opposition to Resolution 20-03 was received from Subramanian Shankar; Jaret K.C. Leong; Maura Stephens-Chu; and Debra Drexler.

Regent Sullivan arrived at 9:02 a.m.

Regent Nahale-a arrived at 9:03 a.m.

Oral testimony in opposition to both Resolution 20-03 and the revised internal restructuring plan for management operations of Maunakea lands was received from Cynthia Franklin and Candace Fujikane.

Oral testimony offering comments on Resolution 20-03 was received from Paul McKimmy.

Oral testimony offering comments on the revised internal restructuring plan for management operations of Maunakea lands was received from Roberta Chu.

#### **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 the situation continues to evolve. Although the university established initial interim guidelines that provided a pathway for the reopening of all ten campuses of the University of Hawai'i System in the fall and a limited return to classroom-based instruction, the rise in the number of COVID-19 cases, particularly on Oahu, prompted the university to shift direction. Course instruction will revert to a mainly online modality, with the exception of courses such as labs, clinical health courses, and career and technical education courses which may require partial, in-person, classroom-based instruction.

Similarly, the university has taken steps to address personal safety practices; institutional safety practices; and the safety of facilities, office spaces, and staffing across its campuses. President Lassner reviewed some of the safety steps taken including extending telework policies; encouraging individuals to work from home; staggering employee work hours; establishing mandatory facemask policies for individuals while on a university campus; reconfiguring facilities and office spaces to optimize safe physical distancing; and increasing the regular sanitization of facilities and office spaces. The university has also developed, and initiated the use of, a web and phone app that directs individuals who are visiting a university campus to complete a health check by responding to questions prior to being physically present on a campus.

The effects of the pandemic on university activities are far-reaching, not only affecting the way in which the university will fulfill its primary educational mission but also affecting extracurricular campus activities and other aspects of campus life, including athletics. All fall sports have been postponed and the fate of winter sports remains unknown. Conversations are being held on regional and national levels as to the possibility of rescheduling various sports seasons to the spring.

Fall enrollment continues to remain a point of uncertainty for the university. Although headcount enrollment for UHM and UHWO have experienced increases of 2 percent and 1.4 percent respectively, overall headcount enrollment for the entire University of Hawai'i System is presently down 1.8 percent as compared to the same period last year with all other campuses experiencing various degrees of decline in headcount enrollment.

President Lassner highlighted several recent accomplishments of the university that have been overshadowed by the effects of the pandemic including:

- Life Sciences Building Project – Completion of the first major design-build project conducted completely under the auspices of the university was realized with the opening of the Life Sciences building over the summer. The design-build process, from concept to completion, took four years, which was a shorter timeframe than the normal construction process. The Life Sciences building was designed and constructed with input from design and operational professionals as well as the end-users of the facility, including educational and research personnel, which allowed for the building of a state-of-the-art facility that houses numerous research and teaching laboratories, teaching facilities, graduate student workspaces, and high-technology scientific research equipment that is not available anywhere else in the state. Overall cost for this project was \$65 million, \$12 million of which was raised externally. Phase II of this project including the demolition of Snyder Hall at UHM, is expected to begin in the fall of 2020, with demolition slated for summer, 2021.
- University of Hawai'i Foundation (UHF) – UHF received \$84.7 million in donations for Fiscal Year (FY) 2020. It is the highest amount raised by UHF with the exception of years where extremely large gifts of \$40 million or more were received. UHF is also experiencing a good start to FY 2021 raising approximately \$8.6 million to date.
- Hawai'i Institute for Marine Biology (HIMB) – Researchers at HIMB discovered that the Hawaiian tiger cowrie is a voracious predator of alien sponges, such as the Orange Keyhole sponge, which can overgrow native corals and has become a concern as it spreads across reefs within Kaneohe Bay. This research involved the use of indigenous knowledge regarding the Hawaiian tiger cowrie and is a discovery that could have major impacts on controlling the threat of invasive alien sponge species and the devastating impacts they can have on Hawaii's fragile ocean ecosystem.
- Next Steps to Your Future (Next Steps) – A partnership between the community colleges and Hawai'i P-20 Partnerships for Education resulted in the development of Next Steps which is specifically designed to engage public high school graduates on all islands with higher education and career options. Mainly supported through private philanthropy and federal funding, Next Steps is a summer onramp program that connects graduating high school seniors with both general and personal advising and available post-secondary education, training, and employment opportunities. Next Steps was extremely successful, supporting over 2,700 high school graduates from the class of 2020 with summer advising or early college courses. As many as 75 percent of the Next Steps students have indicated that they will be attending college, with 58 percent of these students choosing to enroll at a University of Hawai'i System campus. In addition, 400 students took advantage of free courses at the community college level and 500 students have applied for Next Steps Stronger Together Scholarship funds.

## **V. COMMITTEE REPORTS**

**A. Report from the Committee on Budget and Finance**

Committee Chair Sullivan summarized the committee report.

**B. Report from the Committee on Independent Audit**

Committee Chair Moore summarized the committee report.

Regent Acoba stated that the committee report did not reflect the recommendation made in the Internal Auditor's report related to Sodexo food service contracts that the administration give due consideration to entering into a single food services contract to drive efficiencies in contract management and monitoring. He noted that the administration's response to this recommendation was that it would take no such action at this time. Due to the lack of resolution of this issue, Regent Acoba noted that he abstained from voting on the acceptance of the report, and because the vote was 4 to 1, it is important that the vote be reflected in the report and requested that this information be reflected in the committee report. Committee Chair Moore responded that the committee report was a general summary of the meeting and that the minutes of the committee meeting will reflect these issues. Regent Acoba asked whether these changes would be made to the committee report. Board Secretary Oishi reiterated that the minutes of the committee meeting will address the food service contract issue and that the comments currently being made by Regent Acoba will be reflected in the board's meeting minutes.

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

Committee Chair Westerman summarized the committee report.

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

Committee Chair Bal summarized the committee report.

**E. Affiliate Reports**

**All Campus Council of Faculty Senate Chairs (ACCFSC):** Regent Wilson reported that the ACCFSC held its first meeting of the year on August 14, 2020, at which time the ACCFSC co-chairs were elected. Discussions on clarifying the overall role of ACCFSC, as well as the need to work more closely and improve communications with both the administration and the board, took place at the meeting. Additionally, dialogue occurred on the issue of shared governance and the administration's academic long-range plan.

**VI. AGENDA ITEMS**

Prior to the board taking action on the consent agenda, Regent Sullivan requested that the approval of new Regents Policy (RP) 12.211, Ethical Guidelines in the Conduct of Technology Transfer Activities be removed from the consent agenda and placed on the regular agenda for discussion.

**A. Consent Agenda**

**2. Approval of an Indemnification and Hold Harmless Provision for AccessLex Institute (ALI) in a Grant Agreement between the University of Hawai'i and ALI**

Regent Sullivan moved to approve the consent agenda with the exception of item VI.A.1 as noted, seconded by Regent Westerman, and the motion carried with all members present voting in the affirmative.

**1. Approval of New RP 12.211, Ethical Guidelines in the Conduct of Technology Transfer Activities**

VP Symos provided background on the development of the proposed new RP 12.211, reporting that Act 38, Session Laws of Hawaii 2017 (Act 38), allows the university to be more actively and directly engaged in the commercialization of its research products. Among other things, Act 38 exempted technology transfer activities sponsored by the university from certain sections of the State Ethics Code assuming specific regulatory frameworks and policies were established by the university. VP Symos noted that the proposed new RP 12.211 creates the regulatory framework and compliance programs contemplated by Act 38.

Regent Sullivan remarked that the version of RP 12.211 presently before the board contained revisions that were proposed during the meeting of the Committee on Research and Innovation. However, she is requesting an additional amendment that removes the phrase "and upon specific request" from the reporting requirement concerning conflicts of interest contained in RP 12.211. She noted that the intent of this amendment is to clarify that the board is requiring the President to submit the university's report on this matter at least once a year without necessitating that a specific request for this report be made by the board.

Regent Sullivan moved to approve new RP 12.211 with the aforementioned revision, seconded by Regent Nahale-a, and the motion carried with all members present voting in the affirmative.

**B. Approval of Revised Internal Restructuring Plan for Management Operations of Maunakea Lands**

Prior to the presentation, Chair Kudo reiterated that this agenda item involved the administrative, organizational, and internal restructuring of the various entities of the university that currently are in existence and have oversight and management responsibilities for Maunakea and did not address the overall governance of Maunakea which is beyond the purview of the board. He noted that, as required by Board Resolution 19-03, the administration provided a status update on a proposed plan for the reorganization and restructuring of the management of Maunakea, as well as an analysis of the management of the Maunakea Science Reserve, at the board's April 2020 meeting. In May of 2020, the administration presented its internal restructuring plan for management operations of Maunakea lands (Plan) and requested board approval of the Plan. He noted that action on the Plan was deferred at both the May and June meetings of the board to provide additional opportunities for various

stakeholders and concerned parties to offer input and feedback on the Plan. As a result of these efforts, revisions were made to the Plan and the revised Plan is what is currently before the board for action.

The meeting recessed at 10:25 a.m.

The meeting reconvened at 10:30 a.m.

Echoing Chair Kudo's remarks, Chancellor Irwin stated that the board deferred action on the Plan at both its May 2020 and June 2020 meetings to allow for additional engagement and consultation with various stakeholders and concerned parties.

An overview of the current internal management structure for Maunakea was provided by Chancellor Irwin. She noted that one of the major issues with this structure that was consistently noted during the consultation process was its multijurisdictional nature which has created vagueness and confusion with regard to management policy, responsibility, and authority over issues relating to Maunakea. This has often led to concerns among the community regarding transparency and conflicts-of-interest and at times has resulted in distrust of the university. The original Plan was meant to rectify this situation by taking a more unified approach to the management of Maunakea. This unified approach included the creation of an entity known as the Center for Maunakea Stewardship (Center), which would be led by an Executive Director, to serve as a single point of contact over issues relating to the internal management of Maunakea thereby clarifying lines of authority and accountability.

Chancellor Irwin summarized both the original Plan, which was presented to the board at its meeting in May, and the revised Plan, which is currently before the board for action, as well as the process used to develop these plans. The revised Plan includes amendments to the original Plan that were intended to address criticisms and concerns that were brought forth during the additional consultations which have occurred since May including the lack of specificity with regard to the relationships, roles, and functions of the new management structure and the various boards, agencies, programs, and strategy and advisory bodies currently associated with differing aspects of Maunakea management and oversight; the separation of permitting and stewardship functions; and the merging of the Office of Maunakea Management (OMKM) and Maunakea Support Services (MKSS). Additionally, lines of authority were further clarified in the revised Plan. She highlighted that, while the roles of the cultural, community, and stakeholder advisory groups such as the Maunakea Management Board (MKMB) and Kahu Kū Mauna have remained intact under the revised Plan, their placement and role within the internal management structure have been elevated to a level where they are more involved and engaged in the larger, strategic, and important issues regarding the internal management and stewardship of Maunakea. All the input received throughout the entire consultation process aided in the development of the revised Plan although it did not contain every concern, suggestion, or idea received by the administration.

Chancellor Irwin noted that the revised Plan was viewed as more of an interim plan as decisions on the overall governance issues made in the future may ultimately affect

the Maunakea management and oversight responsibilities of the university requiring further actions to be taken on the revised Plan.

Dr. Greg Chun, Executive Director of Maunakea Stewardship, expounded on the consultation process stating that the administration used a systematic approach to gather information from a broad swath of stakeholder groups and numerous interested parties. While the COVID-19 pandemic impacted some of the timing of the consultation process, over 128 meetings, both formal and informal, were held between November 9, 2019, and August 10, 2020, with approximately 39 of these meetings being held since the May 21 meeting of the board. Numerous contacts were also made with interested individuals and parties during the period of time between passage of Board Resolution 19-03 in November of 2019 and the present date. In addition, testimony and feedback submitted over the course of public hearings which were held as part of the administrative rulemaking process regarding Maunakea as well as several board meetings were taken into account when developing the revised Plan.

Noting testimony submitted that criticized the lack of consultation with certain members of the community, Dr. Chun stated that he personally reached out to leadership of the kia'i in March 2020 seeking input on the evolving ideas regarding both the Plan as well as overall governance issues regarding Maunakea but did not receive a response. Concurrently, efforts to obtain input on the Plan as well as the consultation process were made through personal relationships with various colleagues at the university. Dr. Chun explained that he secured the cooperation and collaboration of an individual who is a member of both the kia'i and KAHEA and input that appears to be the collective effort of the kia'i and others was received, including nine management concepts that were contained in an alternative proposal. While some of the information and ideas received through this process were incorporated into the revised Plan, a number of the concepts offered pertained more to the larger issue of overall governance of Maunakea. He reiterated that the revised Plan does not contain every suggestion or idea received during the consultation process nor does it address every concern raised and it will not be met with approval or support from all who were consulted. However, a good faith effort was made to integrate as many ideas into the revised Plan as possible while being consistent with increasing transparency and improving accountability with respect to the internal management of Maunakea.

Regent Acoba asked if the statement made by Chancellor Irwin asserting that the revised Plan was an interim plan was accurate. Chancellor Irwin responded that she called the revised Plan an interim plan because the overall issue of governance of Maunakea has not yet been deliberated and if major restructuring of governance occurs, the revised Plan may require significant modification or may be inapplicable.

Regent Acoba requested clarification on the lines of responsibility and accountability contained in the revised Plan and asked whether the UHH Chancellor would be the party responsible for addressing any issues affecting Maunakea that are under the jurisdiction of the university, including the resolution of potential management issues and conflicts between the university and other stakeholders. Chancellor Irwin responded in the affirmative but noted that other avenues to resolve conflicts were



available should the parties not concur with a decision made by the Chancellor and provided an example of how this would work.

Regent Acoba inquired if the role of the various advisory groups was to provide advice to the UHH Chancellor and Executive Director of the Center. Chancellor Irwin responded that this is currently part of the various advisory groups' stated role. However, the role of the advisory groups has become more transactional in nature over the last several years and the revised Plan is attempting to elevate this role to a level which includes increased involvement and engagement in the larger, more strategic issues regarding Maunakea.

Regent Acoba questioned whether the Institute for Astronomy (IfA) and Maunakea observatories (MKO) were consulted on the revised Plan and amenable to their respective positions in the organizational structure. Chancellor Irwin stated that both IfA and MKO were heavily consulted throughout the revised Plan's development process.

Regent Acoba asked who would be responsible for selecting the Executive Director of the Center and the Director of Stewardship Programs (DSP). Chancellor Irwin replied that the both the Executive Director and DSP are executive and managerial positions that will be appointed by the Chancellor, in consultation with the President but that their appointments will require final approval by the board (statement later corrected).

Regent Acoba asked for Dr. Chun's assessment regarding the implementation of the revised Plan should it be approved by the board. Dr. Chun responded that the current fiscal impacts of the COVID-19 pandemic and the associated budget constraints may impact the implementation of the revised Plan. He stated that the key to proper management and stewardship of Maunakea is to create a more unified approach that incorporates the various Maunakea stakeholders in a coordinated, organizational structure with clear lines of authority, roles, and responsibilities which the revised Plan achieves.

Chair Kudo requested elaboration on discussions about the revised Plan that occurred with the advisory groups, in particular MKMB and Kahu Kū Mauna. Dr. Chun replied that the advisory groups made several suggestions to amend the revised Plan. MKMB discussed an amendment that would allow MKSS to continue to report directly to IfA but provide monthly reports to the Executive Director of the Center. However, this amendment did not comport with the objectives of increasing transparency and accountability throughout the university's management operations. OMKM suggested that the interconnection between planning, permitting, and stewardship functions be maintained. While it made sense to maintain the permitting and stewardship functions and this change was made in the revised Plan, the planning function requires a higher level of managerial oversight particularly given the consistent refrain by the community of weighting astronomy interests over cultural and broader community interests by the university. Kahu Kū Mauna requested that the issues of community and culture be elevated throughout the organization. While the administration agrees that engagement of community and culture is important and should occur throughout the organization, this is difficult to reflect on an organizational chart. The administration is anticipating

working with Kahu Kū Mauna to assist it with obtaining broader community input and consultation on cultural issues related to Maunakea.

Vice-Chair Moore asked whether meetings were held with MKMB since the issuance of the revised Plan. Dr. Chun replied that the revised Plan was reviewed with MKMB and that MKMB presented an alternative to the revised Plan at its August 10 meeting during which time full discussions took place on the alternative plan. At that meeting, MKMB took action by authorizing its Chair to submit testimony on behalf of the board which included the alternative plan.

Citing several testifiers concerns regarding the lack of a cost-benefit analysis of the revised Plan as compared to the current management structure, Vice-Chair Moore questioned if this was something the administration could address. Chancellor Irwin responded that the administration did not plan on adding any personnel to implement the revised Plan but rather would adjust the roles and job descriptions of currently employed individuals to achieve plan implementation which will be relatively cost-neutral. Dr. Chun reiterated that implementation of the revised Plan is anticipated to be relatively cost-neutral. He also added that, while the Legislature did eliminate one position within OMKM, the administration was working on redistributing work and functions among currently employed personnel at OMKM, as well as attempting to establish agreement with MKSS to provide additional administrative support.

Vice-Chair Moore requested clarification regarding the appointment of the Executive Director and DSP noting that it was his understanding that the board would not be involved in approving these appointments. Chancellor Irwin replied that she had misspoken earlier regarding these appointments. She stated that the President would be the authority approving the appointment of the Executive Director of the Center and that the Chancellor would be the authority approving the appointment of the DSP. However, the board would still be notified of these appointments. Chair Kudo added that he believed the board would get involved with the approval of these appointments only in situations where the salary exceeded a particular threshold.

Vice-Chair Nahale-a remarked that the issue of management and stewardship of Maunakea has been emotional and, at times, contentious. While it is clear that the revised Plan has not been met with unanimous support and that opposition does exist, the board must begin to move the process forward in a way that achieves the right balance between stakeholder interests and the responsibility to properly steward Maunakea. He stated that he will be supporting approval of the revised Plan because, in his opinion, it establishes very clear lines of authority and responsibility that will result in better management and stewardship of Maunakea.

Vice-Chair Nahale-a moved to approve the revised Plan, seconded by Regent Wilson, and the motion carried with all members present voting in the affirmative.

Chair Kudo requested that Chancellor Irwin and Dr. Chun return to the board and request changes to the revised Plan should it be determined, during the course of implementation, that something is not working or needs to be adjusted. Chancellor Irwin and Dr. Chun noted that they would do so.

**C. Board Resolution 20-03 Proclaiming an Emergency and Directing Action by the University Administration**

Chair Kudo remarked that Resolution 20-03 was a board-initiated resolution to bring to light the unprecedented fiscal and operational challenges and uncertainties that the university will be facing in the near future as a result of the COVID-19 pandemic and noted that the survival, or even the existence, of the university could be threatened if action is not taken in a timely manner. This will require difficult and unpopular, though necessary, decisions to be made over the next year to preserve the university as an institute of higher learning. He noted that the board, as well as the administration, will not be making these decisions lightly and understands that any decisions made regarding these issues will not only affect the future viability of the university but will also impact the personal lives and careers of individuals that are part of the university family. Resolution 20-03 establishes the framework to allow the board to fulfill its duties and responsibilities of maintaining the sustainability of the university for the future. It does not relieve the board of its responsibilities and approval authority regarding the oversight of the university, nor does it grant the university administration extraordinary authority since the administration already has the authority to initiate many of the actions contained within the resolution.

Regent Acoba stated that he recognizes and acknowledges that the university will face a number of adversities as a result of the pandemic, including unprecedented fiscal challenges, but was concerned with the lack of clarity in the resolution with regard to the authority being given to the administration. He opined that the language contained in Resolution 20-03 did not comport with the intent of the board as expressed by the Chair and remarked that, if the intent of the board is to provide long-term direction to the administration to address and mitigate the effects of situations such as the current pandemic, the language of the resolution should be absolutely clear as to the authority that was or was not being given to the administration. He also raised questions as to the methodology used to amend the resolution. Chair Kudo replied that the revised version of Resolution 20-03 was drafted based on a collective process that took into account several requested amendments that were received from Regents, university faculty, and collective bargaining unit representatives, among others, which culminated in the version of the resolution presently before the board.

Despite revisions being made to the original resolution, Regent Acoba noted that he continues to take issue with several of its provisions including language that appears to provide board authorization for the administration to implement measures such as furloughs, reduction-in-force, and reducing remuneration to mitigate operating costs and expenses; allow the administration to take certain actions such as the permanent closure or consolidation of university facilities or academic programs; give the administration the ability to override or disregard Regent Policies; and suggest that the administration is only required to comply with collective bargaining agreements and can ignore other governance issues and governing bodies within the university. He opined that some of these provisions may involve complex issues and could result in the administration making fundamental changes that would cause serious disruptions for faculty, staff, and students of the university. Additionally, these provisions may be

interpreted as an abdication of board responsibility with regard to proper oversight of actions taken by the administration. Regent Acoba offered amended language to address these concerns.

Chair Kudo clarified that some of the issues being referenced by Regent Acoba were contained in a prior version of the resolution that are not contained in the version currently before the board for action. Furthermore, he reiterated that the current version under consideration included input from Regents, the University of Hawai'i Professional Assembly, the administration, and others, in order to address previously raised concerns.

While she appreciated the time and effort that went into crafting the revised version of Resolution 20-03 and did not disagree with its intent, Regent Acopan stated that the testimony received by the board indicated that the intent of the resolution is not being carried through to its interpretation which is engendering divisiveness within the university that is detrimental and making it more difficult to address this critical issue. As such, she would be voting against approval of Resolution 20-03.

Regent Bal asked what the philosophy was for requiring the administration to adhere to the five percent budget reserve balance requirement as noted in Resolution 20-03 since it was his understanding that the intent of the budget reserve was to ensure that the university was able to respond to a fiscal emergency such as the one that it will soon encounter. President Lassner replied that he is expecting this fiscal crisis to last for a minimum of four years. It was his understanding that the budget reserve requirements were established to address short-term fiscal emergencies and he stated that he was not comfortable suggesting that this threshold be lowered to address a more long-term fiscal crisis such as this, particularly given its uncertainty.

Regent Sullivan echoed President Lassner's remarks noting that this fiscal crisis is of an unprecedented magnitude and will affect the university for a number of years. While it is true that the budget reserves were established to address fiscal emergencies, it is anticipated that the depletion of the current balances contained within the reserves will only carry the university through the next fiscal year. She stated that both the board and the administration must take a long-term approach when contemplating measures to help mitigate the economic impacts of the pandemic. Although the administration may propose using the reserves as part of its short-term financial plan, this is a policy decision that will have to be made in the context of the current fiscal and economic climate.

Regent Moore added that given the dire economic outlook for the State and the uncertainty of the economic impacts to the university posed by the pandemic, it would be prudent for the administration to be cautious with the use of its budget reserves. He opined that time was of the essence and that significant delay by the board or administration in addressing the impacts of the pandemic will be more detrimental to the university. Although questions regarding some of the language contained in the resolution remained, he believed that the resolution could still evolve and be amended even if it were approved by the board.

Discussion ensued on the issues raised by Regent Acoba, as well as the overall purpose and intent of the resolution and whether it gave the administration extraordinary authority, with Regent Acoba once again offering language to amend the resolution to address his concerns. While many Regents were supportive of moving forward with the resolution noting the urgency of the fiscal situation and the necessity to take quick and decisive action, it was also acknowledged that some of the resolution's language could be clarified to address Regent Acoba's concerns. Chair Kudo mentioned that, as currently revised, Resolution 20-03 did address some of Regent Acoba's concerns and he highlighted this language. However, Chair Kudo stated that he was amenable to amending the resolution to address the additional points raised by Regent Acoba.

The meeting recessed at 11:55 a.m.

The meeting reconvened at 12:03 p.m.

Qualifying her remarks by stating that she is an employee of the university, Regent Tagorda echoed some of the comments made earlier by Regent Acopan. While she understands the gravity of the situation facing the university and that difficult decisions will need to be made, she stated that, from her perspective as an employee of the university, the resolution has caused consternation, anxiety, uncertainty, and feelings of distrust among her colleagues which can be detrimental to any attempts at collective problem solving. Regent Tagorda noted that she also appreciated the time and effort that went into crafting the revised version of Resolution 20-03, particularly language that was added to emphasize a more collaborative approach with regards to addressing the issues that the university will soon be facing. However, she noted that the apparent lack of a connection between the intent and interpretation of the resolution by students and personnel of the university, as exhibited in the testimony received by the board, will make it difficult to address this critical issue.

Regent Sullivan moved to approve Resolution 20-03 with the amendments as proposed by Regent Acoba as follows:

- Deleting the phrases, "notwithstanding any Regent Policies or Executive Policies to the contrary" and "highly expedited processes for" from paragraph 8 so that the paragraph will read: "Recognizing the exigency of the crisis and the need for significant change to achieve structural (not one-time) savings, the Administration is encouraged to develop processes and proposals for change and consultation on any measures proposed."; and
- Inserting the phrase "and in the consideration, planning, and formulation of any action, the Administration will consult with faculty, staff, and student organizations in a cooperative and collaborative manner and approach, taking into account the interests of the individuals, groups, and entities involved or affected" to the end of paragraph 9.

The motion was seconded by Vice-Chair Nahale-a, and noting the no votes of Regent Acopan and Regent Tagorda, the motion carried with all other members present voting in the affirmative.

#### **D. Fiscal and Financial Parameters for Fiscal Year (FY) 2020-2021**

VP Young provided an overview of the fiscal and financial parameters which the university is using to establish the framework for its expenditure plan for FY 2020-2021. He stated that these parameters represent the administration's best estimates given the current fiscal situation of the State and the university but that they are still in flux as economic uncertainty continues and the assumptions made in developing these parameters will more than likely be altered.

VP Young reviewed the assumptions and factors considered in developing the fiscal and financial parameters noting that, for the purposes of this presentation, only the two predominant revenue sources of the university- the State General Fund (GF) and Tuition and Fees Special Fund (TFSF) – were considered but that all other funds under the purview of the university would be incorporated into its expenditure plan which will be presented to the Budget and Finance (B&F) Committee at its September meeting. He highlighted that the administration was anticipating the imposition of as much as a 16 percent restriction on the use of GF revenues and a minimum decrease of five percent in TFSF revenues, though the decrease in TFSF revenues was more campus-dependent as headcount enrollment at each campus varied. In comparison, for FY 2020, a restriction of 12 percent on GF revenues appropriated to the university that was only applicable to discretionary funds was imposed which translated to approximately two percent of the entire amount of GF revenues appropriated. TFSF revenues for FY 2020 were better than originally projected with net revenues being only one percent below projections while expenditures were 15 percent below projections. He cautioned that the university's fiscal situation remains challenging and that the use of some portion of the budget reserves is all but certain for FY 2021.

Based on the assumptions noted, VP Young stated that the administration is estimating that the university could be faced with a reduction in GF and TFSF revenues in the aggregate of \$92 million for FY 2021 and that the use of up to approximately \$61 million of all currently available budget reserve funds to mitigate the budget impacts expected for FY 2021 may be necessary. However, the specific amount of reserve funds that will be needed will not be known until the overall expenditure plan for FY 2021 is finalized. He noted that the administration expects to manage the use of the reserve funds to meet the needs of the expenditure plan without depleting the budget reserves. VP Young also reviewed the reductions in GF and TFSF revenues, as well as the requisite decrease in expenditures for various costs including personnel, non-personnel, and utility costs that will need to be made to accommodate this anticipated reduction, on both a systemwide as well as campus level for FY 2021. Reserve fund balances, the amounts of these balances that might need to be utilized to address fiscal shortfalls for FY 2021, and the length of time various units can continue to operate without the use of these reserve funds were noted and the next steps in the fiscal planning process were outlined.

Regent Acoba asked what the administration was anticipating doing to mitigate the expected revenue shortfall for UHM. President Lassner stated that the revenue shortfall figures presented were estimates for the fiscal situation that would face the university without a dramatic reduction of expenditures. He noted that the university will be

utilizing a variety of short-term strategies to address this issue. Regent Acoba asked what specific strategies would be employed by the university. President Lassner replied that strategies include hiring freezes and across the board reductions but that more details will be forthcoming when the expenditure plan is presented to the B&F Committee.

Regent Sullivan expressed her concerns with the apparent plan to use the majority of the budget reserves to carry the university through the current fiscal year and the impact this will have on future fiscal years. President Lassner responded that the administration was not planning on using all the reserves but rather was attempting to express the gravity of the fiscal situation facing the university and indicate how much of the reserves would need to be utilized if additional mitigation measures other than those currently being employed are not put in place. Regent Sullivan remarked that it was her hope that the situation presented by the administration was a worst-case scenario and that they will make every effort to address these fiscal impacts in a manner that best serves the interests and success of the university. VP Young replied that Regent Sullivan's assessment of the situation was accurate.

Regent Westerman questioned how the administration was monitoring the university's fiscal situation and the amount of reductions in expenditures that would need to occur to allow the university to make it through FY 2021. VP Young stated that uncertainty remains in the actual amount of GF revenues the university will receive because the State has not yet made that determination, which is problematic when attempting to achieve proper fiscal planning. However, the administration will continue to monitor the revenues and expenditures of the university on a monthly basis and intends to provide quarterly updates on its fiscal situation to the board.

Regent Acoba stated that it was his understanding that the university received \$33 million from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and inquired as to whether the deployment of these funds was incorporated into the fiscal parameters presented by the administration. President Lassner replied that CARES Act funding was not incorporated into the fiscal parameters being used by the administration. He noted that, while the university did receive approximately \$44 million in CARES Act funds, it is required to use the majority of this funding for specified purposes such as direct student aid and the alleviation of costs directly related to COVID-19. This will not relieve the fiscal pressures being faced by the university with regard to operating expenses. Regent Acoba inquired further as to whether the university is anticipating receipt of additional federal stimulus funds. President Lassner replied that this issue continues to be debated at the federal level and while the possibility exists that additional stimulus moneys will be provided, it is not guaranteed.

Regent Sullivan stated that the length of time it takes for the administration to develop an expenditure plan will impact the severity of the expenditure reductions and that it was her hope that an expenditure plan that was transparent in nature as to how the university anticipates addressing this fiscal crisis, including reductions to executive and personnel costs, could be presented to the B&F Committee in two weeks. President Lassner responded that the administration is currently working on its expenditure plan and will be as forthright as possible but that the difficulty it is facing in

finalizing this plan is mainly due to the uncertainty with regard to the amount of GF revenues that will ultimately be allocated to the university by the State.

#### **E. Repositioning the University of Hawai'i for FY 2022 and Beyond**

Noting that the university is anticipating a budget deficit of approximately \$100 million, President Lassner provided an overview of discussions and planning for the long-term future of the university. Based upon historical data, expectations are that this financial crisis will impact the university for at least four years. Even if the economy of the State were to immediately re-open, the prospects for rapid recovery of the general fund budget are dim. While the usual tactical actions used in the past such as hiring freezes, travel bans, deferral of equipment purchases, and across-the-board reductions will assist the financial viability of the university for FY 2021, it will be necessary to make organizational, programmatic, and structural changes that will enable the university to be more effective and efficient in all aspects of its mission and allow it to thrive in service to Hawai'i beyond FY 2022 and for years to come.

The university is essential to the economic recovery of the State. In order to focus on what the State needs, it is imperative that the university recognize that it can no longer be all things to all people, cannot continue to simply work to preserve the status quo, and must pivot and make strategic investments in areas that will allow the university to advance its mission. He highlighted and discussed four priorities which can be addressed by the university and which are critical to achieving the economic recovery goals of both the State and the university. The priorities include engaging more Hawaii residents in post-secondary education, educating Hawaii residents for living wage jobs, helping to produce and develop new economic sectors, and strengthening the research enterprise as a major economic driver and driver of intellectual innovation.

President Lassner briefly reviewed the administration's preliminary path forward for repositioning the university for FY 2022 and beyond. He stated that for the university to continue to carry-out its core mission, it must confront the long-term fiscal challenges it will undoubtedly face by making both strategic reductions and investments; leveraging the strengths of the university; and increasing and diversifying its revenue streams. President Lassner also reviewed the administration's anticipated actions for structural rebalancing, as well as a timetable with anticipated milestones, for achieving implementation of its long-term plans for FY 2022 and beyond.

Regent Acopan asked whether, in addition to consultation with recognized organizations and bodies, consultation on the administration's plans will occur with the university community in general. President Lassner responded in the affirmative.

#### **F. Methodology for Evaluation of the President**

Vice-Chair Moore explained the approach and methodology that will be used to evaluate the university President. He highlighted the factors that will be considered in evaluating the President, the timeframe for conducting the evaluation, the various stakeholders who would be consulted and contacted in conducting this evaluation, and



the types of questions that will be asked of these stakeholders. The evaluation process has begun with Vice-Chair Nahale-a beginning to contact stakeholders and Vice-Chair Moore and Chair Kudo expecting to begin contacting stakeholders in the near future.

**VII. EXECUTIVE SESSION (closed to the public)**

Vice-Chair Moore made a motion to convene in executive session, seconded by Regent Wilson, and with all members present voting in the affirmative, the board approved convening in executive session to carry out deliberations concerning the authority of persons designated by the board to conduct labor negotiations or to negotiate the acquisition of public property, or during the conduct of such negotiations, 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)(3) and 92-5(a)(4), Hawaii Revised Statutes.

The meeting recessed at 1:28 p.m.

Regent Tagorda left at 1:35 p.m.

Vice-Chair Nahale-a left at 2:30 p.m.

Regent Acopan left at 2:45 p.m.

Chair Kudo called the meeting back to order at 3:08 p.m. and announced that the board met in executive session to discuss collective bargaining issues as stated on the agenda.

**VIII. ANNOUNCEMENTS**

Chair Kudo announced that the next board meeting was scheduled for September 17, 2020, 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 absences of Vice-Chair Nahale-a, Regent Acopan, and Regent Tagorda, the motion carried, with all members present voting in the affirmative, and the meeting was adjourned at 3:09 p.m.

Respectfully Submitted,

/S/

Kendra Oishi  
Executive Administrator and Secretary  
of the Board of Regents