

MINUTES
BOARD OF REGENTS MEETING
MARCH 18, 2021

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 Benjamin Kudo called the meeting to order at 8:50 a.m. on Thursday, March 18, 2021. 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 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 Chancellor Bonnie Irwin; UH-West O'ahu Chancellor Maenette Benham; Windward Community College (WinCC) Chancellor Ardis Eschenberg; Executive Administrator and Secretary of the Board of Regents (Board Secretary) Kendra Oishi; and others as noted.

II. APPROVAL OF THE MINUTES

Regent Higaki moved to approve the minutes of the February 18, 2021, meeting, seconded by Regent Wilson, and noting the excused absences of Vice-Chair Nahale-a, Regent Bal, and Regent Sullivan, the motion carried, with all members present voting in the affirmative.

Regent Sullivan arrived at 8:54 a.m.

III. PUBLIC COMMENT PERIOD

Board Secretary Oishi announced that the Board Office received written comments related to the Hawai'i Community College (HawCC) administration from the Associated Students of the University of Hawai'i (ASUH) HawCC Student Government and Jeff Yamauchi.

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

[Written Testimony Comment Received](#)

Oral testimony regarding the HawCC administration was received from Jeff Yamauchi, Kimberly Stevens-Suguitan, and Helen Nishimoto. All three testifiers emphasized points made in the written testimonies that were submitted.

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 university continues to remain vigilant to ensure the health and safety of students, faculty, and staff. To date, the university has experienced a total of 102 confirmed COVID-19 positive cases across all ten of its campuses. During the spring semester, the university also began surveillance testing of UHM residence hall students, which confirmed the low prevalence of COVID-19 with only 1 confirmed COVID-19 positive case being detected out of 375 tests conducted to date.

As administration of the COVID-19 vaccine continues to occur statewide, the university remains focused on vaccination efforts for members of the university community. President Lassner stated that over the last two months the university has provided the names of over 15,000 individuals within the university community who are eligible for administration of the COVID-19 vaccine to the Department of Health (DOH) and that all university, Research Corporation of the University of Hawai'i, and UHF employees, including student employees, have been offered vaccination appointment times. He also acknowledged and highlighted some of the work of university personnel in assisting DOH with community vaccination efforts, in addition to the university's own vaccination efforts, including hosting and staffing points of dispensing sites, or PODS, on a number of university campuses statewide; developing training programs and manuals for PODS and PODS staffing; and providing freezers, laptops, wi-fi assistance, and radio communication devices at PODS. Special recognition was given to Dr. Lee Buencosejo-Lum, Associate Dean for Academic Affairs at the John A. Burns School of Medicine at UHM; Dr. Kristine Qureshi, Associate Dean of the UHM School of Nursing and Dental Hygiene; VP Carrie Okinaga; VP Garret Yoshimi; UH-Maui College Chancellor Lui Hokoana; Lori Lei Hayashi and Will Akama from Leeward Community College; and WinCC Chancellor Ardis Eschenberg.

In light of statewide vaccination efforts, decreasing case counts, and the loosening of COVID-19 restrictions, the university has experienced an increase in activity across its campuses. Nevertheless, the university anticipates the spring semester to be completed in a mostly online and teleworking modality and expects commencement activities to take place in a walk-up, drive-through, and school-level manner. However, it is projected that in-person course instruction will increase during fall 2021, which is being considered as a transition semester between the provision of mostly online courses in spring 2021 to mostly in-person instruction in spring 2022. The university continues to actively prepare for this transition, in addition to increased campus activity, and looks forward to the return of a more normalized campus experience for its students

and increased levels of engagement between students, faculty, and staff over the next few months.

The university's annual food drive initiative for the Hawai'i Foodbank has been launched to help address food insecurity in Hawai'i, which is more prevalent now than ever before. President Lassner noted that, last year, university employees donated funding for over 190,000 meals and 4,000 pounds of food, and that the university hopes to exceed these amounts this year.

President Lassner provided an update on the status of Higher Education Emergency Relief Funds (HEERF) and briefly reviewed the three legislative measures that provided this funding including the Coronavirus Aid, Relief, and Economic Security, or CARES Act; the Coronavirus Response and Relief Supplemental Appropriations Act, or CRRSAA; and the American Rescue Plan Act, or ARPA, stating that they are often referred to as HEERF I, HEERF II, and HEERF III. He summarized the amount of funding provided for institutes of higher education under each measure, noting that \$14 billion, \$23 billion, and \$40 billion in funding was provided for higher education nationwide by the three measures, respectively; reviewed allocation formulas; highlighted the differences between each measure; and noted the various restrictions on the use of these funds.

To date, the university has received, or is anticipated to receive, approximately \$45 million in HEERF I monies, \$79 million in HEERF II monies, and \$137 million in HEERF III monies; the amount of HEERF III monies is an estimate and has not yet been officially awarded by the federal government. It was also noted that HEERF I and HEERF II funds must be used within one calendar year from the date funds were awarded but that the timeframe for the use of HEERF III funds has not yet been established. The administration is seeking no-cost extensions for the use of all HEERF funding and is cautiously optimistic that the university will be able to utilize the funds over a longer period of time to address the expected multi-year fiscal impacts of the COVID-19 pandemic. Additionally, states receiving HEERF funds must meet maintenance of effort requirements which provide assurances that fiscal support for higher education in fiscal year (FY) 2022 will be maintained at least at the proportional levels of state fiscal support for higher education relative to the respective state's overall spending averaged over FY 2017, FY 2018, and FY2019. While federal relief funding offers the university a tremendous opportunity to make strategic investments and improve its long-term fiscal stability, President Lassner cautioned that this one-time infusion of federal money will not be sufficient to relieve the projected, long-term budget pressures that will be faced by both the university and State, as full economic recovery is not expected to occur for another three to four years.

Campus Report

Chancellor Eschenberg began by providing an overview of enrollment statistics and relevant data being analyzed by WinCC to assess its actions in meeting the educational needs of the community noting that, while enrollment in general is often comparatively assessed on a semester-by-semester basis, WinCC also analyzed its longer-term enrollment trends in relation to all of the community colleges over a ten-year period.

Although most have experienced enrollment fluctuations, enrollment has remained relatively stable at WinCC.

WinCC experienced success in several enrollment metrics for the spring semester, sustaining its enrollment percentages of first generation and full-time students, and experiencing increases in regular, home-based, as well as Native Hawaiian, student populations. WinCC also experienced improvements in student persistence with freshman-to-sophomore and fall-to-spring retention rates increasing by approximately three and four percent over the same period last year.

However, like other campuses within the University of Hawai'i System, WinCC has faced numerous challenges during the past year due to the COVID-19 pandemic. Overall enrollment at WinCC for spring 2021 decreased by 10.2 percent, mirroring the average decrease in enrollment being experienced by community colleges across the nation. Chancellor Eschenberg stated that this is a troubling statistic given that the need to serve and assist students in achieving their post-secondary education aspirations is even greater due to the socioeconomic impacts of the pandemic. Of particular concern was the 38 percent decrease in students enrolling in the early college program. She stated that WinCC focuses its early college enrollment efforts on high school students facing the largest challenges and barriers to obtaining a post-secondary education, and that these populations were also severely impacted by the pandemic, resulting in a sharp decline of early college enrollments. WinCC is attempting to address this issue by assigning additional counselors to assist early college counselors with their outreach efforts, as well as additional targeted support strategies. Enrollment of non-home-based students, as well as graduation rates, particularly among Native Hawaiian students, also experienced decreases which could be mainly attributed to the impacts of the pandemic and WinCC hopes to use CARES, CRSSAA, and ARPA monies to address these issues.

WinCC also continues to work to remove barriers to obtaining a post-secondary education, as well as provide support for current WinCC students, through the provision of services and programs such as its meals with a mission initiative that provides hot meals daily for students that are free-of-charge; the food pantry program; the offering of enhanced tutoring services; the establishment of a campus childcare center; and the Kids at College program for school-age children of WinCC students. However, Chancellor Eschenberg stated that the pandemic also impacted some of these efforts. Most notably, campus childcare programs were required to close which resulted in a dramatic shift in the academic performance of students who are parents of toddlers. Prior to the closure of campus childcare programs, student-parents of toddlers experienced academic success rates that were 16 percent higher than WinCC's traditional students. After the closure of those programs, success rates decreased to 17 percent below those of traditional students.

Regent Westerman left at 9:26 a.m.

Chancellor Eschenberg also reported on several initiatives undertaken by WinCC to address the various challenges being faced by the primary student populations that it serves which mainly consists of residents of Windward O'ahu and Native Hawaiians.

She highlighted the Ho'olei Scholarship program, developed in conjunction with a grant received from the Harold K.L. Castle foundation, which will provide 50 percent tuition scholarships for one year for Windward area public and charter high school graduates in the class of 2021 with financial need; the Hawai'iloa Hawaiian Studies Associate of Arts Degree Program (Hawai'iloa Program), which consists of a completely online series of eight-week classes, prepares students to obtain a Bachelor of Arts degree in Hawaiian Studies, and has attracted over 120 new students, primarily Native Hawaiian individuals residing on the continent; and the Ka'ohekanani Hawaiian Music Certificate Program (Ka'ohekanani Program), which is a one-year, certificate program that is conducted completely in an online format and prepares students for careers in music. It was noted that the establishment of many of these programs were faculty-driven and served as examples of WinCC's ability to quickly pivot and change to address circumstances affecting the provision of a post-secondary education.

Faculty Report

Nicolas Logue, WinCC Faculty Senate Chair, spoke about the work undertaken by faculty members to adapt to changing instructional methodologies, quickly pivoting from mainly in-person course instruction to a mostly online or hybrid form of instruction while maintaining excellence in teaching and support for the educational needs of students. He highlighted several initiatives that were embarked on during the pandemic including the Title III grant-funded certified nurse's aide (CNA) program which has fully adapted to the changes in instructional modality caused by the pandemic and quickly transitioned to a solely online curriculum that included virtual skills training modules. The online CNA program has been extremely successful with the entire fall 2020 cohort passing the State CNA Certification Exam and subsequently obtaining employment in the healthcare sector, which helped to address the high demand for CNAs currently being experienced in the healthcare setting. A follow-up survey on the professional progress of these students conducted in February found that 88 percent of the students remain in their current positions in Hawai'i and 12 percent have moved out-of-state.

Mr. Logue also talked about efforts currently underway to reimagine and rebrand the performing arts programs at WinCC into the Hawai'i Conservatory of Performing Arts (HCPA). As it currently stands, students enrolled at WinCC who wish to pursue a professional career in the performing arts take a suite of courses and, once their coursework is completed, leave to further their education at other institutions or pursue a career in the industry. Under HCPA, existing performing arts programs at WinCC will be modified into one-year programs with a more focused approach that will allow students to obtain professional certificates of achievement in the performing arts. HCPA is envisioned as a workforce development center that will provide students with the education and skills training necessary to pursue an industry-based career, assist students in garnering their first professional performing experience, and launch student careers both locally and nationally through workforce placement. WinCC expects to launch HCPA in fall 2022.

It was further noted that, in addition to having international connections that allow for students to take part in study-abroad programs, performing arts at WinCC has also attained prominence on the national stage winning several awards and receiving

requests to headline the Kennedy Center American College Theatre Festival four times over the past five years.

Student Report

Ms. Rene Hutchins, President of ASUH at WinCC, provided a report on several programs that provide additional support to students, which is especially relevant given the academic and personal challenges that have been experienced by students during the pandemic. She highlighted Paipai o Ko'olau, a program established to encourage non-college bound community members to attend and successfully complete a certificate or degree program at WinCC, and underscored its successes noting that, of the 363 students served by the program since its inception in 2013, 168 have earned an Associate of Arts degree, 26 have earned a Bachelor of Arts degree, and 3 have earned a Master of Arts degree. She also noted the Meals with a Mission and Food Pantry programs which have provided hot meals and access to groceries for students free-of-charge and allows them to focus on their studies and not on their hunger.

Regent Westerman returned at 9:42 a.m.

Referencing the demographics of students enrolled in the Hawai'iloa Program, Regent Acoba asked how such a high enrollment of out-of-state students was achieved and whether these actions would be transferrable to other degree programs. Chancellor Eschenberg replied that the Hawai'iloa Program was promoted mainly through personal outreach and word-of-mouth marketing. Faculty and staff advertised the program by reaching out to, and contacting, Hawaiian civic clubs, hula hālau, and other Hawaiian clubs, organizations, and networks throughout the country and Pacific region. She stated that WinCC sees similar actions being taken with Ka'ohekani Program. However, this approach has been targeting a specific subset of individuals who it was believed would be interested in enrolling in a Native Hawaiian related course of study, one of WinCC's strengths, and may not be transferable to other programs.

Chair Kudo noted the high percentage of Native Hawaiian students attending WinCC and asked about the main reasons for WinCC experiencing a significant decrease in the enrollment of Native Hawaiian students over the last year. Chancellor Eschenberg clarified that enrollment figures for Native Hawaiian students at WinCC actually increased but that the campus experienced an overall decline in enrollment which can be largely attributed to the difficulties faced in attracting students through the early college program during the pandemic. Mr. Logue added that, prior to the start of the pandemic, WinCC was on track to have six cohorts of early college program students in theatre and dance but lost four of these cohorts because of the pandemic.

V. REPORT AND OVERVIEW OF UHF

VP/UHF CEO Dolan provided a brief history of UHF noting that it was established as a charitable corporation by nine members of the board in 1955 to encourage private support for the university and began with assets totaling \$900. Today, UHF serves as the central fundraising organization for the University of Hawai'i system and is contracted by the board to function as a provider of fundraising and alumni services. He

stated that UHF executes seven basic functions which encompass areas such as major gifts, foundation and corporate giving, alumni relations, annual giving, tax and planned giving, and donor stewardship, and employs specialists in each of these functional areas. UHF is also governed by a Board of Trustees (UHF Board) comprised of business and community leaders, several of which are university alumni, that provide external oversight of its operations. In addition to fundraising, UHF also manages more than 6,000 gift accounts for the benefit of the university and its students.

Like other university foundations, UHF is a separate 501(c)3 charitable organization that exists solely to support students, research, and learning throughout the university system. VP Dolan noted that approximately 1,400 college and university foundations exist in the United States, with 500 of those affiliated with public, four-year institutions. He stated that one of the primary reasons for the existence of university foundations is to provide an avenue for donations to be made to a university in a private and confidential manner which is something that is often desired by donors. Foundations are also nimbler in terms of planning giving opportunities, especially with regard to the acceptance and sale of real estate gifts, and offer a more competitive, streamlined, and efficient procurement process than state entities.

Regent Nahale-a arrived at 9:55 a.m.

Mr. John Han, Chief Operating Officer of UHF, reported on the governance of UHF and reviewed its organizational structure, as well as the structure, operations, and composition of the UHF Board. He noted that the composition of the UHF Board strives to achieve a balance between various skillsets and attributes among board members with a desire to serve the university in order to provide UHF with the best opportunity for success.

An overview of UHF's operating budget for FY 2021, in addition to a comparative breakdown of revenues generated and expenses incurred for UHF operations over the last four fiscal years, was also provided by Mr. Han. He reported that, as of February 28, 2021, operating revenues were approximately \$6.9 million, and expenses incurred were approximately \$7.5 million. As a result, UHF is currently experiencing a total net operating revenue loss of \$600,000. It was noted that the majority of this loss can be attributed to lost income from expendable accounts due to investment management changes and a rebalancing of the investment portfolio. However, budget forecasts indicate that UHF will end the current fiscal year with an operating revenue surplus.

As of January 31, 2021, the market value of the endowment fund stood at \$385.7 million. Mr. Han stated that UHF's investment goal is to generate long-term, stable income for the endowment and reported that an analysis of the endowment's portfolio performance showed that it continues to produce competitive investment returns when compared to benchmarks and endowment funds of peer institutions with assets in the \$300 to \$500 million range. UHF continues to advocate for a long-term investment strategy for the endowment through a diversified investment portfolio.

VP Dolan stated that the momentum in fundraising efforts that occurred in FY 2020 during which time UHF received \$84.7 million in donations appears to be continuing for FY 2021. At present, UHF has received approximately \$71 million and anticipates that

it will far outpace its established goal of \$80 million. He noted that much of this fundraising success, especially given the challenging economic times, 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.

UHF is planning to embark on a comprehensive capital campaign that will compile the various fundraising efforts occurring across the university system into a single campaign. A comprehensive capital campaign often encompasses multiple themes including facilities, students, faculty, and research; generates community interest; motivates alumni and volunteers; and allows for a greater focus on efforts to address the needs of the university. VP Dolan remarked that, in general, comprehensive capital campaigns last for an average of eight years and often have ambitious and audacious fundraising targets. Although its comprehensive capital campaign is still in the planning stages and UHF has not yet established fundraising goals, he anticipates that the goals will be lofty and is confident that the campaign will be successful.

Regent Bal arrived at 10:10 a.m.

Regent Acoba inquired about the process used by UHF in conducting its analysis of the endowment's portfolio performance relative to the performance of similarly-sized endowment funds at peer institutions. Mr. Han replied that UHF reviewed and analyzed a number of surveys conducted by the Council for Advancement and Support of Education and National Association of College and University Business Officers that compared a number of institutionally related foundation endowment benchmarks in relation to their investment portfolio performance with a focus on institutions with assets in the \$300 to \$500 million range. UHF also conducted its own independent surveys and worked with its investment consultant to review the benchmarks and investment performance of other comparable institutions. Regent Acoba continued asking if this review and analysis was limited to public institutions and whether there was a list of the institutions that participated in the surveys. Mr. Han replied that the review and analysis was conducted on both public and private institutions and that he would provide the most up-to-date list of institutions participating in the survey to the Board Office for distribution.

Vice-Chair Moore stated that the Legislature has restricted the amount of direct support that the university is allowed to provide to UHF for efforts to generate revenues for the university to \$3 million per year. He remarked that this cap on direct funding needs to be addressed by the Legislature and that allowing the university to provide a greater amount of direct funds to UHF for investment purposes would be in the best interest of the university. VP Dolan concurred with this assessment.

VI. COMMITTEE REPORTS

A. Report from the Committee on Academic and Student Affairs

Committee Chair Wilson summarized the committee report.

B. Report from the Committee on Budget and Finance

Committee Chair Sullivan summarized the committee report.

A question was raised regarding additional revisions to Regents Policy (RP) 8.207, relating to investments. Regent Sullivan replied that she would be requesting that RP 8.207 be removed from the consent agenda to allow for further discussion.

C. Report from the Committee on Independent Audit

Committee Chair Moore summarized the committee report.

D. Report from the Committee on Intercollegiate Athletics

Committee Chair Acoba summarized the committee report.

E. Report from the Committee on Research and Innovation

Committee Chair Bal summarized the committee report.

F. Affiliate Reports

There were no affiliate reports.

VII. AGENDA ITEMS

A. Consent Agenda

Prior to the board acting on the consent agenda, Regent Sullivan requested that the approval of amendments to RP 8.207, Investments, be removed from the consent agenda and placed on the regular agenda for discussion. With the concurrence of Chair Kudo and all regents, this item was removed from the consent agenda and placed on the regular agenda.

1. **Approval of Amendments to RP 8.204, University Budget (Operating and Capital Improvements)**
3. **Approval of Indemnification Provision in a Material Transfer Agreement between the University of Hawai'i and National Institutes of Health HIV Reagent Program**

Vice-Chair Moore moved to approve the consent agenda with the exception of item VII.A.2 as noted, seconded by Regent Wilson, and the motion carried with all members present voting in the affirmative.

2. Approval of Amendments to RP 8.207, Investments

Chair Kudo explained that he was requesting changes to RP 8.207 that were in addition to the proposed amendments recommended for board approval. He stated that the additional amendments addressed concerns about Regent liability with regard to real estate investments and instituted safeguards against the possibility of self-dealing in real estate projects. Although the issue of self-dealing for Regents is already addressed by statute and board bylaws, he believed that it would be prudent to

specifically address conflict of interest issues within the policy itself because the proposed amendments call for the investment of funds that do not belong to the board in real estate projects that may have potential financial benefits for Regents.

Regent Sullivan moved to approve the proposed amendments to RP 8.207, with the additional suggested changes by Chair Kudo, seconded by Vice-Chair Moore.

Regent Acoba requested clarification regarding the exact provisions of RP 8.207 that contained the additional changes being requested by the Chair. VP Okinaga provided a synopsis of the additional amendments and pointed out their specific locations in the policy. Regent Acoba requested additional time to review the additional amendments.

Vice-Chair Moore remarked that action on the proposed amendments was not urgent and could be deferred to the next board meeting to provide additional time for Regents and the public to review the changes.

Regent Sullivan revised the original motion and moved to defer action on the approval of amendments to RP 8.207 until the next board meeting, which was seconded by Vice-Chair Moore, and the motion carried with all members present voting in the affirmative.

B. Update on the Progress of the University of Hawai'i Cancer Center and Status of Early Phase Clinical Research Center (For Information Only)

President Lassner introduced Randy Holcombe, M.D., Director of the Cancer Center, to provide updates on the progress of the Cancer Center and the Ho'ōla Early Phase Clinical Research Center Project (Ho'ōla Project). Dr. Holcombe presented a brief update on the progress made by the Cancer Center since the inception and development of a 13-point strategic and financial plan in 2016 that sought to address several major concerns with the Cancer Center including financial insolvency, decreased research productivity, and imperiled National Cancer Institution (NCI) designation as a recognized cancer center. Subsequent to the creation and implementation of these strategic plans, the Cancer Center has had its NCI designation renewed for a five-year term, achieving an excellent rating; renewed a memorandum of understanding with clinical partners in the Hawai'i Cancer Consortium; incorporated new sites into the Cancer Center-led clinical trials network; and increased contract and grant awards funding which totaled \$30.11 million in FY 2020.

Dr. Holcombe reviewed the status of a number of short- and long-term goals established in the Cancer Center's 2016 strategic plan noting that, while some goals remain unfulfilled, most of them have either been fully achieved or are currently being worked on and in the process of being completed. He also highlighted a few of the Cancer Center's significant achievements in increasing community engagement and outreach through efforts such as public education campaigns about the value of clinical trials for cancer treatment; working in conjunction with QUEST to ensure coverage of routine care costs for cancer patients participating in clinical trials; and establishing several community and clinical research advisory boards and committees.

An update on the Cancer Center's 2016 financial plan, as well as a report on its consolidated budget for FY 2021, was also provided by Dr. Holcombe. He reviewed the revenues and expenditures for FY 2021, stating that the Cancer Center has a balanced operating budget; reported on FY 2021 forecasted revenues included in the financial plan in relation to actual revenues received; and highlighted several of the financial plan's benchmarks, many of which have been met or were exceeded.

The Ho'ōla Project, which is mainly intended to reduce the burden on Hawai'i's cancer patients through the provision of in-state, novel clinical cancer research trials thereby providing local access to the most advanced and innovative cancer treatments available, continues to move forward. It was explained that construction is anticipated to begin later this year and that both construction and operational costs are being funded through a variety of sources including \$6.5 million in capital improvement project (CIP) funds received from the State; \$6.5 million in construction grant funding from the National Institutes of Health; and numerous philanthropic gifts, donations, and endowments. Dr. Holcombe also noted that some of the additional benefit of establishing the Ho'ōla Project were that it would facilitate economic diversification; promote acquisition of additional extramural and federal funding for the Cancer Center; and have a substantial, positive economic impact on the State.

Vice-Chair Moore questioned whether the build-out of the Ho'ōla Project will negatively impact parking for the Cancer Center which was already an issue for the Kaka'ako campus. Dr. Holcombe replied that the Cancer Center and the John A. Burns School of Medicine continue to search for solutions to address its ongoing issue with adequate parking. However, the Ho'ōla Project is not anticipated to have a large impact on parking due to the limited number of individuals who will be involved in the clinical trials at any given time.

Noting that the construction of the Cancer Center was funded through revenue bonds that were recently refinanced, Chair Kudo asked about the refinancing terms for these revenue bonds. VP Young replied that university restructured a bond transaction in fall 2020 to take advantage of favorable interest rates and refinanced revenue bond debt associated with bonds that were issued in 2010 for construction of the Cancer Center. The financing terms for the revenue bonds remains largely the same with maturity expected in 2041. However, the university is anticipating that the Cancer Center will achieve long-term savings of approximately \$500,000 per year in debt-service as a result of this refinancing effort.

Regent Acoba inquired as to whether the Cancer Center's efforts to expand research and clinical collaborations across the Asia and Pacific regions would be renewed and asked about the prioritization process for individuals who will be using the Cancer Center, including the Ho'ōla Project. Dr. Holcombe stated that several research collaboration opportunities with countries in Asia, particularly China, were afforded the Cancer Center over the last several years but that concerns at the federal level regarding intellectual property theft did not allow those projects to come to fruition. However, the Cancer Center continues to explore collaborative opportunities whenever they arise. Patients from Hawai'i are also given priority for the use of the Cancer

Center, although the issue of medical tourism for individuals from other parts of the world has been discussed as a possible source of revenue in the long-term future.

Regents commended Dr. Holcombe for his work over the last five years stating that the progress experienced by, and improvements in the operations of, the Cancer Center during his tenure was impressive. Dr. Holcombe thanked the Regents but stated that much of the success was due to the Cancer Center's faculty and staff.

C. Report of the COVID-19 Strategic Response and Economic Recovery Permitted Interaction Group (For Information Only – No Board deliberation or action will occur at this meeting, pursuant to Section 92-2.5(b), Hawai'i Revised Statutes. Deliberation and decision-making will occur at the next Board meeting.)

Chair Kudo noted that the Report of the COVID-19 Strategic Response and Economic Recovery Permitted Interaction Group that contains the findings and recommendations of the permitted interaction group, as well as a proposed resolution, has been provided to Regents in the board materials packet and is for information only, with discussion and potential action to occur at the next board meeting. He added that although the report calls for the dissolution of the permitted interaction group, that the board could consider forming a new permitted interaction group with a new scope of responsibility in the future if it deems necessary.

D. Legislative Update

VP Young highlighted several measures and priority issues that the university is following at the Legislature this year including bills relating to the State budget, university budget and legislative package, and items of interest involving the administration and board. Both the operating and capital improvement budgets for the State were passed by the House Committee on Finance (FIN) and includes the restoration of approximately \$62 million of the Governor's proposed \$78 million in general fund reductions for the university. Additionally, \$170 million and \$204 million in CIP funds for the university have been appropriated for the first and second years of the fiscal biennium, respectively. However, it was underscored that most of the funding restoration is being achieved via ARPA, which is one-time funding, and that the budgets passed are reflective of the position of the House and is still subject to review by the Senate which could make additional amendments. Additional legislative measures that continue to make their way through the legislative process and could have an impact on the university or board were also reported on, as was the legislative calendar and timetable for the remainder of the session.

Chair Kudo asked whether the budgets crafted by FIN considered the most recent economic projections made by the Council on Revenues. VP Young replied in the affirmative but stated that the bigger component considered was the approval of ARPA funding.

Noting that S.B. No. 1034, which seeks to amend Hawai'i's Sunshine Law to allow for meetings to continue to be held via remote interactive technology, continues to

proceed through the legislative process, Chair Kudo inquired as to whether the bill could be further amended to include board or commission retreats. Board Secretary Oishi replied that the Board Office has only been submitting testimony that supports the permitted continuation of remote meetings for this measure. While the possibility to further amend the bill still exists, it is unclear whether introduction of new provisions at this stage in the legislative process would jeopardize the bill's passage.

VIII. ANNOUNCEMENTS

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

IX. ADJOURNMENT

There being no further business, Vice-Chair Moore moved to adjourn, seconded by Regent Sullivan, and with all members present voting in the affirmative, the motion carried and the meeting was adjourned at 11:34 a.m.

Respectfully Submitted,

/S/

Kendra Oishi
Executive Administrator and Secretary
of the Board of Regents