

MINUTES
BOARD OF REGENTS MEETING
MAY 20, 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 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 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-general funds to pay for both personnel costs and fringe benefits which will have an even greater impact on the university's budget.

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 excused 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,

/S/

Kendra Oishi
Executive Administrator and Secretary
of the Board of Regents