

MINUTES
BOARD OF REGENTS COMMITTEE ON INSTITUTIONAL SUCCESS
MEETING

AUGUST 1, 2024

A video recording of this meeting may be viewed at the Board of Regents website as follows:

[Meeting Video](#)

I. CALL TO ORDER

Chair Lauren Akitake called the meeting to order at 9:45 a.m. on Thursday, August 1, 2024, at the University of Hawai'i (UH) at Mānoa, Bachman Hall, 1st Floor Conference Room 106A/B, 2444 Dole Street, Honolulu, Hawai'i, 96822, with regents participating from various locations.

Committee members in attendance: Chair Lauren Akitake; Vice-Chair Michael Miyahira; Regent Neil Abercrombie; Regent Wayne Higaki; and Regent Diane Paloma.

Others in attendance: Board Chair Gabriel Lee; Regent Laurie Tochiki; Regent Laurel Loo; Regent Joshua Faumuina; Regent William Haning; and Regent Ernest Wilson (ex officio committee members); President David Lassner; Vice President (VP) for Administration Jan Gouveia; VP for Academic Strategy Debora Halbert; 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; Interim VP for Community Colleges Della Teraoka; UH-Mānoa (UHM) Provost Michael Bruno; UH-Hilo Chancellor Bonnie Irwin; UH-West O'ahu (UHWO) Chancellor Maenette Benham; UH-Maui College (UHMC) Chancellor Lui Hokoana; Executive Assistant for the Board of Regents (Executive Assistant) Jamie Go; and others as noted.

Prior to commencing with the committee's work for the day, Chair Akitake spoke about her personality, including her inquisitive nature, unending curiosity, and interest in topics others find boring, stating she believes these attributes support her role and fiduciary obligations as a regent. She also announced her intent, as chair, for the committee to perform its statutorily-required work in an open, transparent, and factual manner so as to ensure university resources are managed in a fiscally responsible way thus increasing public confidence in Hawai'i's only public university system. As chair, she will make every effort to allow for robust yet respectful discourse among fellow regents, presenters, and testifiers. Chair Akitake then thanked her fellow regents for their trust and support in appointing her as chair of the Committee on Institutional Success saying she was honored to serve in this position and looking forward to the committee having fun as it carries out its duties regarding oversight of all things related to budget and finance, planning and facilities, and research and innovation at the university.

II. APPROVAL OF THE MINUTES

Chair Akitake inquired if there were any corrections to the minutes of the June 6, 2024, committee meeting which had been distributed. Hearing none, the minutes were approved.

III. PUBLIC COMMENT PERIOD

Executive Assistant Go announced the Board Office's receipt of written testimony from State Senator Carol Fukunaga and numerous other individuals regarding UHM's Academy for Creative Media/School of Cinematic Arts. Additionally, one individual signed up to provide oral testimony.

Christine Acham, Chair of the School of Cinematic Arts, provided verbal comments on the UHM Academy for Creative Media/School of Cinematic Arts.

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

[Written Testimony Received](#)

IV. AGENDA ITEMS

A. Fiscal Year (FY) 2023-2024 Fourth Quarter UBS Legacy Endowment Fund (Fund) Investment Performance Report

Chair Akitake referenced UBS's investment performance report on the Fund for the fourth quarter of FY 2023-2024 contained within the committee's materials packet, pointing out the gross returns on the Fund's portfolio appear to have outperformed expectations relative to several established benchmarks. She asked Kyle Yoneshige, a Senior VP for UBS, to briefly speak on this matter.

Mr. Yoneshige stated the Fund's portfolio witnessed rather sound market performance over FY 2023-2024 and, as a result, is in line with UBS's investment expectations for the fiscal year.

Chair Akitake asked if regents had any questions for Mr. Yoneshige or Ms. Lori Hamano, also a Senior VP for UBS, who was present at the meeting as well. Regents did not raise any questions regarding the Fund.

B. Recommend Board Approval of Authorizing the University of Hawai'i to Continue to Lead the State Broadband Initiative, and Enter Into Ground Leases with Google LLC's Single Purpose Entity for Real Properties at Kaua'i Community College (KauCC) and UHWO

VP Yoshimi provided an update on information presented to the committee during its June 6, 2024, meeting concerning the university's role in leading broadband infrastructure initiatives for Hawai'i, as well as prospective ground leases with Google's single purpose entity (Google) for the use of real property at KauCC and UHWO. One of the more notable achievements realized since the last time this issue was brought before the committee was the university's completion of several documentation and approval thresholds related to a very described and prescriptive federal allocations process which allowed the State to receive \$149.5 million for the Broadband Equity

Access Deployment Program (BEAD Program). This funding, which is currently in the process of being obligated to the university by the State Department of Budget and Finance (B&F), will give the university the ability to start procurement activities for the building out of additional network connections through internet service providers so as to reach the BEAD Program's goal of 100 percent of residential connections having access to high-speed internet facilities.

With respect to the ground leases for real property at KauCC and UHWO, VP Yoshimi stated significant progress has been made in the negotiation of final lease terms for the noted properties with Google. Additionally, Google has initiated its due diligence work relative to the KauCC and UHWO sites.

Given past instances where the State's processing and procedural delays resulted in the withdrawal of federal funding for projects, Regent Abercrombie asked if the BEAD Program was moving forward in a timely fashion and if the \$149.5 million mentioned has already been encumbered by the university so as to avoid the aforementioned situation. He also questioned whether the ground leases were proceeding forth in accordance with the university's plans and if their approval by the board was an integral part of this process. VP Yoshimi explained that the \$149.5 million has been awarded to the State as the eligible entity, with B&F serving as the accepting agency. As previously mentioned, B&F is in the process of providing the monies to the university for expenditure on behalf of the State, which should help to minimize the future potential of federal clawback. VP Yoshimi also stated that the BEAD Program was moving forward in a judicious manner and the university expects to spend all of the funds it receives for the Program; the negotiations with Google on the final terms of ground leases for the sites at KauCC and UHWO, in his opinion, were going extremely well; and the approval of this agenda item by both the committee and full board will not only be an integral part of the lease process but will serve to support the university in its broadband efforts on behalf of the State.

Regent Paloma sought clarification on the university's role in the State's goal of achieving broadband access to high-speed internet facilities for 100 percent of residential locations statewide. VP Yoshimi replied that the university's role in this initiative is mainly to provide technical and managerial support in executing projects funded with federal and state monies. The projects themselves are being carried out primarily by local internet service providers who will be performing the majority of the work to achieve the abovementioned goal.

Regent Higaki moved to recommend board approval of authorizing the university to continue to lead the State's broadband initiative and enter into ground leases with Google LLC's single purpose entity for real properties at KauCC and UHWO, seconded by Regent Abercrombie, and the motion carried with all members present voting in the affirmative.

C. Recommend Approval of Amendments to Board of Regents Policy (RP) 6.208, Board Exemptions to Nonresident Tuition

Chair Akitake noted the thoroughness and clarity of the materials provided by the administration in connection with its request for amendments to conform RP 6.208 with

recent changes to federal law regarding educational benefits for citizens of the Freely Associated States under the Compact of Free Association (COFA) treaty and asked if regents had any questions on this issue.

Regent Faumuina asked if his understanding was correct that this amendment to RP 6.208 meant COFA students would now be paying the university's in-state tuition rate. VP Halbert responded in the affirmative.

Regent Miyahira moved to recommend board approval of amendments to RP 6.208, as requested by the administration, seconded by Regent Higaki, and the motion carried with all members present voting in the affirmative.

D. Presentation on a Proposed United States Department of Veterans' Affairs (VA) Community Based Outpatient Clinic (CBOC) at UHMC

VP Young presented information on a proposal made by the VA to lease about two acres of vacant, university-owned land at UHMC for the construction of a CBOC and related appurtenances, such as area with 50 to 75 parking stalls. He stated the VA has issued a Request for Lease Proposal to the university which is currently undergoing final review; pointed out the location on the UHMC campus where the CBOC is planned to be situated; went over some of the anticipated lease terms, including its projected length and annual lease-rent amounts; spoke about the potential benefits the project could afford to UHMC, as well as the university in general, including educational practicum opportunities, particularly for students enrolled in healthcare related fields of academic study; and encouraged regents to take part in a site visit to the property in question scheduled for August when the board will be on Maui for its regular meeting. Once major terms for the proposal and details of the lease are more defined, the administration will be returning to the board to seek approval of the lease.

Chair Akitake acknowledged the presence of Chancellor Hokoana and David Tamanaha, UHMC Vice Chancellor for Administrative Affairs, and asked Chancellor Hokoana to share his thoughts on this project.

Chancellor Hokoana espoused several benefits of the proposal such as the provision of sorely needed on-island practicums for UHMC students, especially those enrolled in allied health programs; the affording of new enrollment and student recruitment avenues, particularly within the veteran's community; and the opportunity to honor and pay homage to veterans for their dedicated service to this country and state, which also has the additional value of enhancing UHMC's and the university's reputation in the community.

Regent Higaki asked how the \$120,000 in annual lease rent currently proposed in the agreement came about. VP Young stated the noted amount is a result of a fair number of conversations between the university and the VA which took into account various factors. He also stated the administration has comparables for other private land transactions outside of the university with similar types of developments and uses, which help to validate the proposed annual lease rent as being within an acceptable range for lease rents of this type.

Chair Akitake mentioned a comment made by VP Young in which he stated the lease rent for the parcel was proposed at \$120,000 per year “to start” and questioned what he meant by the remark ‘to start’. VP Young stated that the administration generally seeks to include rent escalator provisions within lease agreements of this length so as to keep pace with market rates. He also discussed the potential for other forms of compensation to the university separate and apart from the lease rent, such as the assumption of responsibility for property maintenance costs that would customarily be borne by UHMC for upkeep of the parcel, which could be taken into consideration when calculating the lease rent currently being contemplated, along with possible increases to these payments in the future. However, the situation remains dynamic as negotiations on the major terms of the lease are ongoing.

Regent Abercrombie asked about federal funding for the CBOC and whether this facility would be available for use by veterans living in the Pacific Island territories or commonwealths of the United States, such as Guam. VP Young replied that the VA has informed the administration of its receipt of federal appropriations for this project, which included monies to acquire property and construct a CBOC facility, although he stressed the land at UHMC was being leased, and not purchased by, the VA. Should supplementary funding be required, the VA would need to seek additional appropriations to satisfy this need. With respect to utilization of the facility by veterans in other Pacific Island territories or commonwealths of the United States, Chancellor Hokoana communicated his understanding that the facility was primarily intended to serve veterans living in Hawai‘i, particularly those in Maui County. Regent Abercrombie requested the record reflect the well-placed position of Hawai‘i’s Congressional delegation to support this program.

Chair Akitake inquired as to when the administration expects to seek approval from the board on this matter. VP Young stated the administration anticipates it will be seeking approval for the lease of the noted UHMC lands before the end of the 2024 calendar year, although the timing for doing so is dependent upon how negotiations concerning the lease terms proceed and the final exchanges between the VA and the university. In light of this response, Chair Akitake requested the administration keep regents apprised of the status of these negotiations so as to provide adequate time for discussions on the lease to occur at a scheduled committee meeting should issues or concerns arise prior to the matter being brought before the board for final approval.

Noting the next regular meeting of the board was slated to take place on Maui in August, Chair Akitake asked if the regents would be able to visit the proposed CBOC site during their time on island. Chancellor Hokoana replied in the affirmative stating UHMC has been working with the university system’s administration and the Board Office to schedule a CBOC site visit for regents during their campus visit.

Regent Wilson expressed his support for, and shared his thoughts on, this project stating he was particularly excited about the educational opportunities the CBOC could offer to students not only on Maui but throughout the university system. He also spoke about the benefits of providing clinical training programs through the CBOC which can have a tremendous impact on community and rural healthcare needs, especially in the area of allied health.

Referencing the potential for the CBOC to provide practicums for students enrolled in the healthcare fields, Regent Haning asked if UHMC was considering establishing partnerships with schools and colleges of the university system, such as the John A. Burns School of Medicine (JABSOM), to deliver and carry out these training programs. Chancellor Hokoana responded in the affirmative stating, UHMC has had conversations with JABSOM and other healthcare affiliated programs about incorporating their academic and clinical training programs into the CBOC endeavor.

For the edification of regents, President Lassner provided some context to this proposal and the reason it has taken a while to get to this stage, noting the VA originally wanted to purchase the land, rather than lease the parcel, which was something the administration held firm against.

E. UHM Academy of Creative Media/School of Cinematic Arts (ACM/SCA) Update

Chair Akitake mentioned the submittal of nearly 93 pages of testimony on the ACM/SCA matter and confirmed regents were in receipt of these materials. She also acknowledged the presence of ACM/SCA faculty, staff, and students in attendance at the meeting.

Provost Bruno began by mentioning the successes and benefits of SCA at UHM, including the near tripling of students enrolled in its Bachelor of Arts degree program since the 2017-2018 Academic Year and the provision of career pathways that allow local students to stay in Hawai'i instead of moving to the continent. He also pointed out the ongoing expansion of the school's academic programming due to these successes, stating it recently received approval to plan for a Master of Fine Arts in Cinematic Arts with tracks in digital cinema production and animation production.

Given the success and growth of SCA, UHM has made efforts to support the school in meeting some of its most basic needs through the hiring of additional faculty and staff, the provision of new classroom and office space at Crawford Hall, and the building out of new work and storage areas, along with an acoustical multipurpose room, in the basement of Sinclair Library. Although he believes UHM has made progress in providing additional and much-needed building space to SCA, Provost Bruno acknowledged challenges remain in addressing some of the school's larger facility desires, such as an on-campus soundstage and theatre. Nevertheless, UHM continues to search for ways to address these issues, including working with UHWO to provide SCA students with greater access to the existing soundstage, as well as other ACM facilities, on that campus, and improving the coordination of class schedules so SCA students have adequate time to travel between UHM and UHWO. Additionally, UHM has been in discussions with the campus facility team to identify possible locations and costs for the construction of a soundstage on the Mānoa campus with sufficient square footage, ceiling heights, and other amenities to meet the needs of SCA, although it was noted this will more than likely require capital funding from the Legislature which may be difficult to obtain in light of the soundstage currently in existence on the UHWO campus. The option of repurposing other UHM campus facilities for use by, and to meet the needs of, SCA is also under consideration.

Citing the economic impacts of the film industry in Hawai'i, Regent Wilson asked Provost Bruno to comment on the effects ACM and SCA can have on meeting the workforce needs of this field. Provost Bruno stated the increased enrollment in SCA was a telling sign of the growth of the film industry not only in Hawai'i but elsewhere. As such, the SCA, in addition to the university's other ACM programs, can have a tremendous impact on meeting the workforce needs of this industry. He also reiterated his previous remarks regarding the expansion of academic programming at SCA which will afford students with greater opportunities to remain in Hawai'i and work at home rather than moving to the continent.

Regent Abercrombie shared his thoughts on the dynamics and facility needs of SCA in relation to ACM programs at other campuses across the university system, as well as the practicality of SCA students at UHM utilizing the soundstage and other ACM facilities at UHWO. He also proposed Provost Bruno look into using UHM's Ewa parcel as a possible site to locate SCA facilities.

Regent Faumuina offered his opinions on the situation with respect to ACM and SCA facilities at UHWO and UHM respectively, stressing the need for increased collaboration and cooperation between the programs at each campus so as to avoid the risk of this matter turning into a competition for resources and support.

Taking into consideration the breadth of information on this issue provided by SCA faculty, staff, and students in written testimony; Provost Bruno's report on efforts to support SCA at UHM; the complexity of the situation, particularly with respect to making optimum use of facilities at UHWO; and comments made by regents regarding the practicality and necessity of SCA students at UHM utilizing UHWO facilities, Chair Akitake suggested the committee keep this matter on its radar and receive progress reports on remedies to address the SCA's facility needs at future committee meetings. She also put forth the idea of regents being given a tour of the school's current facilities and noted her support for both the ACM program at UHWO and SCA at UHM, declaring this should not be viewed as a competition between the two entities. Board Chair Lee agreed with Chair Akitake's recommendation of a tour of ACM facilities at UHM.

Regent Higaki concurred with Chair Akitake's propositions, stating the committee should be provided an update on the SCA matter at a time that is feasible for the administration, especially given the plethora of information provided to regents via the testimony submitted for this meeting as well as Provost Bruno's verbal report. He also suggested the creation of a timetable and the establishment of milestones to keep administrative actions related to this situation on track.

Vice-Chair Miyahira recommended the administration work on developing a plan to address the needs of both SCA at UHM and ACM at UHWO which considers the available assets at both campuses and utilizes them in as optimal a manner as possible.

Regent Abercrombie asked about the status of a \$3 million appropriation previously made by the Legislature for a shared ACM and communications facility on the Mānoa campus as referenced in testimony submitted by State Senator Carol Fukunaga. VP

Gouveia stated the \$3 million was fully expended to improve spaces in Sinclair Library in order to support both SCA and the School of Communication at UHM.

Chair Akitake reiterated the desire for the development of a work plan as mentioned by Vice-Chair Miyahira, as well as a tour of the ACM facilities at UHM.

F. University Land-Related Strategic Initiatives and Partnerships Program FY 2023-24 Fourth Quarter Update

Michael Shibata, Director of the Office of Strategic Development and Partnership, provided an update on the status of several university land-related strategic initiatives through the fourth quarter of FY 2023-2024, highlighting the following:

- **UHWO - University District Lands Project:** As previously reported, the administration has selected Island Film Group (IFG) as the potential developer for these lands and is currently in the process of finalizing terms for an exclusive negotiating agreement with IFG. Once terms for a ground lease and development agreement are determined, they will be brought to the board for approval. The administration is also continuing its efforts to coordinate with the Hawai'i Community Development Authority (HCDA) and the Hawai'i Housing Finance and Development Corporation (HHFDC) to make lands available for future mixed-use (residential and commercial) development near the recently completed Ho'omohala Avenue and adjacent to the Honolulu Authority for Rapid Transportation's Keone'ae Station.
- **Kaimukī/Lē'ahi Parcels Project:** In May 2024, the administration presented to the committee, and sought board approval for, the terms of a ground lease and development agreement which it had negotiated with MW Group, Ltd. However, the matter was recommitted back to committee for further discussion and to provide the administration with additional time to address concerns raised by regents about the project during the board meeting, chief among them being the length of the lease. The administration does anticipate bringing this issue before the board once again in September.
- **University Avenue 'Ewa Parcel Project:** The administration recently contracted with a planning consultant to conduct a feasibility study for the redevelopment of the 15-acre parcel.

Regent Abercrombie asked if the university, HHFDC, and HCDA have come to an agreement on what the term "affordable housing" means with respect to the mixed-use residential and commercial development project slated to be situated on UHWO lands. Director Shibata stated negotiations between the university, HCDA, and HHFDC on this and other issues related to the UHWO – University District Lands Project are ongoing. He also noted the administration's intent to provide an update on this project to the board or committee at a future date.

Vice-Chair Miyahira inquired as to whether the administration has received any proposals regarding the Hale Kāwili Apartments Project. Director Shibata replied that an invitation to submit proposals for the rehabilitation or redevelopment of a 6.75-acre

site located at 430 West Kāwili Street in Hilo so that it can continue to serve as housing for UHH students, faculty, and staff was issued earlier this year. Unfortunately, no proposals were received by the university. As such, the administration is having internal conversations about possible next steps for this project. Fortunately, the lease extension with ASH Hawai'i to continue to operate and manage the Hale Kāwili Apartments, which was approved by the board at its February 16, 2024, meeting was entered into in May of this year and provides the university with an additional one-to-two years to determine its options.

Mentioning previous discussions about utilizing the UH Press Parcels for faculty housing, Regent Abercrombie questioned whether this was something the administration was still considering. Director Shibata stated that the administration did consider using the UH Press Parcels as a site for faculty housing but deemed the property to be unsuitable for this purpose. Nevertheless, the administration continues to evaluate its options for this parcel.

Due to time constraints, Chair Akitake mentioned she would personally speak to Director Shibata at a later date about several questions she had regarding the various university land-related strategic initiatives projects listed in his report.

G. Discussion of Committee Goals and Objectives for the 2024-2025 Academic Year

Chair Akitake referenced and reviewed the table of Committee Goals and Objectives for the 2024-2025 Academic Year, noting that it is meant to serve as an outline of the work to be performed by the committee during the year. She stated that it was a living document which may be modified as needed; drew attention to the committee's duties and some of its specific goals and objectives; and asked committee members if they had any questions or comments. None were raised.

V. ADJOURNMENT

There being no further business, Chair Akitake adjourned the meeting at 11:00 a.m.

Respectfully Submitted,

/S/

Jamie Go
Executive Assistant
for the Board of Regents