

MINUTES

BOARD OF REGENTS' MEETING

AUGUST 18, 2016

I. CALL TO ORDER

Chair Jan Sullivan called the meeting to order at 9:30 a.m. on Thursday, August 18, 2016, at the John A. Burns School of Medicine, University of Hawai'i at Mānoa, 651 Ilalo Street, MEB 314, Honolulu, Hawai'i 96813.

Quorum (14): Chair Jan Sullivan; Vice Chair Randy Moore; Regent Simeon Acoba; Regent Eugene Bal; Regent Brandon Marc Higa; Regent Wayne Higaki; Regent David Iha; Regent Michael McEnerney; Regent Barry Mizuno; Regent Jeff Portnoy; Regent Lee Putnam; Regent Michelle Tagorda; Regent Ernie Wilson; and Regent Stanford Yuen.

Excused: Vice Chair Ben Kudo.

Others in attendance: President David Lassner; Vice President for Academic Planning & Policy Risa Dickson; Vice President for Administration Jan Gouveia; Vice President for Community Colleges John Morton; Vice President for Legal Affairs & University General Carrie Okinaga; Vice President for Research & Innovation Vassilis Syrmos; Vice President for Information Technology & Chief Information Officer, Garret Yoshimi; Vice President for Budget & Finance and Chief Financial Officer Kalbert Young; Interim UH-Mānoa (UHM) Chancellor Robert Bley-Vroman; UH-Hilo (UHH) Chancellor Donald Straney; Interim UH-West O'ahu (UHWO) Chancellor Doris Ching; Executive Administrator and Secretary to the Board Cynthia Quinn; and others as noted.

II. PUBLIC COMMENT PERIOD

The following individuals provided testimony:

1. Christine Sorensen, UHM faculty, provided written testimony in opposition to the appointment of President Lassner as interim UHM chancellor. She was also signed up to testify but was absent when called.
2. David Duffy, UHM faculty, provided written testimony in support of a temporary appointment of President Lassner as interim UHM chancellor and Dr. Bruno as interim UHM vice chancellor for academic affairs (VCAA).
3. Kelley Withy, UHM faculty, provided written testimony in support of creating a board of regents task force to discuss structural solutions and faculty governance.

4. LaJoya Shelly, UHM Graduate Student Organization (GSO) Secretary, on behalf of the UHM GSO Exec. Council, provided written testimony in opposition to the appointment of President Lassner as interim UHM chancellor.
5. Bonnyjean Manini, UHM faculty, provided written testimony in support of the appointment of President Lassner as interim UHM chancellor and Dr. Bruno as interim UHM VCAA, contingent on the follow-through of the current UHM Chancellor search, and starting a search process for a new VCAA.
6. John Casken, UHM faculty, provided written testimony in support of the appointment of President Lassner as interim UHM chancellor, urging that President Lassner be physically present at Hawai'i Hall, and the UHM leadership traveling separately.
7. Dr. Maenette Benham, Dean of Hawai'i inuiākea School of Hawaiian Knowledge, and Dr. Peter Andrade, Dean of College of Arts & Humanities provided written testimony in support of the appointment of President Lassner as interim UHM chancellor and Dr. Bruno as interim UHM VCAA.
8. Bob Cooney, UHM faculty, provided written and oral testimony in opposition to the appointment of President Lassner as interim UHM chancellor, and provided oral testimony highlighting his written testimony about his concerns regarding the failure to resolve UHM issues under President Lassner's leadership, inappropriateness of an individual holding two EM positions, risk of confusion of authority, and lack of faculty input.

Chair Sullivan commented on how the Western Interstate Commission for Higher Education (WICHE) report and recommendations are supported by the board, president, and the UHM Faculty Senate, noted that testimony has been focused on the past, and encouraged all stakeholders to look forward.

9. Marguerite Butler, UHM Faculty Senate Executive Committee (UHMFSEC), provided written and oral testimony in opposition to the appointment of President Lassner as interim UHM chancellor, and provided recommendations regarding chancellor duties, and a list of UHMFSEC recommendations for interim chancellor; and the All Campus Council of Faculty Senate Chairs (ACCFSC) report on successes and failures at UHM. She shared her concerns about the candidates' lack of credentials and experience in academics, and how University of Tennessee Knoxville is an example of a successful vibrant campus despite challenges.
10. Benton Rodden, GSO representative, testified in opposition to the appointment of President Lassner as the interim UHM chancellor, citing concerns regarding lack of proper governance, inability to carry out conflicting duties, and referred to the WICHE report as support.

11. Kristeen Hanselman, Executive Director of the UH Professional Assembly (UHPA), testified in opposition to the appointment of President Lassner as the interim UHM chancellor, and recommended greater visibility on campus, vibrant discussions, and cultivating relationships to address impediments to communication.

President Lassner thanked the testifiers, noted that meetings had been held with UHMFSEC, GSO, ASUH, and ACCFSC, and indicated their view and perspectives reflect the range of opinions around the university on what is a difficult decision and recommendation to put forward.

III. REPORT OF THE PRESIDENT

President Lassner highlighted his written report, acknowledging efforts to meet with governance groups; how the university-managed Pacific Disaster Center on Maui assisted the U.S. Southern Command (SOUTHCOM) in supporting emergency operations at the Olympics; and how the International Union for the Conservation of Nature (IUCN), the largest conservation world conference with up to 8,000 delegates, will be in the United States for the first time and hosted in Hawai'i, and it is anticipated that President Obama will attend. UH was an integral part of the team responsible for pitching Hawai'i to the IUCN and will be one of the hosts for the event, and UH students, faculty and staff are involved in more than 18 events.

IV. UNIVERSITY OF HAWAI'I FOUNDATION FOURTH QUARTER AND ANNUAL REPORT

President of the University of Hawai'i Foundation (UHF), Donna Vuchinich, provided a slide presentation and handout on the UHF fourth quarter and annual report. She highlighted UHF's 60 year anniversary and more than \$1.1 billion raised since inception. She reported how growth over years in private philanthropy has progressed well, with significant increase over the past year. Specifically, the 2015 fiscal year results exceeded goals for number of donors and dollars raised, with significant good trends and positive outcomes in a transitional year. Fund balances by quarter show increases, with an all-time high in June 2015. Program expenses show typical varied results as the projected needs of faculty and administration in major categories are unpredictable, but are generally expected to be the lowest in the first quarter, and the largest in the fourth quarter as the year ends. Endowment growth is leveling off with a 2% decrease reflective of economic situations across the globe affecting market conditions, but the usual 4% payout is expected. The unaudited statement of operations shows three adjustments in total revenues, a small reduction in income due to lower investment yield, vacancy rates, decrease in campaign expenditures related to the public launch deferral, an increase in alumni relations and service and support related to personnel costs to fill prior year vacancies, and increase in outside professional services for recruitment and legal services for real estate development activities. The new alumni website (www.uhalumni.org) was highlighted, which is responsive to alumni interests.

She noted that alumni operations were more efficient and effective with aligned shared goals with UHF to serve the UH Mission.

Questions and comments were raised regarding clarification of program expenses, use of unaudited versus audited statements, and the status of the relationship with 'Ahahui Koa Ānuenue (AKA), the University of Hawai'i athletics fundraising organization.

President Vuchinich explained how the other program expenses regard primarily library and CIP expenses that vary by year; and other payments for services for UH and UHAA reflected as revenues were related to ticketing and registration fees for events and not considered a donation. The pre-adjusted report shows lower numbers because it does not reflect post-adjusted values, and is provided on an unadjusted basis to provide a fair comparison to the prior year. The adjusted values are reported in the consolidated university financial reports. Expendable funds differ from endowment funds because the expendable funds need to be liquid for anticipated payouts, and are constantly monitored. The impact of AKA activity is reflected only as to premium seat donations, which are agreement-driven and considered an external activity. The funds are closely monitored to maintain National Collegiate Athletic Association (NCAA) compliance and accountability. There are also donations for athletics made directly to UHF not related to AKA and the premium seat donations. Efforts are also underway to cultivate student philanthropy with exploring creating a student foundation.

There was discussion on the return on investment for the fee the university pays UHF. It was discussed how the report accounts for the costs of office operations and not what is spent on UH programs. Currently, the \$66 million return on investment for the \$3 million fee is very good. The current contract ends in June 2018, and the \$3 million fee is set by statute in terms of the amount of tuition UH can pay UHF for fundraising. Single campus peers operating budget is approximately \$15 million; UHF expenses are higher because of the 10 campuses. The fee includes office space provided by UH. If UHF were to cover space overhead, it would impact their capacity to serve. Peer comparison in philanthropy benchmarking is underway, and UHF can provide trends on a campus basis than as a system.

The board requested inclusion of a five-year trend and cost benefit analysis in future reports. A regent noted positive comments on stewardship efforts undertaken locally and on the continental U.S.

V. EXTRAMURAL FUNDING FOURTH QUARTER AND ANNUAL REPORT

VP Syrmos explained the scope of funding for the past, present, and projections for the future, and indicated how a more detailed discussion will be provided at the upcoming Research and Innovation Committee meeting in September. The third quarter shows the funds decreasing and closing at 8% lower than the prior year, with steady, though slightly lower expenditures. He reported that the Research Training & Revolving Fund (RTRF) is steady with an expected small decline because expenditures are decreasing, and the trending five year target was missed this year, although targets

this year surpassed the prior year. The metrics for technology transfer actions were steady, with a small decline in provisional patents. The annual figures for investment disclosures will be more positive than a quarterly report that covers a smaller sample size. Although the results are lower than the prior year, it is not alarming as both this year and last year's performance exceeded targets. Non-provisional patents filed are up slightly, and the non-provisional patents issued met targets. License/option agreements executed and associated this year surpassed the prior year. There is room for improvement and it is anticipated that licensing and royalties will increase.

He noted declines in extramural awards this year was impacted by large awards received last year and not this year at community college level; at UHH due to the decommissioning of two telescopes and a pharmacy school grant; and a decrease in the volume of business at the UH System level for the Applied Research Laboratory (ARL). UHM awards remain flat due to impact from prior awards, declining financial conditions, decline in submissions, and transitional impact from vacancies and retirements. Recovery is expected in one to two years. The new reports for the Research & Innovation Committee will contain yield factors, trend analysis, and data analytics. According to trend analysis for the past 10 years, if everything remains the same, the projections show missing next year's target for extramural funds by \$40 million, which needs to be addressed and will be discussed in detail at the next committee meeting.

Concerns and questions raised regarded causes and how addressing shortfall, and the impact of the upcoming presidential election. It was explained how some negative numbers reflect large awards in the prior year that were not awarded this year, or as in the case of the Shidler College of Business, a grant was returned. The number of grants available is slightly up with some decrease in U.S. Department of Defense (USDOD) grants. If the shortfall is not addressed, personnel reductions for positions on grant funding will result. Availability of grants is currently slightly up with some decreases in USDOD funds that may be impacted by the results of the election. The solution is multifaceted, including more investment in human capital to overcome a difficult financial condition; collaboration, as evident with the community colleges that holds a good profile; and better infrastructure to target large institutional grants. The efforts on delivering the iLab program on UHM campus were recognized as highlighting the good work of faculty and staff in research and innovation as a source of pride making a positive impact. It was requested that the report provide and track targets by campus; and the percentage of the lead grant applicant's salary allocated to the \$391 million in extramural awards.

VI. COMMITTEE REPORTS

A. Report from the Committee on Academic and Student Affairs

Committee Chair Putnam summarized the committee report attached, noting the extensive discussion on the integrated system-wide academic and facilities plan that took place with many questions and an update expected. The international

engagement presentation was shortened due to time constraints, and will be considered in greater detail in the future. No additional comments or questions from the board were raised.

B. Report from the Committee on Budget and Finance

Committee Vice Chair Mizuno summarized the committee report attached noting the action on the board consent agenda regarding the operating budget. The committee was generally pleased and the proposals contain significant assumptions such as enrollment that need to be monitored. All members should have received their binders containing the budget for reference. He added how the quarterly report by UBS showed that investments are reaching benchmarks. No additional comments or questions from the board were raised.

C. Report from the Committee on Independent Audit

Committee Chair Yuen summarized the committee report attached. No additional comments or questions from the board were raised.

D. Report from the Committee on Planning and Facilities

Vice Chair Yuen summarized the committee report attached. No additional comments or questions from the board were raised.

VII. ITEMS FOR DISCUSSION AND APPROVAL

A. For Action by Consent

1. Approval of Minutes of the July 21, 2016 Board Meeting
2. University of Hawai'i System
 - a. Approval to Indemnify UT-Battelle, LLC and the United States Government to Allow the University of Hawai'i (UH) Use of the Oak Ridge National Laboratory (ORNL)
 - b. Approval of the University of Hawai'i Operating Budget for Fiscal Year 2016 - 2017
University Operating Budget Forecast for Fiscal Year 2016-17
Presentation
http://www.hawaii.edu/budget/sites/www.hawaii.edu.budget/files/FY17_OpBudget.pdf
Fiscal Year 2016-2017 Operating Budget Narrative
http://www.hawaii.edu/budget/sites/www.hawaii.edu.budget/files/FY17_OpBudgetNarrative.pdf
Appendix University of Hawai'i System Fiscal Year 2016-17 Operating Budget Proposal
http://www.hawaii.edu/budget/sites/www.hawaii.edu.budget/files/FY17_OpBudgetWorksheets.pdf

c. Approval of Fiscal Year 2016 - 2017 CIP Projects

Chair Sullivan explained how the items listed on the agenda are for approval by consent, and all materials were provided to the members. Items 2b and 2c regarding the operating budget proposal and the CIP projects were modified and she read aloud the modifications as stated in the committee reports, respectively. Item 1 regarding minutes, proposed amendments were circulated, and another modification was made to show Regent Acoba recused himself from part, but not all of executive session. Having no further questions, Vice Chair Moore move to approve the consent agenda with the modification to the minutes, seconded by Regent Mizuno, and the motion to approve the consent agenda passed upon unanimous vote.

B. For Discussion: Board of Regents self-assessment

To provide context, Vice Chair Moore provided and read aloud portions of handouts regarding the board's Fiscal Year 2016 accomplishments and Fiscal Year 2017 priorities; articles on board structure, responsibilities, and self-assessment; legislation governing the Board of Regents; and the regents' policy on self-assessment. He explained how the individual responses to an assessment survey was collected and provided. He reiterated that the matter is for discussion only and not transacting any business. He recounted how the board developed a list of deep dive topics for the board to engage in dialogue, and explained how the plan for this year is to prepare a final compilation following today's discussion for further discussion at the next meeting. He noted the results were summarized into categories that are intended to be purely structural in nature. He noted some accomplishments regarding the overhaul of the personnel policies, addressing UH Cancer Research Center (UHCRC) challenge and having a new director.

Discussion ensued regarding the benefit of input from administration and consideration of a 360 type survey for the board from stakeholders. Comments and ideas were shared regarding how the assessment collectively flagged issues, and that the expectation was the evaluation of the president would provide priorities and incorporate the thoughts shared.

There was a consensus that the assessment provides a good basis for going forward, and the president and board chair should come up with a plan on how to move forward, respond, act, and prioritize as a unified effort. It was recognized how the board engaged in healthy open discussion on critical issues to explain concerns and worked together as a team in the atmosphere of collegiality.

VIII. EXECUTIVE SESSION

Upon motion by Regent Mizuno, seconded by Regent Wilson, the board unanimously approved convening in executive session to discuss personnel matters, as indicated on the agenda. The board convened in executive session at 11:40 a.m. Following a motion to come out of executive session by Regent Tagorda, seconded by

Regent Wilson, and passed with unanimous vote, the executive session was adjourned at 2:38 p.m. The meeting reconvened at 2:40 p.m.

IX. ITEMS FOR DISCUSSION AND APPROVAL

A. For Discussion: Annual Evaluation of the President of the University of Hawai'i System

Chair Sullivan explained that the board went into executive session to conduct its annual evaluation of the president. The board considered the results of the evaluations that were submitted anonymously by several dozen people including university administrators, faculty leaders, student organizations, faculty members, faculty organizations and members of the public, the president's self- evaluation, and an internal survey among the regents.

The board reviewed and acknowledged the variety of opinions and comments that were received. In addition, the board recognized the substantial challenges that confront the university, in particular the challenges that are presented at the UHM campus.

The board commended the president's dedication to the university to continue to address the pressing issues that we face. The board supported the president and looked forward to making strong progress in the current year. Additionally, the president requested no adjustment to his salary, so a salary adjustment was not discussed.

B. For Approval: Personnel Actions (Attachment A-1)

Chair Sullivan explained that the personnel action for approval is the appointment of the president to serve as interim UHM chancellor and the vice chancellor for research and innovation to serve as the interim vice chancellor for academic affairs on a temporary transitional basis at their current respective salaries, without additional compensation, from September 1, 2016, to August 30, 2017, unless sooner relieved.

Vice Chair Moore so moved, seconded by Regent Mizuno, and discussion ensued. Regent Portnoy expressed how he is philosophically opposed to the appointment irrespective of President Lassner's ability to do both jobs, even on a shortened period, as both the campus and the system deserve and need its own leader.

Regent Acoba expressed his support, affirming that the board has not deviated from the commitment to a separation. Under the circumstances where the appointment is short term as a search is ongoing and anticipated to be completed in four months, and the infeasibility to appoint a new person for a short term, it is prudent to approve the appointments. Regent McEnerney concurred noting the current extraordinary difficult time.

Vice Chair Moore agreed with Regent Portnoy's concerns but would be voting in favor of the appointments. He expressed his gratefulness to Chancellor Bley-Vroman for helping, recognizing the difficulty in being an interim position, and also thanked President Lassner and Vice Chancellor Bruno for stepping in on an interim basis. Regent Acoba recounted how he and Chancellor Bley-Vroman share a kinship as they both began at the same time, and he recalled the number of challenges and crises that he felt were managed exceptionally, including UHCRC management challenges, hiring a new UHM athletic director, basketball coach, football coach, and director for UHCRC, handling NCAA violations, and two raises in tuition. Regent Portnoy noted how Chancellor Bley-Vroman handled the difficult decisions, took criticism, and stood strong. Chancellor Bley-Vroman thanked the board for the support during the tumultuous times, and indicated how in good shape UHM is and on the right trajectory, especially with international perspective in support of UH worldwide. He noted that the university is in a bit of calm, and that it is essential to look at the direction with confidence with the regents and in the President and Vice Chancellor Bruno to move UHM in the right direction.

Having no further discussion, and a motion on the floor, and second being made, Chair Sullivan called for the vote, and the motion passed with 13 ayes, and Regent Portnoy and Regent Higaki voting no.

X. ANNOUNCEMENTS

Chair Sullivan noted the next board meeting scheduled for September 22, 2016, at University of Hawai'i Maui College.

XI. ADJOURNMENT

There being no further business, Regent Mizuno moved to adjourn, and Regent Higaki seconded the motion, and with unanimous approval, the meeting was adjourned at 2:52 p.m.

Respectfully Submitted,

/S/

Cynthia Quinn
Executive Administrator and
Secretary of the Board of Regents

Committee on Academic and Student Affairs Report
 Summary of Meeting
 Date: 8/04/16

Topic	Discussion	Follow Up/Action
Minutes	None	Approved
Testimony	No written or oral testimony received.	
For Discussion: Status of Academic and Facilities Master Plan	VP Dickson provided a slide presentation on the status of the progress of the academic and facilities master plan. Discussion regarded direction, content, delays, roles, responsibilities, and expectations, need for vision and clarity, recognition of difficulty and complexity. There was a concurrence for administration to regroup and incorporate feedback to recommend next steps.	Consider a task group with administration and regents, exploring topic for board retreat
For Discussion: Update on International Engagement	VP Dickson provided a slide presentation on a report of the status and work regarding international engagement activities system-wide. The data showed how enrollment remains steady though lower than the national average. Discussion regarded balancing low yield with importance and value of global competency and exposure to international experience for students. It was recognized that this was the first time the committee received a report on the subject matter, and welcomed the annual updates as required in the bylaws.	

Agenda Item	Discussion	Follow Up/Action
Minutes	None	Approved
Testimony	None	
<p>For Information: Fiscal Year 2016 4th Quarter UBS Investment Report on Legacy Endowment Fund as of June 30, 2016</p>	<p>The committee received a quarterly report from UBS on the investment status of the endowment fund, noting continued market volatility, with some markets recovering, and that the report includes a new line for gross and net of fees return values as requested in the prior committee meeting, and shows investment returns meeting benchmarks net of fees; and fossil fuel investment is decreasing, with 2 more years remaining to bring into compliance with board policy. Discussions regarded utility of benchmarks net of fees, clarification of energy category to recognize fossil free related areas; and clarifying differences in benchmarks 1 and 2 as it relates to fees.</p>	
<p>For Approval: University of Hawaii Operating Budget Proposal (Forecast) for Fiscal Year 2017</p>	<p>Administration provided an augmentation of the May 2016 proposal to narrow assumptions and refine numbers at the campus level on expenditure and revenues. Assumptions included flat enrollment, performance funding that was deployed in the first year, and incorporated a modified UH Manoa budget allocation. Of note was a decline in all balances except revolving funds; a correction in community colleges fund balance loss for a one time investment; progress in reserve levels and in the aggregate, being within the 5% minimum despite proposal to utilize some reserves for some one time expenditures proposed. Trends include expenditures expected to outpace revenues, and general funds not meeting all funding needs. UHWO is reducing expenditures through salary refinement and may increase enrollment at a faster pace; UHCC enrollment is flat with a onetime expense that still is compliant with the reserve policy; and legislative support for collective bargaining cost in an upward trajectory but yet to fully restore to 2009 levels; allocation of the EM salary increase appropriation is currently under review and not included in the proposal. Cost containment and enrollment improvement is needed going forward. However, the new budget reporting indicates improvement across the system and provides an early warning system for concerns and problems.</p>	<p>Recommend approval</p> <p>Board Office to provide binders of proposal to all regents</p>

	<p>Discussions regarded concerns about impacts from enrollment decline; revenue decline caused by successful graduation rates; rising utility rates; status of UH Cancer center plan with new director; long-term plan for one time funding sources reported, such as UHM athletics donor support, and status of Manoa allocation. The committee expressed appreciation for an operating budget, unlike any other government organization, that moves towards a high level analysis of the current financial state, areas of concerns and risks, by campuses, with helpful trend information, that can be tracked and utilized to assist the board in making decisions going forward.</p>	
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Agenda Item	Discussion	Follow Up/Action
Approval of Minutes of the May 27, 2016 Meeting	None	Approved
Testimony:	None	
For Discussion: Annual Report of the Committee on Independent Audit and Audit Results report of the Office of Internal Audit for Fiscal Year 2016	OIA provided a summary of accomplishments, effectiveness, compliance of the Office of Internal Audit (OIA). Discussion regarded monitoring of ongoing matters, and sufficiency of staffing resources. Internal Auditor explained how the office continues to monitor and follow up on status and effectiveness of changes made. Staffing levels are adequate and active search to fill vacancies is planned for next year.	Provide stacked bar chart to provide 3-4 years trend analysis regarding time allocation or work for future reports.
For Discussion: Update on the Status of the Whistleblower Hotline	OIA reported on the low number of cases received since inception in June 2016, largely employment related, and explained the process in place with system oversight of the structure where the third party vendor forwards reports to the relevant campus, by topic, for handling and once addressed deemed closed and a record made.	Continue monitoring and provide periodic status reports.
For Action: Acceptance of Audit Plan for Fiscal Year 2017	OIA presented a plan focused on revenue generating programs, compliance audits required by law, recommendations by prior audits, and accounts with large balances, subject to change as determined by the committee. Discussion regarded continuing monitoring progress on matters raised in prior audits, status on addressing outreach college record keeping concerns, and recent concerns raised by Office of Hawaiian Affairs related to ceded land payments and revenues. Committee chair encouraged units to utilize the services of OIA as a management tool to help improve operations rather than be viewed as a policing or enforcement arm.	Approved

For Action: Acceptance of Purchasing Card Program audit	OIA reported the outcome of the PCard audit with recommendations for stronger policy controls, consistency for timely approvals, and consideration of expanding approval limits to improve efficiencies. Discussions regarded addressing prevention of abuses, parceling, and abuse of exemptions. Administration explained maintaining current restrictions to ensure management controls, lower risks of fraud and parceling, and continue assessment to balance efficiencies with necessary controls, and increase training to prevent abuses.	Accepted
Executive Session: Evaluation of the Internal Auditor	Conducted a performance review of the internal auditor	

Agenda Item	Discussion	Follow Up/Action
Minutes	None	Approved
Testimony	None	
For Discussion: Quarterly Status Report on CIP Projects	Administration reported on the status of projects at the policy thresholds of design contracts exceeding \$1 million and construction contracts exceeding \$5 million. 11 active projects on three campuses are currently progressing on time with no major delays. The new design build pilot life sciences building is progressing, currently in RFP design, with a prebid attendance of over 50 participants due to a new computerized notice system that reached a larger audience. Administration acknowledged a continuing lengthy close out list largely due to delays in receiving final deliverables, such as equipment manuals, in order to release the contingency fund and contractor obligations. Discussion regarded capacity building progress for design build projects, ensuring fairness and merit based process for design build projects, addressing cost overruns with design build programs, and proactive measures and consideration of penalties to avoid future close out delays in new contracts.	
For Approval: FY17 CIP projects	Administration submitted a detailed expenditure plan for FY17 capital improvement projects that reflects how the legislative appropriation will be spent, based on collaboration with campuses to address priorities, and that the provisos included in some of the appropriations are currently undergoing review for applicability and impact, if any. Discussions regarded impact of provisos on approvals and understanding intent; applicability of the moratorium on new construction; sustainability concerns related to air conditioning projects; funding made subject to approval by another state agency; scope of authority and applicability to appropriation and provisos regarding the UHWO EB-5 loan; and ensuring allocations determined fairly across all campuses including KauCC. Administration explained how all projects are renovations and not subject to the moratorium; and modification will be made to address concerns as to applicability and scope of approval.	Recommend approval as follows: only approving amounts that are required to be approved per board policy, without stating a position as to budget provisos, and that as to item #6 regarding the Academy of Creative Media facility, approving the amount only and subject to authorization of DBEDT as the identified expending authority, and which amounts the board had previously approved.