



DRAFT Minutes
BOARD OF DIRECTORS
Research Corporation of the University of Hawai'i
Tuesday, June 1, 2021
Virtual Meeting

PRESENT

Eugene Bal, Kelli Goodin, Ken Hayashida, Chair Donna Ikeda, David Karl, Vice Chair Michael Maberry, Vassilis Syrmos; Excused: Jan Sullivan

RCUH Staff: Leonard Gouveia, Nelson Sakamoto, Glenn Yee, Kaylee Hull
Attorney General's Office: Reese Nakamura

CALL TO ORDER

The meeting was called to order by Chair Ikeda at 9:02 a.m.

APPROVAL OF MINUTES

Upon motion made (Maberry), seconded (Goodin), and duly carried, the minutes of the March 2, 2021 meeting were approved as circulated.

APPOINTMENT OF PERSONNEL COMMITTEE

Chair Ikeda appointed Director Maberry (Chair), Director Goodin, and Director Hayashida to the Personnel Committee, which will conduct an evaluation of the Executive Director and present its findings at the September 2021 RCUH Board of Directors meeting.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Gouveia reported that research funding continues to flow into the state in record numbers. As RCUH prepares for the upcoming fiscal year, a proposed budget was distributed to the Board of Directors last week. In response to the proposed budget, Director Syrmos stated via email that he felt there were three items that should not be included in the budget:

1. Project Development for a Student Outreach Program (\$100,000): He felt that it is not within the mission of RCUH and that UH is already running a program through the Undergraduate Research Opportunities Program (UROP) at Mānoa. ED Gouveia agreed that UROP is an excellent program, which awards approx. \$500,000 to students working on faculty-mentored research projects. ED Gouveia explained that his intent was to support workforce development and student involvement specifically in research administration, and has no intent or desire to duplicate any of the opportunities provided by UROP. He is willing to remove the budgeted item this year until further discussion can be had with the Board and its strategic plan. Although it is not a high priority, he feels it is important to be included as part of the five-year strategic planning process.
2. Tuition Support Program (\$37,500): In prior years, RCUH provided \$75,000 in funding for this program, but it was cut in half due to COVID-19 and the budget reduction. Director Syrmos stated that although he appreciates the intent, he feels that this is something that should be subsidized using RCUH's reserves as opposed to the management fee. ED Gouveia stated that this program was well received and appreciated by RCUH employees, and is sorely missed based on numerous inquiries from project staff. ED Gouveia added that use of the RCUH reserve, as suggested by Director Syrmos, may be a solution to consider, but he will address the topic later in this discussion.
3. UH Research Awards (\$16,500): Director Syrmos stated that the awards are already being paid by UH as of this year and he has agreed to do so. ED Gouveia stated that this can be removed.

Director Syrmos closed his email noting that he must adhere to UH Executive Policy (EP) 12.216, which caps the RCUH Management Fee to 10% of the amount of Research Training and Revolving Funds (RTRF) created in that fiscal year. ED Gouveia reminded the board that UH and RCUH have an Internal Agreement that was most recently modified on July 27, 2017 and this agreement establishes a payment arrangement to be made from UH to RCUH for RCUH's administrative services completed on behalf of the University.

This Internal Agreement can be re-negotiated as it had been done, approximately 10 times over the past 50 years. However, if changes have been made affecting the payment agreement between UH and RCUH, the agreement needs to be modified. As the Internal Agreement is a contractual document, ED Gouveia doesn't believe terms can be unilaterally changed by implementing an executive UH Policy. He will leave that up for discussion with UH General Counsel and RCUH's Attorney General.

Per his discussions with President David Lassner, ED Gouveia agreed that once the committee completes its evaluation and reports its findings, he will report to the RCUH board and subsequently meet with President Lassner on a path forward, including, but not limited to, determining whether a change to the Internal Agreement is necessary and appropriate. He respectfully submits that until a determination is made, UH is obligated to honor their agreement as currently written.

ED Gouveia stated that he couldn't find any reference to this UH EP (approved in October 2020) in previous RCUH board minutes. He doesn't believe that anyone on the RCUH board or RCUH Management Fee Committee was aware of this 10% cap. Chair Ikeda acknowledged that she was not aware of EP 12.216 and noted that the cap will complicate RCUH's efforts to move forward with a budget and future projects, especially if the 10% doesn't adequately cover costs. Chair Ikeda suggested that the board schedule a special meeting to thoroughly discuss this topic and the budget. She also questioned why the Management Fee Committee was formed if a cap was already in place.

Director Syrmos noted that while he served as a facilitator, the following individuals served on the committee that created EP 12.216 and recommended the 10% cap:

- Brian Taylor, Dean, School of Ocean and Earth Science and Technology, UH Mānoa
- Velma Kameoka, Interim Vice Chancellor for Research, UH Mānoa
- Michael Unebasami, Associate VP for Admin Affairs, UH System
- Maenette Benham, Chancellor, UH West O'ahu
- Erika Lacro, Vice President for Community Colleges, UH System
- David Duffy, UHPA Board of Directors
- Jim Potemra, Liaison for the Committee on Research, UH Mānoa Faculty Senate

Director Syrmos explained that the recommendation was a by-product of two Regent Policies (RPs) that were created to set aside 10% of the RTRF for strategic investments and 10% for utilities infrastructure, etc. Once the RPs passed, a UH committee was formed to analyze the RTRF distribution; their findings also went through consultation with the UH Mānoa Faculty Senate.

Chair Ikeda asked for clarification on EP 12.216 and Director Syrmos explained that the policy establishes guidelines on how RTRF is to be expended within the University and clarifies how the funds should be split between campuses, deans and directors. He added that Dean Brian Taylor had conducted an analysis and came up with the 10% cap with the rationale that the RCUH management fee had never exceeded 10% of the RTRF over the past 6-7 years. Director Syrmos declared he is sure the fee currently exceeds 10% because of IT investments, among other things.

ED Gouveia confirmed that Director Syrmos was accurate in his evaluation of RCUH's current management fee and noted that if the 10% cap were to apply to RCUH's proposed budget, there would be an immediate deficit. Director Syrmos explained that the impending deficit was why he had suggested removing certain line items and noted that once the IT infrastructure was completed, he would expect the management fee to be reduced to prior levels.

Chair Ikeda voiced her concerns that the board should have a better understanding of this and said she has many questions. ED Gouveia expressed that RCUH cannot control how UH develops its policies, and while the 10% cap is applicable to RTRF funds, it does not mean the University can't fulfill the void with other monies. Director Syrmos concurred. Chair Ikeda reaffirmed that this is her first time hearing about this policy and is concerned that it's not extremely clear what the potential impact will be on the budget for the upcoming year. ED Gouveia added that the RCUH Management Fee Committee continues to meet and evaluate RCUH's fee.

In an effort to reduce RCUH's IT costs, ED Gouveia reported that he met with DataHouse and UH VP of Information Technology Garret Yoshimi to discuss the possibility of a single financial system for both UH and RCUH. Unfortunately, the IT needs are not aligned between the two entities and separate systems will be necessary. Although this issue has been evaluated and vetted in the past, RCUH leadership continues to meet with both VPIT Yoshimi and DataHouse to review the proposal for the replacement of the AS/400; a new system was proposed in the previous strategic plan, but postponed last fiscal year. ED Gouveia mentioned that he will present an updated summary on this initiative once more details are confirmed. Although the purchase can be pushed back another year, ED Gouveia believes the organization should move forward with a replacement system as a delay may result in increased costs and technical support is limited. Additionally, initial costs may be high, but maintenance costs will be considerably less once implemented. VPIT Yoshimi has agreed to assist RCUH on this initiative and both parties will continue discussions to seek cost-sharing opportunities to the greatest extent possible, including a potential partnership for future IT services and support.

ED Gouveia continued on the topic of RCUH's reserves. Director Syrmos had suggested that RCUH use its reserves to pay for its IT investments and other needs in a prior discussion. OVPRI follows UH Reserve Policy 8.203 and although RCUH is not bound to this policy, RCUH Leadership will look through the policy for any valuable guidance to consider. ED Gouveia believes that RCUH's current reserve of approx. \$6 million is insufficient to meet UH's guidelines and further discussion will be necessary to decide how to use these funds. He stated that RCUH understands and respects UH's current financial condition, but reminded attendees that research funding is doing extremely well. ED Gouveia conveyed that RCUH should not stop with its IT Transformation Plan after five years of strategic planning. He concluded his report by noting that while RCUH will streamline its budget and take into account UH's budgetary shortfalls, RCUH's current system is antiquated and doesn't have the metrics and reporting capabilities that are invaluable to any organization.

BUDGET FOR FY 2021-2022

Mr. Yee reviewed the current FY21 budget, FY21 forecast and proposed FY22 budget with the Board of Directors. He explained that the estimated revenue in FY22 is under the assumption that the Internal Agreement is in effect and a 10% cap will not be placed on RCUH's extramural fees. Director Syrmos asked if UH consists of 90% of RCUH's business in revenue. Mr. Yee confirmed that is accurate and that UH has always been the primary "customer" for RCUH.

He added that RCUH's revenues will likely increase for FY22 based on the current formula. Mr. Yee explained that the extramural fees are calculated based upon a ratio of extramural expenditures over all of the project expenditures run through RCUH's system, which is then multiplied against RCUH's operating expenditures. Director Syrmos interjected for the record that the University does not control RCUH's budget.

Mr. Yee continued his presentation and explained that RCUH anticipates intramural fees will stabilize, while revolving fees will rebound. Both intramural and revolving fees are based on a 2.9% rate multiplied by the applicable expenditures run through RCUH's system. He stated that RCUH also anticipates a rebound in fees from direct projects, as the corporation recently acquired a new direct project from the State.

Mr. Yee explained that interest income has been struggling on the Certificates of Deposit returns as well as any excess funds in the sweep accounts. He continued to review the various line items, such as salaries and fringes, IT services, travel, rent, insurance, professional/technical support, staff development, project development, tuition support, UH research awards, and depreciation.

Significant items of note included the following:

- Salary & fringes: The discrepancy between the forecast and projected budget is due to unfilled positions and new hires onboarding at reduced salary amounts. There is no budgeted salary increase for core staff for the second consecutive year.
- IT services: RCUH does not have an IT Director so it relies heavily on consultants. The line item reflects the cost for maintenance and operations of the entire system.
- Project development: This item may be removed per Director Syrmos' feedback. The FY21 budget included \$375,000 for OVPRI, but it is RCUH's understanding that it is no longer necessary. The \$100,000 shown in the proposed budget for project development was to support the prospective student initiative.
- Tuition support – research personnel: This is the second item that was suggested for removal.
- UH awards – researchers: This is the third item that was suggested for removal.
- Depreciation: This includes all of the previous IT improvements being depreciated over its useful life. RCUH uses a 6-year straight line method to calculate that amount.

Overall, RCUH is projecting a \$354,000 loss for FY22.

The proposed capital expenses reflect Phase I of the Financial System replacement (current recommendation is Oracle Fusion) and three enhancements in the HR Portal, including ePerformance evaluation, eBenefit Enrollment, and eHiring. The implementation cost of the Financial System replacement would be split in two phases, with an estimated cost of \$1.26 million to \$1.37 million. Mr. Yee anticipates further review of the system and RCUH's needs between July and December 2021.

Mr. Yee explained that adding RCUH's net income and total capital expenditures (and removing depreciation since it is a non-cash flow item) RCUH's net cash flow will be a deficit of approx. \$517,000. This amount would be covered by the working capital reserve, which would fall to \$6.1 million.

Director Syrmos thanked Mr. Yee for the presentation and asked for a chart with a trending line on all of these numbers for the last five fiscal years, in addition to a chart with UH research expenditures over the last five years and compare it to RCUH's operating budget. Mr. Yee agreed to provide that and send it to the board. ED Gouveia stated that this is being worked on with the RCUH Management Fee Committee, and although it is not complete yet, he believes the information can be shared in relation to RCUH's budget. Director Syrmos believes the visual comparison will give the board members a better understanding of the correlation between the research expenditures and RCUH's operating budget. He also requested a trend line of UH's percentage of RCUH's business over the last five years.

Chair Ikeda commented that RCUH has had little outside business over the past five years due to the consistent tug of war regarding whether RCUH should be soliciting external projects and to what extent. She stated this is the reason why UH is the primary client of RCUH; it has been and perhaps may stay that way. Seeking business from other state departments has been explored when there was uncertainty whether the University would be able to sustain funding for RCUH. ED Gouveia agreed that the situation is complicated and takes time to understand. He referenced Director Bal's previous inquiry regarding the disconnect between extramural funding and RCUH's operating budget. ED Gouveia noted that higher award amounts don't necessarily correlate to the amount of work that is needed (e.g., a decrease in grant awards could mean a higher quantity of contracts to process with smaller grant amounts). He added that this is one of the instances in which metrics are so important.

Chair Ikeda requested that RCUH explain how the 2.9% rate (Modified Total Direct Cost) is calculated for the Intramural and Revolving funds. She noted that this hasn't been explained in the past and that the rate has an impact on why RCUH has to be mindful of its spending. She added that in the last 10 years, RCUH's budget remained stagnant, which resulted in a reduction of the percentage. Chair Ikeda believes it would be helpful to review how this rate is reached for the new members. She followed up with a request to Mr. Yee on the number of vacancies on the core staff, the budgeted salary for each position, and the total in savings from those unfilled positions. He agreed to provide her with those numbers and confirmed that the salaries for those positions are included in the proposed budget.

On a related note, ED Gouveia mentioned that the IT position will hopefully cancel out the costs from outsourcing work. RCUH is looking to keep costs down and there have been discussions with VPIT Yoshimi on the possibility of utilizing someone on his staff at 50% FTE (part-time). He stated it would be ideal to have an employee who is familiar with the UH system and understands the issues that RCUH/UH encounters with respect to reporting for security investigations, which have been occurring more often. Chair Ikeda asked if this individual would replace DataHouse and ED Gouveia clarified that RCUH works with several vendors who provide IT services/troubleshooting for the core staff, and that the IT position would not be in lieu of DataHouse. He added that a more detailed report will be provided.

Chair Ikeda asked Director Syrmos whether the 10% cap is only applicable to the RTRF funds. He confirmed that was correct. She said that according to the report that was sent to the Legislature, RCUH received \$5.6 million from the RTRF last year. Director Syrmos said that it sounded accurate. He noted that the new policy was established in October 2020 and goes into effect this year. There was further confirmation that the RTRF funds come from the research projects and their PIs. Chair Ikeda inquired whether UH took 40% off the top of the grant awards, but Director Syrmos informed her that that statement was incorrect. He suggested that she was referring to the indirect cost recovery rate, which is closer to 15%, depending upon the type of project—research is at 40%, training is at 22%, if it's through the State, the rate is between 6% to 10%. The effective indirect cost rate is around 12.5% to 15%, so out of the \$400 million in annual expenditures, UH receives approx. \$50-52 million in indirect cost recovery (RTRF), which is about 12% of effective indirect cost recovery, 40% is the federal rate.

In further discussions, Mr. Yee asked whether the 10% cap only applies to extramural fees and Director Syrmos confirmed that it was correct.

Director Hayashida requested clarification on RCUH's IT services systemwide. Mr. Yee explained that it includes all of the HR and Finance consultants, such as DataHouse, STHI, and BST. It also includes smaller vendors who help with troubleshooting on RCUH's PCs, but it is not a large number. ED Gouveia further added that the IT position could assist with tasks related to Facility Securities and handle all internal IT troubleshooting once RCUH is housed in a single location.

Director Goodin asked for further explanation of RCUH's accounting system and its incompatibility with UH's system. ED Gouveia shared that upon speaking with VPIT Yoshimi, it was explained that UH's procurement is split into two sections—construction and general procurement. It is his understanding that the majority of their procurements are processed manually by a small group. ED Gouveia added that RCUH's system is geared for federal requirements and although it is unfortunate the two systems are not compatible, it was beneficial to receive confirmation from VPIT Yoshimi. RCUH will now focus on choosing the right tool that will meet our needs. Director Goodin noted that on the federal side, the accounting system is very important to the DCSA and that it's important to have a good system that will be easily accredited.

ED Gouveia added that RCUH processed \$260 million from the University and explained that the gap between the volume of expenditures and \$450 million in grant awards can be attributed to numerous reasons, such as salaries for UH researchers and limited procurements processed by UH.

Director Bal chimed in to remind the board members and inform the new members that there was a conscious decision made several years ago to support a wholesale IT upgrade for the financial systems and HR systems as part of the strategic plan, knowing that it would cut into the reserves. The board decided that the modernization of the IT infrastructure was worth cutting into the reserve. ED Gouveia thanked Director Bal for his input since it answered several of his questions. He agreed that there should be a discussion on RCUH's reserves and thanked Director Syrmos for sharing the UH policy. Per his discussions with Mr. Yee, ED Gouveia does not believe the amount of reserves would be sufficient to cover emergency situations. Although Director Syrmos stated that if RCUH needed funds the University would be there to support the corporation, ED Gouveia is concerned about the amount of money that is processed on a monthly basis, which amounts to approx. \$22 million. He understands that it is unreasonable to have an emergency fund for two months, but wanted to acknowledge that there are various pressures to consider.

Director Syrmos noted that the monies that are processed by RCUH are from cost-reimbursable projects and clarified that comparing it to the operating reserve of an organization are two different things. He stated that if the University were to set up reserves for its monthly expenditures, it would require hundreds of millions of dollars. ED Gouveia agreed, but stated that this needs to be further explained so that individuals understand the difference. He stated that it is the board's decision on how to use the reserves.

Chair Ikeda remarked that Director Bal's earlier statement was correct regarding the board's decision to invest in RCUH's IT systems. She recalled that the infrastructure back then was extremely outdated, but stated that when the initial plan was presented it was explained that the investment would cost more initially, but the increase in spending may trigger an increase in the reimbursement percentage by the federal government, which could result in an increase in revenues. Chair Ikeda mentioned that COVID-19 threw a wrench into the system, but given the current situation she believes that the organization is pretty much on track with the 5-year strategic plan. At this point in time, she stated that it's never good to operate in a deficit, but if RCUH has to it needs to be kept down as much as possible. With the state's economy recovering, she is hopeful that things will improve and RCUH will be able to pay down this deficit. She requested to look at RCUH's current vacancies and the salaries attached to those positions, which may assist in reducing the deficit.

ED Gouveia shared that he believes this system is necessary and that RCUH should take care of this as the last step. If the board is supportive of using the reserves to fund the initiative, he would appreciate it as he believes it is important. Chair Ikeda agreed and remarked that it was part of the strategic plan. She noted that positive changes have been made and that the constituency is pretty satisfied, more so than when she first joined the board. She stated it is critical that RCUH does not lose sight that we are here to support the researchers and if they're not happy, then we are not doing our job.

Chair Ikeda asked if any members are ready to vote on the budget, but stated she is not. She asked if it would be possible to meet in two weeks so that the board can receive more information on the questions that were raised and to make a final decision on the budget. Director Syrmos mentioned that he is not a voting member, but would prefer that suggestion. It was decided that a follow-up meeting would be scheduled before the end of the month.

Upon motion made (Maberry), seconded (Bal), and duly carried, the RCUH Board of Directors agreed to table the budget discussion until further information could be provided to the board.

FINANCIAL STATEMENTS FOR MONTH ENDED 4/30/2021

Mr. Yee reviewed the financial statements for April 2021. He remarked that the fluctuation in the cash balance is typical of RCUH's operations, in relation to the timing of reimbursements from the University. He explained that as RCUH is 10 months into the budget, we should be through 83% of our budget, but noted that RCUH is slightly behind budget in terms of operating revenues (79.6%); correspondingly, operating expenditures are down (73.7%). The largest discrepancy is in salaries and

wages due to vacancies. Mr. Yee highlighted the line item for IT System investments in capital assets, which reflects two enhancements: 1) the ability for users to have a single sign-on to the Financial Portal for multiple access types (which will provide the ability to implement multi-factor authentication in the future) and 2) eTimesheet improvements. Upon closing his presentation, Mr. Yee highlighted the volume of business and UH extramural awards. He pointed out the significant increase in extramural awards from FY20 (\$410.6 million) to FY21 (\$499.9 million) when looking at the 12-month period.

CORPORATE RESOLUTION FOR FHB LINE OF CREDIT

Mr. Yee explained that RCUH has a \$5 million line of credit with First Hawaiian Bank and is requesting authorization for ED Gouveia to sign on behalf of the corporation since he is a new officer. He noted that there is a typo and that the maturity date in the document will be changed from 05-01-2021 to 02-01-2022. The other content will remain the same. Chair Ikeda will also need to sign off on the resolution.

Chair Ikeda inquired as to whether RCUH has ever used the line of credit. Mr. Yee reported that RCUH has used it in the past, but not recently. There was a previous need to use the line of credit when cash was tight. He explained that there was some concern several years ago when the federal shutdown occurred, whether RCUH would have to draw on its reserves as well as its line of credit. Director Syrmos noted that the University did assure RCUH that it would pay any type of funds in case they didn't have an available cash flow related to the federal shutdown that lasted for two weeks. He had discussed this with previous RCUH ED Sylvia Yuen.

Upon motion made (Maberry), seconded (Bal), and duly carried, the RCUH Board of Directors authorized ED Gouveia to approve the extension to RCUH's line of credit with First Hawaiian Bank, with the understanding that this maturity date will be changed to 02-01-2022.

STRATEGIC PLANNING SESSION WITH PETER ADLER

Dr. Adler started off with a refresher on the planning process. He explained that a third meeting will be scheduled and prior to that meeting he will work with RCUH staff to compose a proposed plan for the next five years. He shared that today's discussion will focus on the old plan, survey results, and today's budgetary discussion, and we'll start to pull together ideas on what RCUH's goals and objectives should be.

Dr. Adler complimented RCUH's existing strategic plan and noted that plans should be reasonably short, clear, trackable, and measurable. He shared his thoughts on some of the results from the strategic planning questionnaire, which was distributed to PIs and project staff, and stressed that the board should keep these priorities in mind when planning for the next five years. Dr. Adler noted that while RCUH and UH tackle the current fiscal issues, the strategic plan can be rewritten if circumstances change.

ED Gouveia voiced that he wants to focus on improving the efficiency of RCUH, but in order to do that the organization needs to have a better handle of its metrics. This would help RCUH better manage its staff, save money, and make employees more efficient and accountable. Dr. Adler agreed that is a good place to start as it was the top priority in the project questionnaire. Director Syrmos pointed out that RCUH's strengths are providing HR services and procurement services to the University. He feels that if RCUH were to improve in these two areas it would improve the research enterprise at UH.

Chair Ikeda mentioned that generating funds and finding funds has not been a function that RCUH has taken on, to her knowledge, however if PIs and project staff are asking for help, we should look into how RCUH can assist them. Director Syrmos explained that UH Mānoa's Vice Chancellor of Research Velma Kameoka is setting up an office this summer to do exactly that. He suggested that if RCUH were to invest in that office, the money should be given to the Office of the Vice Chancellor for Research. Director Syrmos recalled that he suggested VCR Kameoka contact ED Gouveia to

collaborate on the initiative and that his office would be willing to participate in funding the office as well. He shared that the functions of the office would include finding funding opportunities and supporting grant proposals. UH is working with the Implementation Group, which will help to review and provide comments on grant proposals.

Director Syrmos stated that he thinks researchers mostly need assistance in the fiscal and HR administration at the project level since that is where most of the problems or inefficiencies occur. Mr. Sakamoto agreed that there's a lot of post-award assistance that can be done, especially with new field staff and PIs who are learning unfamiliar systems. He stressed that there's no one simple solution, but it's a matter of UH and RCUH helping each other with proper training and onboarding.

ED Gouveia also agreed with Director Syrmos and said that he has met with VCR Kameoka and discussed how RCUH can help this new office. He expressed that RCUH does not want to take over or duplicate any services offered by UH, but the corporation does want to be there to support the University and bridge the gap, whatever the gap may be. The most important part of that is being at the table with UH to collaborate to ensure there isn't an overlap in services. He explained that his student initiative was not intended to replace what UROP is doing, but to encourage more individuals to work in research administration, which is difficult to find. As the discussion continued, Director Goodin suggested that RCUH could improve on reducing the number of complaints.

Chair Ikeda also interjected that she did not like RCUH being used as a "piggy bank," in reference to RCUH giving funds to support the new office by VCR Kameoka. She stated that RCUH is not in a position to be able to give away \$200,000, even though the program may be a good one. She declared this has occurred several times since she joined the board and she has seen monies going towards project development that RCUH is not responsible for and that those funds go to OVPRI. Chair Ikeda does not feel that this is something RCUH should do.

Director Syrmos asked to clarify the record and stated that there was always \$500,000 in RCUH's budget, which then decreased to \$350,000, to support projects at the Office of the Vice President of Research and Innovation (OVPRI). He explained that this was a request by RCUH's previous Executive Director Sylvia Yuen in order to provide incentives for PIs to apply for more grants. The project only ran once and had \$175,000 in expenditures. He said that PIs did not like to go through RCUH and preferred to come directly to OVPRI and transfer the money to their account. While the funds were included in the budget every year, (he asked Mr. Yee to check RCUH's records), Director Syrmos stated that \$500,000 was returned to OVPRI and none of it was expended for any projects. Chair Ikeda remarked that she has never seen a refund or a report on how the monies were used since it was constantly renewed. She also noted that the disbursement was made in lump sum. Director Syrmos responded that a report wasn't provided because it wasn't used. When asked why RCUH didn't see a refund, Director Syrmos stated that he gave RCUH that money to help his office and since there was no use for it he received his money back. Chair Ikeda noted that this is something that should be looked into.

Dr. Adler corralled the discussion back to the purpose of formulating hypothetical goals and objectives for the next five years. He added that while this may be a productive conversation, there is nothing being produced in terms of strategy and that further administrative clarifications are going to be needed between UH and RCUH.

Director Bal asked to return to the notion of helping research generate funds. He applauded the initiative that UH Mānoa is taking and recognizes that the vast majority of extramural funding comes from Mānoa's efforts. However, he suggested that the other nine campuses somehow benefit from this initiative. Director Bal understands that there needs to be a cost-benefit analysis since Mānoa is generating most of the extramural funding, but explained that if we don't pay attention to the other nine campuses, they'll quit trying.

Director Syrmos concurred with Director Bal and shared that the community colleges do have a similar office that is bringing in a lot of funds. If the UH System is at \$500 million in extramural awards, he believes that 10-15% of that is coming out of the community colleges, 75-80% out of Mānoa, and the remaining between UH Hilo and UH West O'ahu. Director Syrmos suggested that if he were to put his efforts on such an operation, it would be at UH Hilo and UH West O'ahu where the greatest need is.

Dr. Adler suggested in the upcoming proposal, the question for the board will be what RCUH's role is in helping the UH System generate new funds. He recommended that it be narrowed down to be as specific and measurable as possible. He reminded that the next step will be to create a draft plan.

Mr. Sakamoto noted that a lot of RCUH's current efforts from the existing strategic plan was based on going paperless. While developing the eTimesheet, he realized that one of RCUH's focuses should be designing systems that don't require users to learn all of the policies and procedures. By developing a logic and rules-based system, it allows PIs and their staff to use the feature with little to no training. Dr. Adler reminded the board that the IT issues were core and central to the previous plan and one of the critical objectives.

Mr. Yee added that on the finance side, the portal that users see is a front-facing website overlaid onto the accounting system. All of the development RCUH had done was on the front-facing page, which was customized for PIs to simplify the workflow. The reason why RCUH is pushing to continue to develop the backbone of the accounting system, is because the newer systems have built-in workflows and wouldn't require as much customization. The goal is to move away from customizations and have a more standardized system. Additionally, Mr. Yee expressed another suggestion regarding training for UH FAs and PIs. On the operational side, RCUH encounters a lot of PIs who do not know UH or RCUH policies. He believes it would be beneficial to conduct joint trainings to understand different policies and their work requirements.

Chair Ikeda agreed on the need to coordinate training between both RCUH and UH employees so that everyone is on the same page. ED Gouveia mentioned that he has a scheduled meeting with Dawn Kim to discuss bringing back the FA Training previously conducted by ORS. Director Syrmos agreed that it was a good idea and suggested talking to Vice President of Finance and CFO Kalbert Young, who led that training.

RECOGNITION OF OUTGOING BOARD MEMBERS

ED Gouveia asked that this agenda item be postponed since an additional board meeting will be scheduled later this month, but still thanked Chair Ikeda for her service on the board. Chair Ikeda thanked the staff for doing an excellent job keeping RCUH afloat and wanted to remind the board members who we support, which are the PIs and the researchers that generate the monies to support not just UH, but the State as well. RCUH has done an exemplary job of keeping it going and she knows it will continue to do so in the future.

ADJOURNMENT

The meeting adjourned at 11:12 a.m.