

# **Board of Directors Meeting**

**Monday, October 25, 2021  
Virtual meeting  
9:00 a.m.**

Meeting  
BOARD OF DIRECTORS  
The Research Corporation of the University of Hawaii  
Monday, October 25, 2021  
Virtual meeting  
9:00 a.m.

A G E N D A

**Public Testimony on Agenda Items**

*Due to the COVID-19 pandemic, this will be a virtual meeting. Written/oral testimony will be accepted in lieu of in-person testimony and may be submitted via email to [rcuhed@rcuh.com](mailto:rcuhed@rcuh.com), U.S. mail, or facsimile at (808) 988-8319 up to 24 hours in advance of the meeting. Individuals wishing to provide oral testimony for the virtual meeting must register via email to [rcuhed@rcuh.com](mailto:rcuhed@rcuh.com) no later than 7:00 a.m. on the day of the meeting to be accommodated. Oral testimony will be limited to three (3) minutes per testifier. See the RCUH website for information on accessing the livestream: <https://www.rcuh.com/about/board-of-directors/>*

1. Call to Order
2. Public Comment Period (if applicable)
3. Approval of Minutes of the September 7, 2021 meeting
4. Executive Director's Presentation
  - a. About RCUH
  - b. Overview of RCUH's financials
  - c. Summary of State Audits
  - d. Current Priorities
    - i. Legislative Actions
    - ii. 2022-2026 Strategic Plan
5. Appointment of Additional Audit Committee Members
6. Executive Session - Matters Exempted by HRS §92-5(a)(2) [evaluation of Executive Director]
7. Adjournment

c: Office of the Lieutenant Governor

*Individuals who require special needs accommodations may request assistance in writing to [rcuhed@rcuh.com](mailto:rcuhed@rcuh.com) or (808) 988-8311 three (3) business days prior to the scheduled meeting.*

**DRAFT** Minutes  
BOARD OF DIRECTORS  
Research Corporation of the University of Hawai'i  
September 7, 2021  
Virtual Meeting

**PRESENT:**

Eugene Bal, Kelli Goodin, Ken Hayashida, David Karl, Diane Paloma, Joseph Pickard, Vassilis Syrmos. Excused: Vice Chair Michael Maberry

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 Director Bal at 9:10 a.m.

**WELCOME NEW BOARD MEMBERS**

Director Bal introduced new board members Diane Paloma and Joseph Pickard. Director Paloma is a UH Regent appointee and the CEO of the King Lunalilo Trust and Home. Director Pickard joins the RCUH Board as the Senate President appointee and serves as President of Community Planning & Engineering, as well as the President of Environet, Incorporated.

**PUBLIC COMMENT PERIOD (IF APPLICABLE)**

No written or oral testimony was received.

**ELECTION OF OFFICERS**

Director Bal proposed moving up the Election of Officers up in the agenda due to Vice Chair Maberry's absence. Hearing and seeing no objections, Ms. Hull opened the nomination period. Director Hayashida nominated Director Bal as Chair and Director Goodin as Vice Chair. No further nominations were received and the board unanimously voted to approve the nomination slate.

**APPROVAL OF MINUTES OF THE JUNE 1, 2021 AND JUNE 15, 2021 MEETINGS**

Upon motion made (Hayashida), seconded (Goodin), and duly carried, the minutes of the June 1, 2021 and June 15, 2021 meetings were approved as circulated.

**FINANCIAL STATEMENT FOR JULY 2021**

Mr. Yee reviewed the financial statements, including RCUH's balance sheet and statement of revenues and expenses. He explained that RCUH's assets fluctuate based on the timing of reimbursements from the University of Hawai'i and the amount of expenditures that are run through RCUH's system. Mr. Yee stated that RCUH's total retained earnings are at \$9.5 million and that RCUH's assets are dominated by cash, while its liabilities are dominated by expenditures owed for the various projects.

The financial statements reflected one month of activity for RCUH and showed that RCUH is slightly ahead of budget with a net operating income of about \$15,000. In the first month of Fiscal Year 2022, RCUH processed \$21.5 million in transactions, which includes all purchases, payroll, and other related expenditures on behalf of the UH and various direct projects. Given the immense amount of information, Mr. Yee offered one-on-one sessions for new board members to help familiarize themselves with RCUH's finances.

Before moving on to the next agenda item, Chair Bal inquired on the current status of RCUH's reserves. Mr. Yee explained that by combining RCUH's working capital and contingent liability reserve, RCUH has roughly \$6.7 million in net reserves.

**EXECUTIVE DIRECTOR'S REPORT**

ED Gouveia started off by welcoming the two new board members and thanking his leadership team. He explained that RCUH is putting together a presentation for the Board of Directors that will address the substantive issues and that RCUH will call another board meeting in October (tentatively) to discuss those issues in detail.

He noted that RCUH is working on compiling all of the legislative requests and responses in one place for the board's convenience. ED Gouveia acknowledged that it seems like there's more activity now than during the regular legislative session. RCUH received a new request for information on Sept. 3, 2021 and is currently working on a response. ED Gouveia shared that he has been focusing on three areas to determine how RCUH should move forward: what RCUH needs to continue doing, what RCUH needs to stop doing, and what RCUH needs to start doing. He stated that the issues that have been coming up with the legislature tie into some of these questions, which will need to be addressed with the Board during the presentation.

ED Gouveia carried on with an update on the management fee work group, which is working on recommendations for UH and RCUH moving forward. This discussion will involve a 10% cap on the amount of Research and Training Revolving Funds (RTRF), which pay for RCUH's management fees. The primary issue is that the cap conflicts with the formula in the existing Internal Agreement.

The second issue ED Gouveia brought up was the financial system update. Due to the uncertainty of the management fee cap with UH, consideration is being given to postpone the project until the financial impact of that agreement is fully evaluated and a path forward is determined. UH is also evaluating what their needs are for both UH and RCUH in respect to this system. ED Gouveia ultimately believes that this replacement should be done as soon as possible, but it will be up for discussion at the next meeting.

ED Gouveia acknowledged Mr. Sakamoto's efforts for taking the lead on RCUH's COVID-19 vaccination plan. He added that one or two board meetings will be scheduled prior to December 7<sup>th</sup> to review the RCUH presentation and focus on the RCUH strategic plan for the next five years. ED Gouveia skimmed through the Executive Director's report that was provided in the board packet and mentioned that he is onboarding Ms. Hull as a facility security officer (FSO) backup, as his FSO duties have taken up a lot of his time.

Lastly, he reiterated that the RCUH presentation can be used for new board members, community members, and legislators to provide an understanding of RCUH's history and the UH/RCUH relationship. He will run the presentation by Chair Bal and noted that the next board meeting will be vital to address specific issues that are being targeted by the legislature, in addition to other issues that are not being talked about.

ED Gouveia opened the floor up to questions or comments. Director Syrmos noted that he was concerned about all of these legislative hearings on the RCUH and UH relationship. These hearings have pointed out some vulnerabilities, such as the relationship between UH and RCUH employees and how RCUH is servicing the University. Director Syrmos stated it's been brought to his attention, and likely to Lenny's attention, that RCUH has sometimes been used to facilitate projects that could have been executed at the University, and suggested that the relationship has turned from one of necessity to one of convenience. He explained that he does not want to jeopardize the UH research enterprise due to such actions. Director Syrmos requested that Lenny work with the Chair or the University to streamline policies and put "guard rails" as to when RCUH can be used and for what purpose. He added that he's asked Vice Provost Velma Kameoka to work with Lenny on evaluating all revolving accounts and internal services orders to RCUH.

Director Syrmos closed by thanking Nelson and Lenny on being proactive and collaborative on several fronts, including the dual/outside employment policy discussions. He emphasized that RCUH has done a fabulous job and it's critical that the UH research enterprise will not be jeopardized.

Chair Bal agreed that RCUH and UH needs to work together to ensure that the continuation of the success of the research enterprise is not threatened.

Director Karl shared that he has listened to these legislative hearings and as a working scientist at UH benefiting from RCUH's services, he was amazed at some of the remarks that were made. He concurred with ED Gouveia that the current statute is extremely broad and can be interpreted differently by different people. In relation to Director Syrmos' point about being careful of not doing anything that seems out of the box, he inquired how one is to know what's out of the box without rewriting the statute to be more specific.

Director Syrmos responded that there are two statutes—one is the statute of RCUH which is extremely general, while the second part in 304A dictates that the University should reach out to RCUH for services when such cases are appropriate and the University has exhausted any other means of doing it themselves. He explained that in that sense he wants to be careful of how UH uses RCUH and used the Executive MBA program at the Shidler College of Business as an example. He stated that he does not want to jeopardize a legitimate function of RCUH by the convenience of running programs through RCUH that are academic in nature.

Director Karl thanked Director Syrmos for his explanation and inquired who would be the adjudicator to service order new projects to RCUH. Director Syrmos clarified that he is not questioning the 2000 memo from former President Mortimer that requires all extramural awards to be service ordered to RCUH. He referenced the 1995 memo, which is specific to the business school and their Executive MBA programs. In regards to internal and revolving service agreements, the adjudicator of service ordering projects to RCUH is the Vice Provost for Research (delegated down from the Provost of Mānoa). Director Syrmos explained that he reviewed UH's guidelines for service ordering intramural accounts to RCUH with Vice Provost Kameoka, and both agreed that the policy can be strengthened. He added that he wanted to make clear that RCUH employees on UH funds are UH employees who are excluded from collective bargaining, whose payroll is not done by the State of Hawai'i but by RCUH, and do not participate in the state retirement system or state medical benefits system. Director Syrmos concluded that he wants to make sure that the UH/RCUH relationship is clear and can withstand this type of attack, and credited President Lassner for the university's growth over the last seven years, which means that things that were not doable at UH 10 to 20 years ago, can be done today.

Chair Bal thanked Director Syrmos for the comments and suggested that the review of the procedures and processes associated with service ordering from the UH to RCUH and subsequent change to Regents policies be brought to the Research and Innovation Committee. Director Syrmos noted he will be happy to present that to the committee once consultation with faculty, staff, and administration has been completed. He stressed that projects that can be done at UH should stay at UH, while those the university cannot do be sent to RCUH.

ED Gouveia agreed and noted that it will take a lot of work to get there, but he is glad that everybody is at the table talking and collaboratively working together to evaluate these issues and make the proper decisions moving forward.

Director Karl asked for an estimate of the amount of time ED Gouveia has spent on these legislative matters and if anything is not getting done that he would normally be doing in his position. ED Gouveia answered that like most people at the University, his team does what it needs to do to get the job done. He was unsure of the specific amount of time, but noted that the team spends time everyday responding to inquiries from not only the state legislature, but the federal government and other agencies as well. RCUH is also working on internal inquiries based on what the organization needs to continue doing, stop doing, and start doing. ED Gouveia acknowledged that the 10% cap will also force RCUH to look at its services to ensure it is living within its means.

Chair Bal commented that he was struck by the amount of information that was requested in the most recent request for information. He added that ED Gouveia had mentioned that staff have already been working on compiling this data so it is not catching the organization off guard. In regards to Director Karl's question, Chair Bal declared to some degree, organizations like RCUH that are touched by legislative action and/or federal scrutiny must respond to these inquiries as part of its responsibilities.

**APPOINTMENT OF AUDIT COMMITTEE & DELEGATION OF AUTHORITY TO APPROVE FY 2021 AUDITED FINANCIAL STATEMENTS**

Chair Bal appointed Director Hayashida as chair of the Audit Committee and will join him on the committee. He will leave it to Director Hayashida's discretion to determine whether he wants to appoint additional members from the board or an adhoc member of the financial community at large.

Upon motion made (Goodin), seconded (Karl), and duly carried, the board delegated the authority to the Audit Committee to approve the Fiscal 2021 audited financial statements.

**EXECUTIVE SESSION**

Chair Bal proposed deferring this agenda item, given Director Maberry's role as chair of the Personnel Committee. Upon motion made (Hayashida), seconded (Paloma), and duly carried, the board voted to defer the Executive Session and evaluation of the Executive Director to the next board meeting.

**ADJOURNMENT**

The meeting adjourned at 10:09 a.m.

Kaylee Hull  
Executive Administrator

NOTE: Unless otherwise noted in minutes, all motions were passed unanimously.



Research Corporation  
of the University of Hawai'i

# Introduction to RCUH

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October 2021

# Presentation Outline

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- About RCUH
- Overview of RCUH Financials
- Summary of State Audits
- Current Priorities



# About RCUH

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# About RCUH

## A Brief Background

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The Research Corporation of the University of Hawai'i (RCUH) was established by the Hawai'i State Legislature in 1965 as a public instrumentality and is attached to the University of Hawai'i for administrative purposes. RCUH provides the ancillary services to hire personnel and procure goods/services on behalf of its clients (e.g., UH, state agencies, private not-for-profits).

### **MISSION**

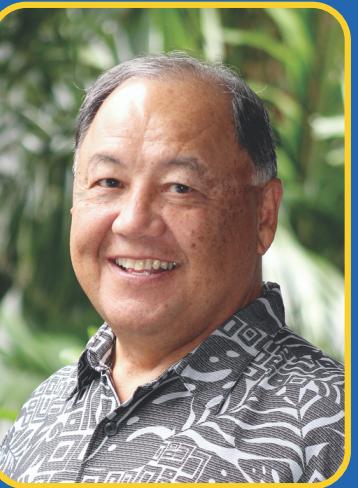
To support and enhance research, development, and training in Hawai'i, with a focus on the University of Hawai'i.

### **VISION**

A Hawai'i where research, development, and training flourish and energize a prosperous state economy.

[\*\*Click here to view RCUH's historical highlights from each decade.\*\*](#)

# RCUH Board of Directors



**Eugene Bal III**

*Chair, UH Board of Regents Member*



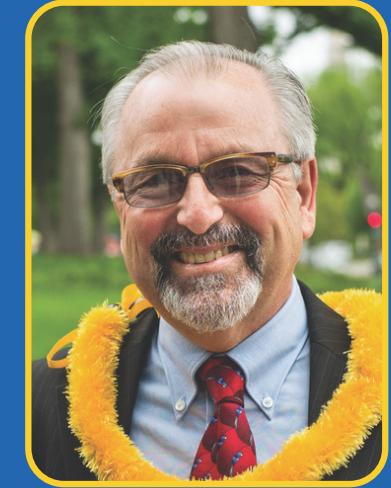
**Kelli Goodin**

*Vice Chair, Governor's Non-UH Research Organization Appointee*



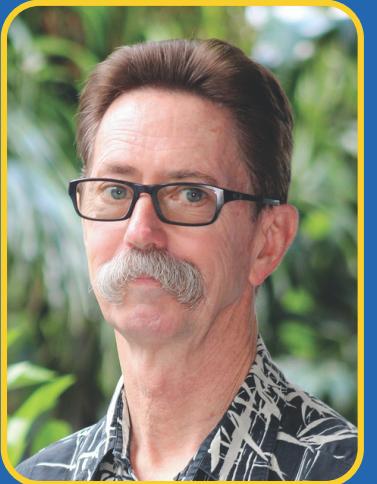
**Ken Hayashida**

*Governor's Business Sector Appointee*



**David Karl**

*Governor's UH System Research Faculty Member Appointee*



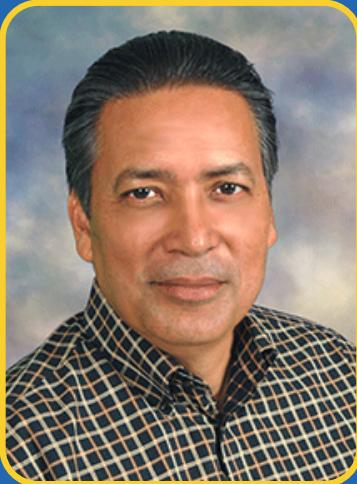
**Michael Maberry**

*House Speaker's Appointee*



**Diane Paloma**

*UH Board of Regents Member*



**Joseph Pickard**

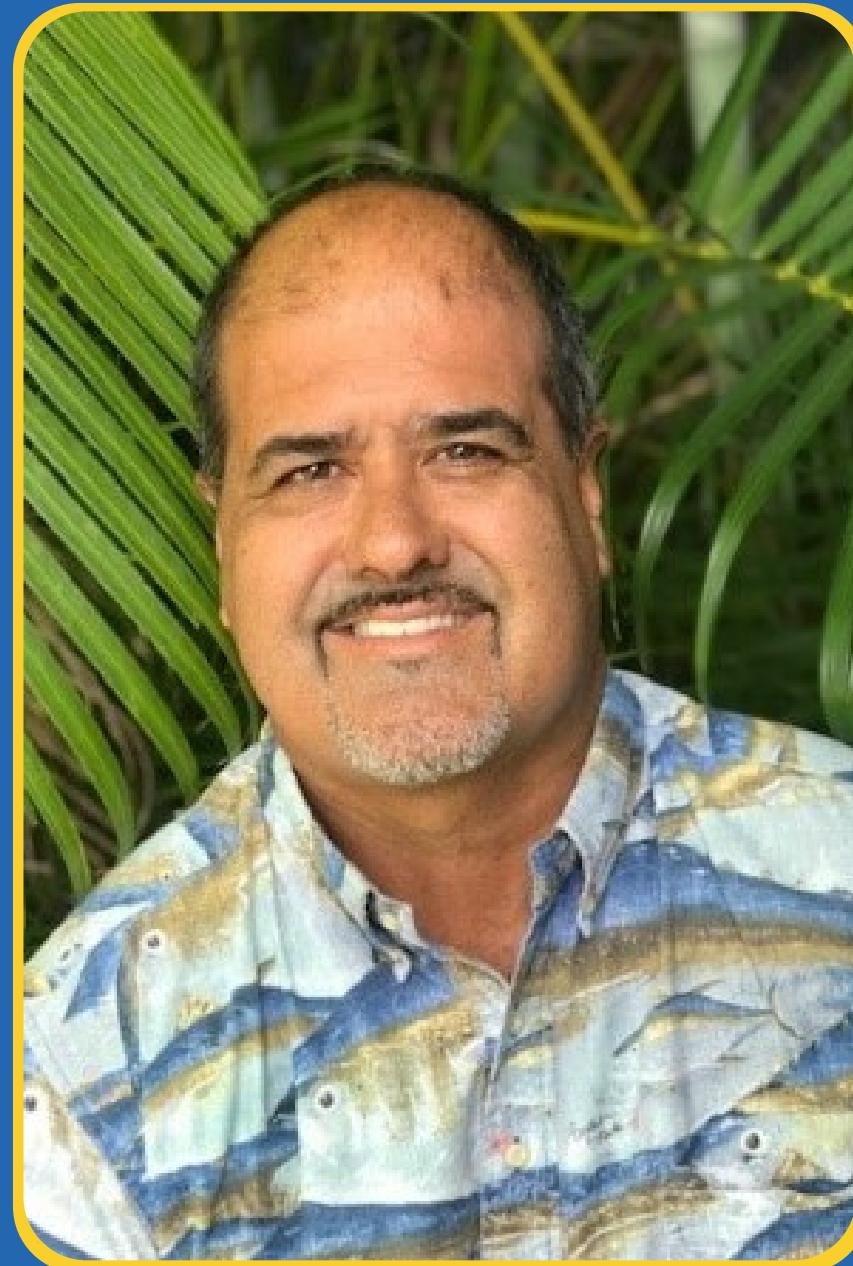
*Senate President's Appointee*



**Vassilis Syrmos**

*UH Vice President for Research and Innovation (ex-officio, non-voting)*

# RCUH Leadership



## **Leonard R. Gouveia, Jr.**

### **RCUH Executive Director**

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B.S., Chaminade University  
J.D., Gonzaga University School of Law

More than 18 years of experience at the University of Hawai'i serving in a variety of roles:

- Director, UH Office of Research Services
- Director, UH Office of Research Compliance
- Director, UH Office of Export Control
- UH Facility Security Officer

# RCUH's Function

## What is our purpose?

Research contracts often require a much more flexible and streamlined method of operation than is permitted by typical state agencies, which is one of the primary reasons why RCUH was created. In order to help the University run more like a business, RCUH was established to help hire personnel and procure goods and services in an expeditious manner. To provide this flexibility and expedite actions for research projects, RCUH is excepted from certain state laws, such as:

- [\*\*Sections 36-27 and 36-30\*\*](#), relating to special fund reimbursements to the state general fund
- [\*\*Chapter 103D\*\*](#), relating to procurement and construction contracts\*
- [\*\*Chapter 76\*\*](#), relating to civil service
- [\*\*Section 78-1\*\*](#), relating to public employment

[Click here to view a synopsis  
from the 1965 Senate Journal](#)



\* Provided that the exception shall not apply where state funds are used and compliance with Chapter 103D is required by a bill enacted by the legislature

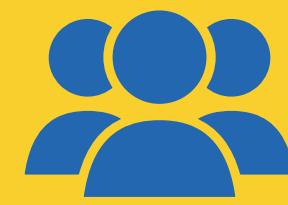
# RCUH Operations & Services

## Departments



### *Finance*

- Accounting
- Disbursing
- Employee Travel
- Procurement
- Project Administration



### *Human Resources*

- Employee Benefits
- Employment
- Information Systems
- Payroll
- Recruitment



### *Corporate Services*

- Board Matters
- Communications
- Executive Office Support
- Online Training
- Special Events

# Project Portfolio

## Who We Serve

Although the numbers fluctuate throughout the year, RCUH services approximately **3,800 active research and training projects** and processes more than \$250 million in annual expenditures for researchers.

These projects employ approximately **2,500 individuals** in a wide range of fields, including astronomy, oceanography, health, human services, natural resources, agriculture, education, business, and other areas. Employees are located throughout the state of Hawai'i, as well as the continental U.S. and other countries.

[Click here for an overview  
of RCUH's FY 2020 statistics](#)



# Overview of RCUH Employees

***RCUH employees are state, non-civil service employees***

All employees are subject to all applicable RCUH policies and procedures, UH and/or business entities' policies and procedures (as applicable), as well as the Hawaii State Ethics Code.

***Employment is dependent upon funding***

Since RCUH employees are not paid from appropriated General funds (G-funds), continuation of employment is dependent upon availability of funds, program needs, satisfactory work performance, and compliance with applicable federal and state laws.

***RCUH employees are non-union and have different benefits from UH/State employees***

[Please click here for an overview of employee benefits.](#)

# Guidelines for Hiring RCUH Employees

*(for UH Projects)*

AP 12.203

» Click to View

- 1 |** Any UH request which involves the appointment of an RCUH employee for a covered type of position shall be accompanied by a Service Order Personnel Form which must be reviewed and approved by the UH Office of Human Resources before it is sent to the UH Office of the Vice President for Research and Innovation for final institutional approval.
- 2 |** Any covered type of position that is continuously filled by an RCUH employee for three years shall be subject to review and re-authorization by the UH Office of Human Resources and VPRI.
- 3 |** The RCUH shall not establish any covered type of position unless it has been specifically approved by the UH Office of Human Resources and VPRI.



# Overview of RCUH Financials

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# RCUH's Operations

## How is RCUH funded?

RCUH does not directly receive any appropriated G-funds from the State Legislature to support its operations. Instead, RCUH is funded through fees collected from a percentage of expenditures that run through RCUH's Financial System.

University of Hawai'i projects pay RCUH based on the applicable formula/rate stated in the [Internal Agreement](#) between UH and RCUH. Direct projects from state agencies follow the formula listed in the [Master Agreement](#).

**It costs UH researchers 3% to run their projects through RCUH (based on FY 2020's expenditures).**



# RCUH REVENUE SOURCES

## ***UH EXTRAMURAL PROJECTS***

Externally sponsored federal and non-federal contracts, grants, and other agreements

## ***UH INTRAMURAL PROJECTS***

Internally sponsored programs or activities funded with UH Research and Training Revolving Funds (RTRF) or Tuition and Fee Special Funds (TFSF)

## ***UH REVOLVING PROJECTS***

Self-sustaining, income-generating projects established to support a specialized service activity, a recharge center, or other sales and service activities

## ***DIRECT PROJECTS***

Projects assigned to and accepted by RCUH from non-UH organizations, including federal and state agencies, international organizations, and other not-for-profit organizations



**Flow Chart of Grant Awards**

# UH Service

## Orders to RCUH

**RP 12.207**

» **Click to View**

**AP 12.203**

» **Click to View**

**AP 12.204**

» **Click to View**

### ***UH Extramural Funds (RP 12.207, AP 12.203)***

The university service orders extramural contracts and grants to RCUH. However, RCUH shall not be used to circumvent statutes, board policies, contracts, settlements, or regulations.

### ***UH Intramural Funds (RP 12.207, AP 12.203)***

To request RCUH's services for an intramural funded project, it should be for a new or on-going scientific and technical developments or unanticipated contingency situation that requires immediate action for the successful completion of the project or activity.

### ***UH Revolving Accounts (AP 12.204)***

A revolving account should be established only if it can operate as an ongoing activity.

# Internal Agreement

**UH/RCUH Internal  
Agreement**

» **Click to View**

## ***About the Internal Agreement***

The Internal Agreement establishes a mutually acceptable set of relationships, responsibilities, and procedures. This agreement controls fees paid by UH to RCUH and has been in place since 1968. It compensates RCUH for servicing three types of University projects/accounts:

- *UH Extramural Projects*
- *UH Intramural Projects*
- *UH Revolving Accounts*

It has been renegotiated, amended, and restated 10 times in its 50-year history, most recently in 2017, and is currently being re-evaluated.

# Current UH Management Fee

(Agreement since 2007 and restated in 2017)



Project Type	Cost Base	Cost Rate
UH Extramural Projects	RCUH Operating Expense % = Extramural MTDC / All Projects	MTDC
UH Intramural Projects	MTDC	2.9%
UH Revolving Accounts	MTDC	2.9%

**Modified Total Direct Cost (MTDC)** is a federal term used to determine reimbursable indirect costs on grants and contracts. MTDC includes costs such as salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and the first \$25,000 of each subaward. In accordance with the federal definition, it excludes costs such as equipment, capital expenditures, scholarships and fellowships, and the portion of each subaward in excess of \$25,000.

# FY 2020 VOLUME OF BUSINESS

(Monies that were processed in the RCUH Financial System on behalf of research projects)

## ***EXTRAMURAL EXPENDITURES***

**\$200,438,086**

or

**74%**

of RCUH's volume  
of business

## ***INTRAMURAL EXPENDITURES***

**\$14,899,989**

or

**5.5%**

of RCUH's volume  
of business

## ***REVOLVING EXPENDITURES***

**\$40,449,912**

or

**15%**

of RCUH's volume  
of business

## ***DIRECT EXPENDITURES***

**\$14,757,436**

or

**5.5%**

of RCUH's volume  
of business

**TOTAL FY 2020 EXPENDITURES: \$270,545,423**

# FY 2020 RCUH REVENUE

(RCUH Revenue collected from UH Extramural, Intramural, and Revolving Projects)

## *EXTRAMURAL FEES*

**\$6,438,148**

or

**3.2%**

of UH's Extramural  
Expenditures

## *INTRAMURAL FEES*

**\$387,043**

or

**2.6%**

of UH's Intramural  
Expenditures

## *REVOLVING FEES*

**\$935,271**

or

**2.3%**

of UH's Revolving  
Expenditures

## *TOTAL FEES PAID BY UH*

**\$7,760,462**

or

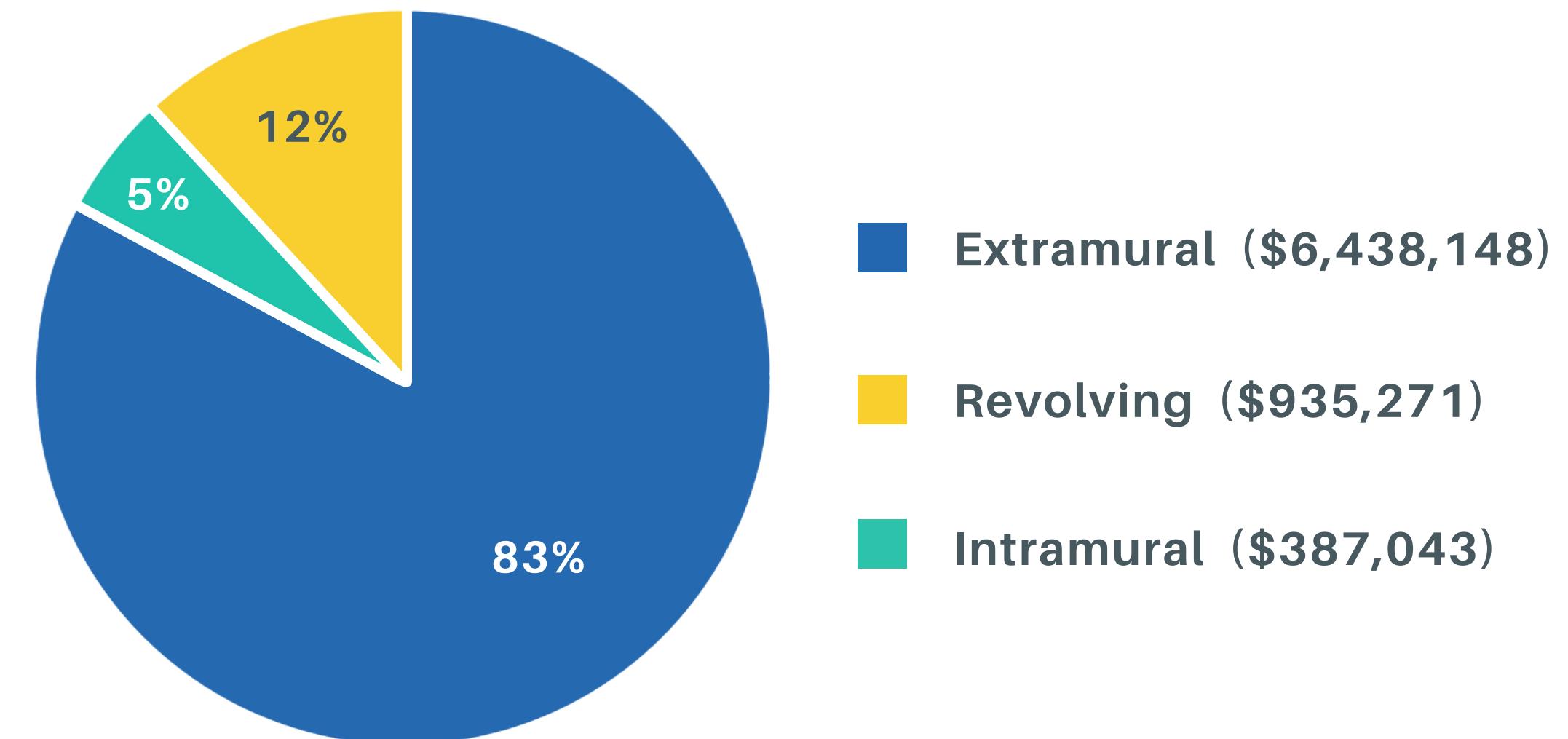
**3%**

of UH's Expenditures  
processed by RCUH

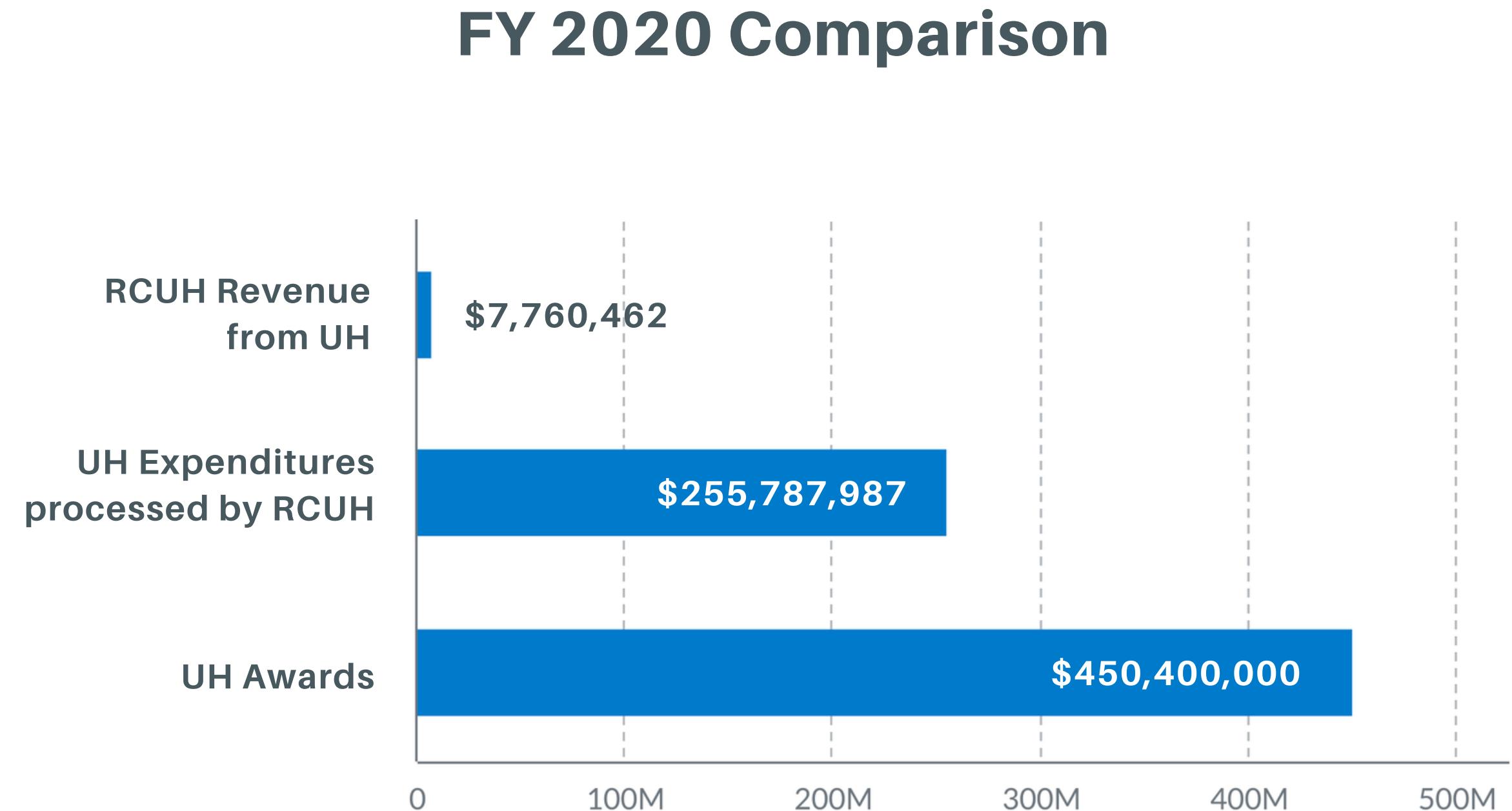
# FY 2020 RCUH Revenue

*(from UH Projects)*

FY 2020 Fees Collected from UH:  
**\$7,760,462**



# UH Awards, Expenditures, and RCUH Revenue



# Master Agreement

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***State of Hawai'i/RCUH  
Master Agreement***

» Click to View

***Flow Chart for Accepting  
Direct Projects (State)***

» Click to View

## ***About the Master Agreement***

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This agreement compensates RCUH for servicing state agencies (excluding UH) and establishes the guidelines state agencies must follow in order to seek RCUH services. Here are some examples of the criteria projects must follow:

- The nature of the research or investigation is at an intellectual level appropriate for university-level research
- Funding for the project exceeds \$25,000
- The project does not involve classified research
- The State program manager requires professional assistance in such areas as the development of the project scope
- Private sector assistance for the project is inappropriate because of such factors as lack of technical expertise, etc.

# Current Management Fee for Direct Projects



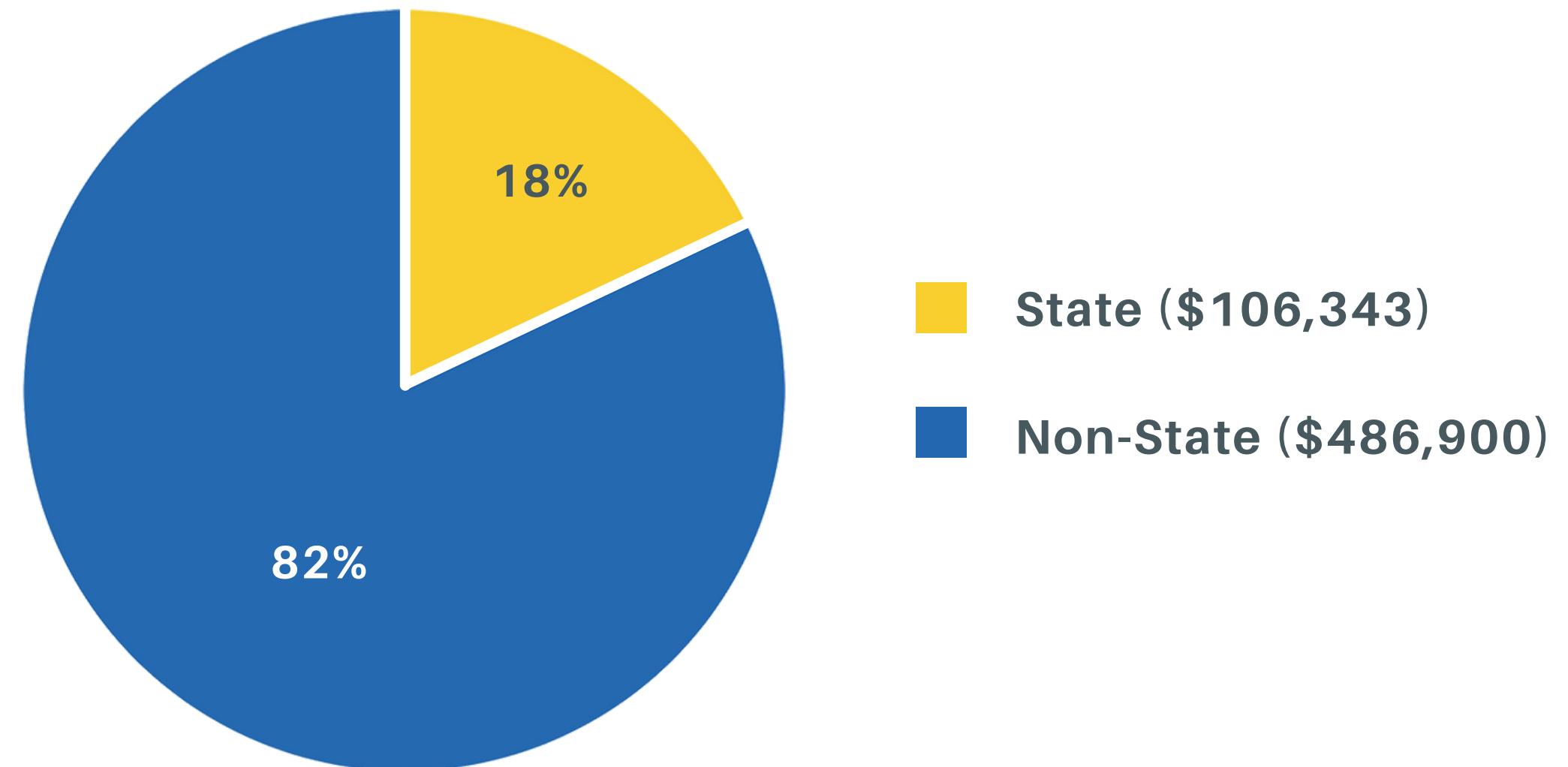
Project Type	Cost Base	Cost Rate
Direct Projects (State & Private)	MTDC	3.1% - 5.0%

Direct Projects that are a State of Hawai'i Department/Agency have an indirect cost rate of 3.1%. Direct Projects that are Non-State entities have an indirect cost rate of 5.0%.

# FY 2020 RCUH Revenue

*(from Direct Projects)*

FY 2020 Fees Collected from Direct Projects:  
**\$593,243**





# Summary of State Audits

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# 1993

# State Audit

**Report 93-10**

» Click to View

**Recommendations**

» Click to View

**Follow -Up Report 95-9**

» Click to View

## ***Summary of Findings***

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1. RCUH operates as an independent entity with little accountability and oversight by either the university or its board.
2. Federal funds have been jeopardized and significant deficiencies found in RCUH's financial management because the university and RCUH have not defined clearly their respective responsibilities.
3. The RCUH's financial reports are misleading and do not adhere to generally accepted accounting principles for treatment of assets.
4. RCUH lacks clear policies, criteria, and management controls for contracting with state agencies. It has allowed abuses to occur.
5. Executive departments use contracts with RCUH to evade state requirements.
6. RCUH charges an arbitrary fee for its services to state agencies.

# 2015

# State Audit

**Report 15-07**

» **Click to View**

**Recommendations**

» **Click to View**

**Follow -Up Report 18-10**

» **Click to View**

## ***Summary of Findings***

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1. Complacency and weak planning by the RCUH Board of Directors and executive director have resulted in a reactive approach to supporting research and training that focuses support services on University of Hawai'i activities. In addition, plans do not address RCUH's mandate to initiate, stimulate, conduct, and coordinate research and training generally in Hawai'i.
  
2. RCUH project oversight deficiencies jeopardize the integrity of the corporation's services.

**NOTE: Among the 23 agencies for which follow-up reviews were conducted, RCUH was 1 of 3 agencies to implement all of its recommendations.**



# Current Priorities

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# Legislative Actions

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## 2021 Overview

During the 31st legislative session, RCUH tracked one bill and one concurrent resolution that could potentially impact RCUH's finances.

Senator Donna Mercado Kim introduced bill [SB1393](#), which proposed placing an unspecified cap on UH's management fee to RCUH. However, after the initial hearing the bill was deferred with an agreement that UH and RCUH would address this topic. This resulted in [SR148](#) and [SCR183](#), both of which were adopted. These resolutions requested that UH convene a task force to review its arrangement for services with RCUH.

RCUH remained active after the Legislature adjourned, and responded to a total of seven requests for information from Senate committees.

**[Click here to view a detailed legislative summary for 2021](#)**



# Legislative Actions

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***Task Force Report Expectations***

***In sum, the Task Force Report will include:***

- 1 |** The history of the relationship between the University of Hawaii and the RCUH and an itemization of the services the University received or is receiving from the RCUH
- 2 |** An assessment of the terms and conditions of the service agreement
- 3 |** A determination of whether amendments to the terms and conditions of the service agreement are suggested
- 4 |** Any proposed amendments to the terms and conditions of the service agreement with an explanation of the basis of the amendments for terms

# Legislative Actions

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## *Draft of Task Force Recommendations*

### *Proposed Task Force Recommendations*

The Task Force has been meeting since June (although discussions began in January in a similar committee) and has come up with a draft report as of October 15, 2021, which includes the following considerations to evaluate and resolve:

- 1** | Tie Management Fee to the University of Hawai'i (UH)'s Facilities & Administrative Cost (F&A) Recovery
- 2** | Reduce Service Orders to the Research Corporation of the University of Hawai'i (RCUH)
- 3** | Improve Compliance by Integrating Systems
- 4** | If RCUH Must Maintain a Separate Financial System, Consider Phasing to Another Funding Model for Major Infrastructure Investments

# 2022-2026 Strategic Plan

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## Current Strategic Plan

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### GOALS

1. Enhance operations and services to improve quality services.
2. Enhance the ability of core and project staff to provide effective services to research, development, and training projects.
3. Improve and expand communication at all levels.
4. Expand services to non-UH research, development, and training projects.
5. Serve as convener to highlight issues of importance to research, development, and training in Hawai'i and the Pacific region.
6. Secure revenues to ensure financial security and quality services.

# 2022-2026 Strategic Plan

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RCUH Leadership, including the Executive Director and Board of Directors, is currently developing the upcoming strategic plan. As part of the planning process, ED Gouveia is evaluating what the organization should KEEP doing, START doing, and STOP doing.

RCUH also received feedback from the field. In a 2021 Strategic Planning Questionnaire, Principal Investigators, Fiscal Administrators, and Project Staff rated what RCUH's priorities should be for the next five years and the top three answers were:

**1. Increasing Administrative Efficiency**

**2. Improving IT Systems**

(i.e., HR/Finance/Training Portals)

**3. Helping Researchers Generate Funds**

(i.e., grant writing, finding funds)

# Final Thoughts

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## *The Value of Research Funding*

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In May 2021, the Economic Research Organization at the University of Hawai'i released a report, which found that each research-related dollar generated \$1.83 of total business sales, \$0.59 of employee earnings, and \$0.10 of state tax revenue; and each million dollars of spending generated 13.5 local jobs.

## *Remembering the Mission: Supporting Research, Development, and Training in Hawai'i*

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After supporting researchers in Hawai'i for more than 50 years, RCUH is taking a closer look on how to reduce the administrative burden on researchers so that they can focus more time on their research. Using feedback from our clients and recommendations from the state auditor, RCUH is committed to increasing administrative efficiencies, while following proper compliance with the State and federal government.

# Contact Us

For questions or more info:

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