

Board of Directors Meeting

Tuesday, September 19, 2023
East-West Center | Burns Hall
9:00 a.m.



Meeting

BOARD OF DIRECTORS

Research Corporation of the University of Hawai'i

Date: Tuesday, September 19, 2023 | Time: 9:00 a.m.

In-Person Location: East-West Center Burns Hall 4th Floor, Makai Wing, Room 4005/4009
1601 East-West Road, Honolulu, HI 96848

A G E N D A

Public Testimony on Agenda Items

Written testimony may be submitted via email to rcuhed@rcuh.com; U.S. mail to 1601 East-West Road, Burns Hall 4th Floor, Makai Wing, Honolulu, HI 96848; or facsimile to (808) 956-0502. All written testimony submitted are public documents and will be posted on the board's website and distributed to the board. Oral testimony will be limited to three (3) minutes per testifier.

1. Call to Order
2. Welcome New Board Members
3. Approval of Minutes of the June 2, 2023 meeting
4. Financial Statements for Fiscal Year 2023
5. Financial Statements for August 2023
6. Project Presentation: Coordinating Group on Alien Pest Species (CGAPS)—A project of the UH Pacific Cooperative Studies Unit (PCSU)
7. Executive Director's Report
 - a. Welcome New Board Members
 - b. Impact of Maui Wildfires
 - c. Strategic Plan Update
8. Appointment of Audit Committee & Delegation of Authority to Approve FY 2023 Audited Financial Statements
9. Executive Session - Matters Exempted by HRS §92-5(a)(2) [evaluation of Executive Director]
10. Election of Officers
11. Adjournment

c: Office of the Lieutenant Governor

Individuals who require an auxiliary aid/service or other accommodation due to a disability should contact Kaylee Hull at (808) 956-0503 or rcuhed@rcuh.com as soon as possible, preferably by September 15, 2023. If a response is received after September 15, 2023, we will try to obtain the auxiliary aid/service or accommodation, but we cannot guarantee that the request will be fulfilled.

Upon request, this notice is available in alternate formats, such as large print, Braille, or electronic copy.



DRAFT Minutes

BOARD OF DIRECTORS

Research Corporation of the University of Hawai'i

Friday, June 2, 2023

In-Person Location: East-West Center, Burns Hall 4th Floor, Makai Wing
1601 East-West Road, Honolulu, HI 96848

PRESENT: Eugene Bal, Ken Hayashida, David Karl, Jaret KC Leong, Taryn Salmon, Vassilis Syrmos.
Excused: Kelli Goodin, Diane Paloma

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

CALL TO ORDER

The meeting was called to order by Chair Bal at 9:08 a.m. Ms. Hull indicated that no written or oral testimony was received.

APPROVAL OF MINUTES OF THE MARCH 7, 2023 MEETING

Upon motion made (Hayashida), seconded (Salmon), and duly carried, the minutes of the March 7, 2023 meeting were approved as circulated.

FINANCIAL STATEMENTS FOR APRIL 2023

Mr. Yee reviewed the balance sheet from April 2023, which showed that RCUH's total assets were reported to be \$30.2 million and total retained earnings remained at \$10.6 million. He shared that RCUH's cash is a bit low due to a low amount in advances. The primary reason for this is ship operations, which currently has a low balance in terms of advances to RCUH. Despite this, RCUH should have sufficient cash to operate.

Mr. Yee reported that RCUH's working capital is at about \$8.2 million, which is sufficient as it is above the minimum amount. When reviewing the Statement of Revenues, Expenses, and Changes in Net Assets, Mr. Yee stated that RCUH should be at 83% in terms of revenues and spending. The total operating revenue is \$7.4 million, while expenses are \$6.3 million. RCUH's interest income is at a higher level than usual due to beneficial interest rates. Mr. Yee projects that RCUH's interest income should be at \$1.1 million by the end of the fiscal year.

Upon reviewing RCUH's Retained Earnings, Mr. Yee stated that the Volume of Business (i.e., expenditures run through RCUH) remains at \$268 million, a 12.7% increase compared to last fiscal year. This provides an idea of how much activity has gone on this fiscal year. Mr. Yee continued to review the Statement of Cash Flow, which showed that RCUH's receipts totaled \$258 million year to date, with \$262 million in total disbursements.

BUDGET APPROVAL FOR FISCAL YEAR 2024

Mr. Yee provided an overview of the current fiscal year, which projects total revenues to reach \$8.8 million with an interest income forecast at \$1.1 million, primarily driven by interest rates. RCUH's

operating expenditures is projected to be \$940,000 below budget, primarily due to savings in salaries and wages. The organization has been re-engineering certain positions and there are vacancies yet to be filled. RCUH's capital expenditures are forecast to be approximately \$1.2 million with the two primary projects being the transition of Revolving accounts and upgrading the HR Portal. Upon reviewing its working capital, RCUH's net cash flow is projected to be under \$1 million, with a working capital reserve at \$8.4 million.

Mr. Yee reviewed how he projected RCUH's revenue for Fiscal Year 2024, which includes flat fees for Intramural and Direct projects and a reduction in Revolving account fees. The majority of RCUH's revenue will come from Extramural fees, which are calculated using a proration of Extramural account expenditures to all project expenditures applied to RCUH's operating expenses. Mr. Yee also anticipates a decrease in interest income since the Revolving account cash balances will have been transferred to the University.

In terms of operating expenses, RCUH is proposing a budget of \$8.2 million, similar to Fiscal Year 2023. The biggest ticket items are salaries & fringes and IT services. RCUH Core Staff will receive a 5% salary increase in line with UH's bargaining unit. Mr. Yee added that IT expenditures will remain fairly stable and most contracts have already been negotiated.

Director Hayashida inquired about the discrepancy in salaries and fringes and Mr. Yee explained that RCUH budgets for full staffing versus the forecasted amount, which includes several vacancies. Executive Director (ED) Gouveia remarked that RCUH has experienced difficulties with hiring. While RCUH staff have been running on fumes at certain points, the organization is trying to be as efficient as possible and has been closely evaluating staff to keep operations afloat. RCUH has tried to work with employment recruiters, which are expensive, but almost necessary at this point. ED Gouveia added that there are several impending retirements so staffing will fluctuate until there is a transfer or filling of those positions.

When asked if RCUH salaries are competitive, ED Gouveia responded that it's more of a personnel issue. RCUH strives to keep salaries reasonable and in accordance with UH to avoid discrepancies. Since core staff are not unionized, it's easier to address these issues. He answered that RCUH's salaries are competitive, but does not like desperation hires at a higher salary compared to their peers. Ms. Higa noted that RCUH has flexible pay bands and tries to align those with the market and the University.

Director Karl asked whether there are any opportunities for student interns. Ms. Higa stated that RCUH currently has two student workers. When discussing whether a larger program could facilitate this, ED Gouveia shared that he's received interest from Engineering and the Law School. He's exploring whether students would be able to intern for credit at RCUH, but discussions have not gotten that far yet. He wants to ensure that RCUH is consistent with UH in these practices and although RCUH has a few student interns, he'd like more. Ms. Higa clarified that these students are undergraduates and Director Leong suggested that it may be beneficial to look for students majoring in Public Administration.

Mr. Yee continued to review the proposed budget, which reflects a net income of \$727,000, but explained that after eliminating interest income the amount would virtually break even. In terms of capital expenditures, RCUH anticipates two major initiatives next fiscal year, which includes

transitioning RCUH's Financial Portal to an enterprise platform called LumiSight and the replacement of the AS400. Other capital expenditures include IT enhancements to Employee Self-Service (ESS) and the Electronic Hiring System (EHS), and purchasing additional furniture for the acquisition of two new offices. Mr. Yee noted that there was an error in the materials due to an incorrect formula and that the working capital reserve at the beginning of the year for FY 2023 (both budget and forecast), should be \$7.4 million. *The revised projected working capital reserve at the end of FY 2023 (Budget) is \$6.5 million, FY 2023 (Forecast) is \$8.4 million, and FY 2024 is \$7.4 million.* Since RCUH is investing more in capital expenditures, it will result in a decrease in working capital, but over time RCUH should recover it through depreciation. Mr. Yee added that \$7.4 million is at the minimum of reserve requirements based on the new policy.

In regards to fringe benefits, Ms. Higa informed the group that there were no rate increases with Kaiser Permanente, however they did see a 13% increase with HMSA. Projects currently pay for 60% of an employee's health plan, while the employee is responsible for covering the other 40%. We are seeing other employers increasing the employer contribution as a way to potentially recruit and retain employees, but RCUH does not have any plans to change its allocation at this time.

Director Karl asked what types of procedures RCUH has when it receives an unexpected windfall in interest and deciding what to do with it. Mr. Yee responded that RCUH has its working capital reserve and retains interest profits to use in the regular operations, as well as any improvements. If the reserve amount were to get too high, money would be returned to UH per the RCUH Working Capital Reserve policy. When asked if there is a wish list that RCUH keeps, Mr. Yee stated that the wish list RCUH has is the improvements to the IT systems. Since RCUH tries to operate on a breakeven level, it does not focus on property or equipment, other than IT enhancements for its clients. ED Gouveia added that if there was an item on a wish list, RCUH would bring it to the attention of the RCUH Board. He also noted that a lot of the funding from CDs will go away with the transition of the Revolving Accounts. ED Gouveia reiterated that interest income helps to offset UH's fees, but if the reserve amount became excessive RCUH would follow the new working capital reserve policy and return funds as part of its fiduciary duty with the University.

Upon motion made (Hayashida), seconded (Leong), and duly carried, the proposed Fiscal Year 2024 budget was unanimously approved.

Chair Bal called for a brief recess from 9:40 a.m. to 9:47 a.m.

PROJECT PRESENTATION: PACIFIC DISASTER CENTER

ED Gouveia introduced Cassie Stelow, Director of Information Technology at the Pacific Disaster Center (PDC), to provide an overview of PDC's mission and work around the globe. Although PDC's headquarters are on Maui, it works globally, recently moving into Africa and Europe regions. Staff work with U.S. and international agencies, including foreign governments, to develop their capacity to respond to national disasters. Ms. Stelow also highlighted that PDC won the prestigious Sasakawa Award in 2022 for their efforts.

PDC developed a public version of Disaster Alert, which is a public smart phone app that gives people and their loved ones the information they need to stay safe anywhere in the world. PDC has expanded into the commercial private sector through UH's licensing partnership. They're working

with a company to offer their data and software as a service and have been in talks with Fortune 500 companies, such as Meta (Facebook). In terms of funding, PDC's base budget hasn't increased much, while costs have. PDC receives funds from the Department of Defense, as well as a variety of funders. She explained that a subset of this funding returns to the University as well.

Senator Daniel Inouye founded PDC in 1992 following the devastation of Hurricane Iniki. The University of Hawaii began managing the agency since 2006 and supports its mission to provide evidence-based research and data using technology solutions to reach decision makers, and to reduce disaster risk while increasing resilience worldwide. In layman's terms PDC serves as the bridge between science and decision makers, and providing these decision makers with easily digestible information. PDC collects real-time data from satellites and tsunami buoys to develop insights and models for many different types of natural disasters. Ms. Stelow noted that AI has helped PDC make complex messages easier to digest and gave kudos to PDC Director Ray Shirkhodai, who encouraged the use of AI in the past few years.

PDC highlights include the first and only global climate impact analysis in 2022 and the first women, peace and security analysis, which was featured in the recent U.S. Congressional Report on Women, Peace, and Security. PDC also worked with NASA last year to develop the first global flood prediction model. PDC is one of the Top 20 hi-tech organizations in the state by revenue and typically opens 1-2 positions per year. It has a robust paid internship program with the help of the UH System, Maui Economic Development Board, and Akamai Internship Program. Ms. Stelow reported that many interns become long-time employees with a high retention rate.

When asked whether all PDC employees are RCUH employees, Ms. Stelow stated that is correct, however they do work with contractors. Director Leong clarified that the UH President is the only UH employee associated with the project, but inquired why UH isn't mentioned anywhere on PDC's website or slides? Ms. Stelow acknowledged that the website was recently updated, but that she will look into that.

Following the presentation, VPRI Syrmos gave credit to President Lassner and PDC Director Shirkhodai for bringing PDC back to life and to the success that it is today. Ms. Stelow gave an overview of the types of subject matter experts that PDC hires and that typically their backgrounds are in disaster management or former military. She also conducted a demo of how reports are pulled on the DisasterAWARE website.

EXECUTIVE DIRECTOR'S REPORT

ED Gouveia began his report by sharing his earliest recollections of Chair Bal, who served as RCUH Chair the majority of his time on the Board. He stated that Chair Bal's guidance helped him make short and long term visions for RCUH, and he thanked him for his suggestions on how to approach difficult situations. ED Gouveia believes that Chair Bal has much to be proud of and thanked him for his years of service.

ED Gouveia mentioned that the two bills on RCUH's radar were not scheduled for public hearings after the crossover to the House. Despite this, ED Gouveia is aware that more work is to be done relating to the Task Force report and stated that he will work very closely with VPRI Syrmos to review Intramural Accounts. He continued that everything seems to be on target with the transition of

Revolving Accounts, which is scheduled for July 6, 2023. ED Gouveia thanked Mr. Yee and those on the UH side for working together on this issue.

ED Gouveia reported that RCUH is working on several IT concerns with DataHouse, including the installation of the new enterprise platform and the implementation of the AS400 replacement. DataHouse plans to use SAP, which is used by the State of Hawaii, and RCUH will continue to include CIO/VPIT Garret Yoshimi and Jodi Ito on this process to ensure that the system works with the UH system.

He shared that RCUH is working to reform its internal operations and he has met with managers to get their input on the strategic plan and how to reduce the administrative burden for researchers and become more efficient. RCUH will continue to reach out to UH to ensure that policies are consistent and systems are compatible.

ED Gouveia reported that although there are no new direct projects this quarter, he is currently reviewing a few potential projects. He concluded by thanking the RCUH Core Staff for working hard with the transition for the move and noted that staff will take into consideration the RCUH project survey results. ED Gouveia has reached out to a few individuals personally regarding the survey and shared that there's still some confusion between the Office of Research Services (ORS) and RCUH. Despite this, he stated that we're all on the same team and we will continue to do our best to direct them to the right place and provide advice when necessary.

RCUH PROJECT & CORE STAFF SURVEY RESULTS

Ms. Hull provided an overview of the 2023 RCUH Project Survey results, which included 879 responses from project staff, Fiscal Administrators (FAs), and Principal Investigators (PIs). She reported that based on this year's survey, RCUH slightly improved in overall satisfaction from the field and the top three words to describe RCUH remained Helpful, Efficient, and Professional. The majority of responses came from Project Staff and the Honolulu County, which is an accurate reflection of RCUH's constituents. There were fluctuations in the ratings for RCUH's financial services compared to the 2021 survey results, with the main concern being staff shortage and quicker response times. Respondents also mentioned improvements to the Financial Portal, which we believe will be addressed with the upgrade of the AS400 and the implementation of the Lumisight platform.

Ratings for RCUH's HR services saw drastic increases in satisfaction since 2021 with the main concerns being a more intuitive and user-friendly systems, and quicker response times and recruitment processing. The responses for the Corporate Services department were minimal since many of its responsibilities are behind the scenes and are not as front-facing as HR or Finance. Items for concern remain the RCUH website, which could be updated and more user-friendly, and making policies and procedures easier to navigate.

When asked whether RCUH reduced the project's administrative burden, 43% said Yes, 43% were Unsure, and 13% said No. Overall, satisfaction with RCUH as a whole increased 7% since 2021 (73% to 80%). The results are clear that PIs need more support from RCUH with 66% being satisfied or very satisfied. In terms of next steps, RCUH will begin internal discussions within departments to

discuss survey comments and suggestions, before developing a projected timeline for proposed changes.

For the RCUH Core Staff survey results, Ms. Hull reported that RCUH saw improvement in 14 out of 22 questions that were used in the 2021 Core Staff Survey. RCUH received 28 responses (85% response rate) and saw major improvements in the following statements:

- RCUH supports balance between work and personal life (+41%)
- Morale in department is high (+34%)
- Employees are treated well and respected (+30%)

The areas for improvements are communication amongst sections and ensuring pay is reasonable/commensurate with job responsibilities. Ms. Hull reviewed the areas with highest ratings in 2023, which included “My job responsibilities are clearly defined,” “I have a good understanding of RCUH’s mission,” and “I am satisfied with my benefits as an RCUH employee.” Statements with low ratings revolve around addressing poor performance, providing opportunities for training and professional growth, and internal communications.

ED Gouveia shared that these results are helpful, but there remains to be confusion as individuals don’t understand the difference between RCUH and UH. VPRI Syrmos responded that the results are irrelevant if individuals don’t understand what they’re rating. ED Gouveia replied that it highlights the need to train individuals more on the UH/RCUH relationship and address the issues. Director Leong added that he’s had experience talking with RCUH employees, who believed that they were state employees eligible for the Hawaii Employees’ Retirement System (ERS). Ms. Higa shared that she has experienced it herself as she has visited various islands to meet with RCUH employees regarding Open Enrollment and many individuals weren’t aware of their benefits. She stated that her theme for the next year is “back to basics,” to ensure that RCUH employees have a better understanding of their status and benefits from the onboarding process.

VPRI Syrmos shared that many PIs come from institutions where the services of ORS and RCUH are under one institution and that the UH/RCUH relationship is one of the few institutions in the country in which it is separate. ED Gouveia acknowledges that he’s spoken with many individuals over the years who have been confused by the UH/RCUH relationship, and that the PIs he spoke to recently have been with the University for a long time. Despite this confusion, he emphasized that the good part about the project survey is that it identified issues to address and that RCUH will incorporate those under the goals and objectives of the strategic plan.

[Director Hayashida left at 10:40 a.m.]

Director Salmon inquired about the current number of core staff employees RCUH has, as well as vacancies, due to the common theme of being short-staffed and the difficulty of filling positions. Ms. Hull responded that RCUH has approximately 35 full-time employees. Ms. Higa shared that HR has been fully staffed since January but based on the project survey, HR is now planning to hire a Benefits Coordinator and will continue to reassess its needs in order to service projects. Mr. Yee added that Finance’s challenge is replacing long-time employees who are retiring, although the timing works well with the replacement of the AS400. On the procurement side, it’s been difficult to find individuals familiar with state, federal, and UH procurement. Mr. Yee shared that he has

resorted to headhunters, but even then the procurement position has been unfilled for 6-9 months. ED Gouveia added that part of the issue is that RCUH is re-evaluating its internal operations to ensure that it is not overstaffed, and is trying to maintain balance as best as possible. He believes that with the current established management team, RCUH is in good shape and not in any critical danger at the moment.

APPOINTMENT OF PERSONNEL COMMITTEE FOR EVALUATION OF EXECUTIVE DIRECTOR

Chair Bal stated that the purpose of the Personnel Committee is to conduct the annual evaluation of the Executive Director. He appointed Director Hayashida, Director Leong, and Vice Chair Goodin (Chair) to the committee.

MAHALO TO OUTGOING BOARD CHAIR

Chair Bal recalled that for the last 10 years he's been a UH Regent, all 10 years he's been assigned to RCUH and he believes it was a good fit. Soon after UH won the contract for the Maui High Performance Computing Center in 2001, he received a call from the then RCUH Executive Director who planned to bring the Board of Directors. Chair Bal stated that he was in awe of that Board, and is still in awe of that Board. He declared that the Board's dedication, expertise, and leadership is what makes for a high functioning board. Chair Bal concluded that it has been his honor and pleasure to serve on this Board, and wished the Board and RCUH the very best in the future.

ADJOURNMENT

The meeting adjourned at 10:54 a.m.

Kaylee Hull
Executive Administrator

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

RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII
BALANCE SHEETS
JUNE 30, 2023 and 2022

ASSETS	2023	2022
CASH AND CASH EQUIVALENTS	\$ 31,943,905	\$ 20,979,139
RESTRICTED CASH (RETIREE MEDICAL AND LIFE INSURANCE)	1,700,000	1,700,000
TIME CERTIFICATES OF DEPOSIT	4,500,000	11,496,000
SHORT TERM INVESTMENT	3,974,156	4,071,670
RECEIVABLES	-	-
PREPAID EXPENSES	<u>210,950</u>	<u>221,728</u>
TOTAL CURRENT ASSETS	<u>42,329,011</u>	<u>38,468,537</u>
FIXED ASSETS (Less accumulated depreciation of \$8,197,947 and \$7,645,358 for FY 2023 and FY 2022, respectively)	<u>3,404,837</u>	<u>2,175,218</u>
TOTAL ASSETS	<u><u>\$ 45,733,848</u></u>	<u><u>\$ 40,643,755</u></u>
LIABILITIES AND RETAINED EARNINGS		
LIABILITIES:		
ACCOUNTS PAYABLE	\$ 1,000,447	\$ 301,241
ACCRUED EXPENSES AND PAYROLL TAXES WITHHELD	3,016,834	2,882,603
ADVANCES		
UNIVERSITY OF HAWAII, NET	16,455,519	14,462,771
OTHER SPONSORING AGENCIES, NET	2,833,074	3,254,621
WORKER'S COMPENSATION RESERVE	2,714,403	2,798,161
UNEMPLOYMENT RESERVE	3,255,348	2,362,785
VACATION PAY OUT RESERVE	<u>739,024</u>	<u>327,872</u>
TOTAL CURRENT LIABILITIES	<u>30,014,649</u>	<u>26,390,054</u>
LEASE LIABILITY	257,434	-
ACCRUED SUPPLEMENTAL RETIREMENT BENEFITS	1,928,724	1,941,250
RETIREE MEDICAL AND LIFE INSURANCE BENEFITS	<u>2,550,857</u>	<u>2,573,629</u>
TOTAL LIABILITIES	<u>34,751,664</u>	<u>30,904,933</u>
RETAINED EARNINGS:		
INVESTED IN CAPITAL ASSETS	3,404,837	2,175,218
DESIGNATED FOR:		
WORKING CAPITAL	6,496,085	6,487,275
PROJECT CONTINGENT LIABILITIES RESERVE	<u>1,081,262</u>	<u>1,076,329</u>
TOTAL RETAINED EARNINGS	<u>10,982,184</u>	<u>9,738,822</u>
TOTAL LIABILITIES AND RETAINED EARNINGS	<u><u>\$ 45,733,848</u></u>	<u><u>\$ 40,643,755</u></u>

NOTES:

- 1) This balance sheet does not include accruals for liabilities related to project expenditures.
- 2) Outstanding purchase orders totaled \$75,152,105 and \$68,684,182 at June 30, 2023 and 2022, respectively.

RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE PERIOD ENDED JUNE 30, 2023 and 2022

	FYE 6/30/23 BUDGET	YTD ACTUAL	% OF BUDGET	YTD LAST YEAR
REVENUES:				
UNIVERSITY OF HAWAII	\$ 7,226,019	\$ 7,235,001	100.1%	\$ 6,613,919
OTHER SPONSORING AGENCIES	589,020	555,513	94.3%	732,743
INTEREST AND OTHER INCOME	145,250	1,170,322	805.7%	157,683
TOTAL OPERATING REVENUES	7,960,289	8,960,836	112.6%	7,504,345
OPERATING EXPENSES:				
SALARIES & WAGES	3,774,251	3,217,848	85.3%	3,004,028
FRINGE BENEFITS	980,113	824,346	84.1%	782,291
INFO TECH SERVICES	540,000	702,618	130.1%	407,330
HUMAN RES./PAYROLL SYSTEM	701,826	687,789	98.0%	669,778
SUPPLIES	100,450	54,819	54.6%	61,361
TRAVEL	18,000	15,089	83.8%	-
CPA SERVICES	49,005	49,005	100.0%	47,120
UTILITIES	20,850	24,024	115.2%	17,161
RENTAL - SPACE/EQUIP/OTHER	215,200	240,685	111.8%	297,065
REPAIRS & MAINTENANCE	500	-	0.0%	-
BANK FEES	24,000	34,987	145.8%	27,439
TRANSPORTATION	500	-	0.0%	-
BOARD OF DIRECTORS MEETINGS	4,000	2,581	64.5%	8
INSURANCE	608,412	586,066	96.3%	574,374
PROFESSIONAL/TECHNICAL SUPPORT	250,319	183,545	73.3%	239,170
DISCRETIONARY FUND	10,000	2,162	21.6%	4,216
STAFF DEVELOPMENT	17,500	14,597	83.4%	8,307
TRAINING MATERIAL DEVELOPMENT	60,000	48,078	80.1%	45,213
RETIREE MEDICAL AND LIFE INS BENEFITS	-	-	0.0%	-
TUITION SUPPORT	75,000	40,478	54.0%	32,545
UH RESEARCH AWARDS	-	-	0.0%	-
OTHER	116,990	116,536	99.6%	144,290
DEPRECIATION EXPENSE	665,000	683,165	102.7%	780,489
CLAIMS & SETTLEMENTS	-	22,500	0.0%	104,061
PROJ OVERRUNS & DISALLOWANCE	-	-	0.0%	-
TOTAL OPERATING EXPENSES	8,231,916	7,550,918	91.7%	7,246,246
OPERATING INCOME (LOSS)	\$ (271,627)	\$ 1,409,918		\$ 258,099
INVESTMENT IN CAPITAL ASSETS				
FIXED ASSETS	300,000	217,242		-
IT SYSTEM DEV - INFO TECH SERVICES	850,000	1,308,900		-
IT SYSTEM DEV - HR/PAYROLL SYSTEM	270,423	132,391		124,885
TOTAL INVESTMENT IN CAPITAL ASSETS	\$ 1,420,423	\$ 1,658,533		\$ 124,885

RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII
RETAINED EARNINGS (NET ASSETS)
JUNE 30, 2023

CHANGES IN RETAINED EARNINGS

	INVESTED IN CAPITAL ASSETS	WORKING CAPITAL	PROJ CONTING LIABILITIES	TOTAL OPER FUND BALANCE
BEGINNING BALANCE	\$ 2,429,469	\$ 6,061,535	\$ 1,081,262	\$ 9,572,266
OPERATING INCOME	(683,165)	2,093,083	-	1,409,918
INVESTMENT IN CAPITAL ASSETS	1,658,533	(1,658,533)	-	-
ENDING BALANCE	<u>\$ 3,404,837</u>	<u>\$ 6,496,085</u>	<u>\$ 1,081,262</u>	<u>\$ 10,982,184</u>

VOLUME OF BUSINESS

	FY 2023	FY2022
UH PROJECTS		
EXTRAMURAL	\$ 266,558,062	\$ 220,558,687
INTRAMURAL (GRS)	16,094,345	14,867,158
REVOLVING & SSF	37,593,990	32,732,567
DIRECT PROJECTS		
FEDERAL	102,251	349,424
NON-FEDERAL	13,550,154	19,469,836
	<u>\$ 333,898,802</u>	<u>\$ 287,977,672</u>

UH EXTRAMURAL AWARDS

(obtained from UH Office of Research Services)

	FY 2023	FY 2022	VARIANCE	% VARIANCE
Fiscal Year to Date (Jul 01 to Jun 30)	\$ 515,809,069	\$ 505,019,134	10,789,935	2.1%
3 month period (Apr 01 to Jun 30)	137,495,036	101,169,939	36,325,097	35.9%

RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII
STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED JUNE 30, 2023 and 2022

	CURRENT MONTH	FY 2023 YEAR-TO-DATE	FY 2022 YEAR-TO-DATE
BEGINNING CASH BALANCE	\$ 22,871,479	\$ 20,979,139	\$ 21,749,404
Receipts:			
UH Projects	30,707,276	284,734,353	232,030,131
Direct Projects	2,034,793	13,408,689	19,882,276
Revolving Funds and Other	2,576,223	20,250,128	16,259,508
UH Management Fee	1,509,899	5,579,244	5,758,041
	<u>36,828,191</u>	<u>323,972,414</u>	<u>273,929,956</u>
TCD Redemption	<u>2,250,000</u>	<u>12,696,000</u>	<u>12,827,902</u>
Total Receipts	<u>39,078,191</u>	<u>336,668,414</u>	<u>286,757,858</u>
Disbursements:			
Vendors	15,914,718	160,462,461	129,603,905
UH Payroll Clearing	256,746	2,983,077	2,354,171
Salaries & Wages	8,025,230	90,149,513	82,435,653
Payroll taxes	3,432,053	38,347,775	35,071,523
TIAA-CREF	1,102,502	12,805,436	12,560,539
HMSA/Kaiser/HDS	1,264,477	15,231,166	14,136,760
TCD Purchase	-	4,000,000	10,296,000
Short Term Investment Purchase	-	-	1,077,902
Other	-	-	-
	<u>29,995,726</u>	<u>323,979,428</u>	<u>287,536,453</u>
Total Disbursements	<u>29,995,726</u>	<u>323,979,428</u>	<u>287,536,453</u>
Increase(Decrease):			
Petty Cash Balances	-	(6,600)	1,750
Bank of Hawaii (PR)	-	-	-
Savings - TCD	-	-	-
Retricted Cash - Retiree Health Ben	-	(1,700,000)	-
Other	<u>(10,039)</u>	<u>(17,620)</u>	<u>6,580</u>
	<u>(10,039)</u>	<u>(1,724,220)</u>	<u>8,330</u>
ENDING CASH BALANCE	<u><u>\$ 31,943,905</u></u>	<u><u>\$ 31,943,905</u></u>	<u><u>\$ 20,979,139</u></u>

NOTES:

This statement of cash flow does not include transactions for revolving accounts or specialized service facilities which are processed by journal entry transactions.

RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII
BALANCE SHEETS
AUGUST 31, 2023 and 2022

ASSETS	<u>2023</u>	<u>2022</u>
CASH AND CASH EQUIVALENTS	\$ 17,832,451	\$ 20,977,965
RESTRICTED CASH (RETIREE MEDICAL AND LIFE INSURANCE)	1,700,000	1,700,000
TIME CERTIFICATES OF DEPOSIT	4,000,000	12,496,000
SHORT TERM INVESTMENT	3,986,989	3,940,549
RECEIVABLES	-	-
PREPAID EXPENSES	<u>140,633</u>	<u>300,209</u>
TOTAL CURRENT ASSETS	<u>27,660,073</u>	<u>39,414,723</u>
FIXED ASSETS (Less accumulated depreciation of \$7,870,159 and \$7,625,582 for FY 2024 and FY 2023, respectively)	<u>3,234,974</u>	<u>2,086,408</u>
TOTAL ASSETS	<u><u>\$ 30,895,047</u></u>	<u><u>\$ 41,501,131</u></u>
 LIABILITIES AND RETAINED EARNINGS		
LIABILITIES:		
ACCOUNTS PAYABLE	\$ 382,153	\$ 228,823
ACCRUED EXPENSES AND PAYROLL TAXES WITHHELD	2,960,765	2,777,569
ADVANCES		
UNIVERSITY OF HAWAII, NET	2,372,631	16,538,719
OTHER SPONSORING AGENCIES, NET	2,568,226	1,990,050
WORKER'S COMPENSATION RESERVE	2,699,023	2,798,161
UNEMPLOYMENT RESERVE	3,320,334	2,551,252
VACATION PAY OUT RESERVE	<u>700,511</u>	<u>324,221</u>
TOTAL CURRENT LIABILITIES	<u>15,003,643</u>	<u>27,208,795</u>
LEASE LIABILITY	145,554	-
ACCRUED SUPPLEMENTAL RETIREMENT BENEFITS	1,911,532	1,971,177
RETIREE MEDICAL AND LIFE INSURANCE BENEFITS	<u>2,547,873</u>	<u>2,569,591</u>
TOTAL LIABILITIES	<u>19,608,602</u>	<u>31,749,563</u>
RETAINED EARNINGS:		
INVESTED IN CAPITAL ASSETS	3,234,974	2,086,408
DESIGNATED FOR:		
WORKING CAPITAL	6,939,273	6,588,831
PROJECT CONTINGENT LIABILITIES RESERVE	<u>1,112,198</u>	<u>1,076,329</u>
TOTAL RETAINED EARNINGS	<u>11,286,445</u>	<u>9,751,568</u>
TOTAL LIABILITIES AND RETAINED EARNINGS	<u><u>\$ 30,895,047</u></u>	<u><u>\$ 41,501,131</u></u>

NOTES:

- 1) This balance sheet does not include accruals for liabilities related to project expenditures.
- 2) Outstanding purchase orders totaled \$71,233,475 and \$72,289,331 at August 31, 2023 and 2022, respectively.

RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE PERIOD ENDED AUGUST 31, 2023 and 2022

	FYE 6/30/24 BUDGET	YTD ACTUAL	% OF BUDGET	YTD LAST YEAR
REVENUES:				
UNIVERSITY OF HAWAII	\$ 7,678,480	\$ 1,226,661	16.0%	\$ 1,145,874
OTHER SPONSORING AGENCIES	540,000	89,542	16.6%	95,787
INTEREST AND OTHER INCOME	750,000	295,795	39.4%	102,204
TOTAL OPERATING REVENUES	8,968,480	1,611,998	18.0%	1,343,865
OPERATING EXPENSES:				
SALARIES & WAGES	3,831,864	544,559	14.2%	511,496
FRINGE BENEFITS	997,194	139,441	14.0%	135,106
INFO TECH SERVICES	500,000	141,361	28.3%	68,586
HUMAN RES./PAYROLL SYSTEM	707,401	94,766	13.4%	86,716
SUPPLIES	120,000	10,831	9.0%	7,725
TRAVEL	32,500	1,274	3.9%	923
CPA SERVICES	51,832	15,707	30.3%	23,560
UTILITIES	18,850	1,151	6.1%	1,120
RENTAL - SPACE/EQUIP/OTHER	142,200	23,057	16.2%	51,851
REPAIRS & MAINTENANCE	-	-	0.0%	-
BANK FEES	24,000	6,747	28.1%	4,119
TRANSPORTATION	500	-	0.0%	-
BOARD OF DIRECTORS MEETINGS	10,000	45	0.5%	-
INSURANCE	600,000	105,790	17.6%	98,569
PROFESSIONAL/TECHNICAL SUPPORT	242,500	15,571	6.4%	7,500
DISCRETIONARY FUND	10,000	128	1.3%	139
STAFF DEVELOPMENT	25,700	2,909	11.3%	1,098
TRAINING MATERIAL DEVELOPMENT	80,000	52,228	65.3%	45,213
TUITION SUPPORT	75,000	8,355	11.1%	2,694
OTHER	140,100	25,204	18.0%	11,296
DEPRECIATION EXPENSE	632,000	105,200	16.6%	110,800
CLAIMS & SETTLEMENTS	-	-	0.0%	-
PROJ OVERRUNS & DISALLOWANCE	-	-	0.0%	-
TOTAL OPERATING EXPENSES	8,241,641	1,294,324	15.7%	1,168,511
OPERATING INCOME (LOSS)	\$ 726,839	\$ 317,674		\$ 175,354
INVESTMENT IN CAPITAL ASSETS				
FIXED ASSETS	25,000	-		-
IT SYSTEM DEV - INFO TECH SERVICES	2,094,240	-		-
IT SYSTEM DEV - HR/PAYROLL SYSTEM	210,000	50,000		10,000
TOTAL INVESTMENT IN CAPITAL ASSETS	\$ 2,329,240	\$ 50,000		\$ 10,000

RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII
RETAINED EARNINGS (NET ASSETS)
AUGUST 31, 2023

CHANGES IN RETAINED EARNINGS

	INVESTED IN CAPITAL ASSETS	WORKING CAPITAL	PROJ CONTING LIABILITIES	TOTAL OPER FUND BALANCE
BEGINNING BALANCE	\$ 3,290,174	\$ 6,566,399	\$ 1,112,198	\$ 10,968,771
OPERATING INCOME	(105,200)	422,874	-	317,674
INVESTMENT IN CAPITAL ASSETS	50,000	(50,000)	-	-
ENDING BALANCE	<u>\$ 3,234,974</u>	<u>\$ 6,939,273</u>	<u>\$ 1,112,198</u>	<u>\$ 11,286,445</u>

VOLUME OF BUSINESS

	FY 2024	FY 2023
UH PROJECTS		
EXTRAMURAL	\$ 46,174,213	\$ 45,313,308
INTRAMURAL (GRS)	4,173,297	2,964,545
REVOLVING & SSF	7,273,440	5,795,906
DIRECT PROJECTS		
FEDERAL	22,194	47,379
NON-FEDERAL	2,185,763	2,350,872
	<u>\$ 59,828,907</u>	<u>\$ 56,472,010</u>

UH EXTRAMURAL AWARDS

(obtained from UH Office of Research Services)

	FY 2024	FY 2023	VARIANCE	% VARIANCE
Fiscal Year to Date (Jul 01 to Aug 31)	\$ 59,940,526	\$ 77,428,717	(17,488,191)	-22.6%
12 month period (Sep 01 to Aug 31)	498,320,878	486,383,258	11,937,620	2.5%
3 month period (Jun 01 to Aug 31)	108,289,352	122,500,836	(14,211,484)	-11.6%

RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII
STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED AUGUST 31, 2023 and 2022

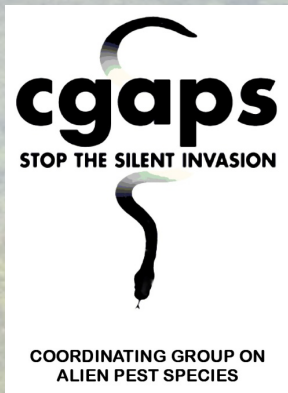
	CURRENT MONTH	FY 2024 YEAR-TO-DATE	FY 2023 YEAR-TO-DATE
BEGINNING CASH BALANCE	\$ 23,165,708	\$ 31,943,905	\$ 20,979,139
Receipts:			
UH Projects	23,227,568	38,527,981	51,067,502
Direct Projects	602,683	1,914,264	1,145,211
Revolving Funds and Other	737,999	1,676,043	2,029,701
UH Management Fee	-	-	-
	<u>24,568,250</u>	<u>42,118,288</u>	<u>54,242,414</u>
TCD Redemption	<u>1,000,000</u>	<u>1,500,000</u>	<u>2,000,000</u>
Total Receipts	<u>25,568,250</u>	<u>43,618,288</u>	<u>56,242,414</u>
Disbursements:			
Vendors	15,609,900	27,518,424	27,627,158
UH Payroll Clearing	61,144	249,880	481,166
Salaries & Wages	8,270,166	16,871,390	14,454,507
Payroll taxes	3,474,795	7,094,025	6,086,181
TIAA-CREF	1,120,427	2,231,362	2,044,949
HMSA/Kaiser/HDS	1,390,821	2,778,507	2,564,507
TCD Purchase	1,000,000	1,000,000	3,000,000
Short Term Investment Purchase	-	-	-
Other	-	-	-
	<u>30,927,253</u>	<u>57,743,588</u>	<u>56,258,468</u>
Total Disbursements	<u>30,927,253</u>	<u>57,743,588</u>	<u>56,258,468</u>
Increase(Decrease):			
Petty Cash Balances	-	(810)	500
Bank of Hawaii (PR)	-	-	-
Savings - TCD	-	-	-
Retricted Cash - Retiree Health Ben	-	-	-
Other	<u>25,746</u>	<u>14,656</u>	<u>14,380</u>
	<u>25,746</u>	<u>13,846</u>	<u>14,880</u>
ENDING CASH BALANCE	<u><u>\$ 17,832,451</u></u>	<u><u>\$ 17,832,451</u></u>	<u><u>\$ 20,977,965</u></u>

NOTES:

This statement of cash flow does not include transactions for revolving accounts or specialized service facilities which are processed by journal entry transactions.

RCUH's Role in Protecting Hawaii's Natural and Cultural Resources

September 19, 2023



Christy Martin
University of Hawai'i-Pacific Cooperative Studies Unit
Coordinating Group on Alien Pest Species
(808) 722-0995
www.CGAPS.org

Photo: Dan Clark



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

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

From: https://www.rcuh.com/wp-content/uploads/2023/08/RCUH-Presentation_February-2023.pdf

RCUH is a conduit to connect the knowledge base, research, and extension capacities of the University of Hawaii with state and federal agencies and NGOs through cooperative projects with multiple benefits:

- Efficiency with excellence (you do HR, financials, etc. so your projects don't have to!)
- Multi-agency/private funding to support common goals (projects)
- Reasonable policies that balance statutory authorities and sound management

The next few slides will highlight the types of natural resource protection projects and outcomes that, without RCUH, would be rare, difficult, or in some cases, impossible.

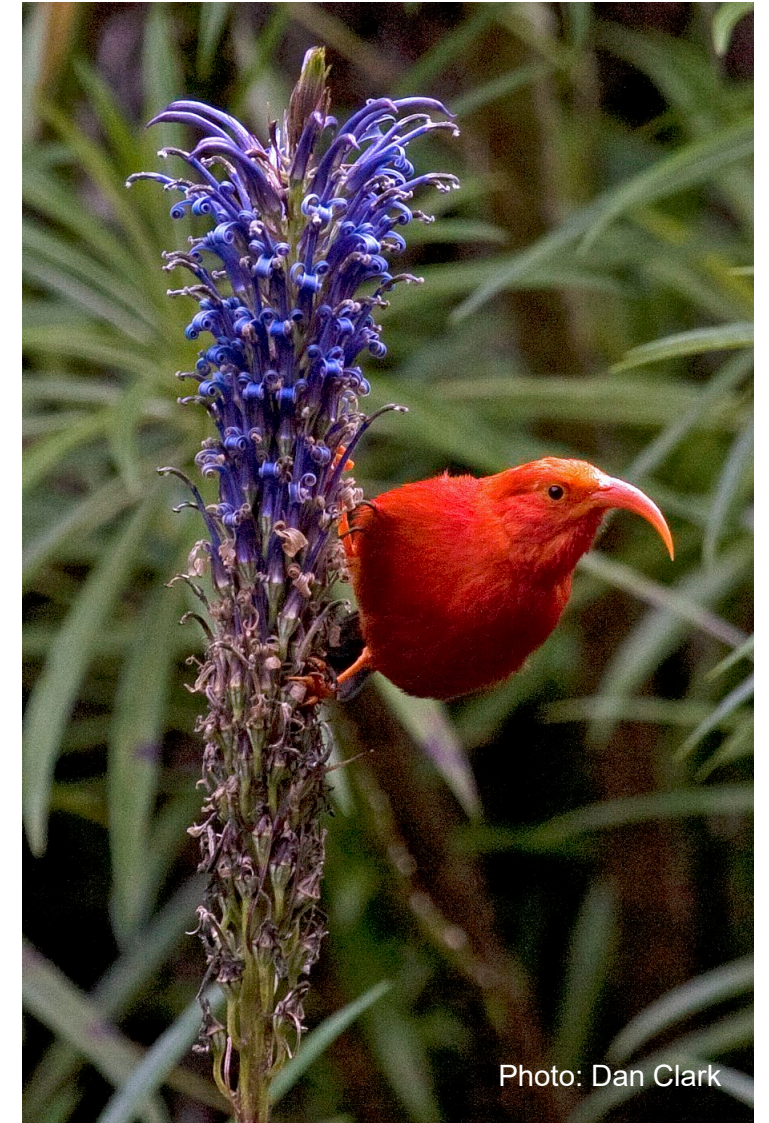


Photo: Dan Clark

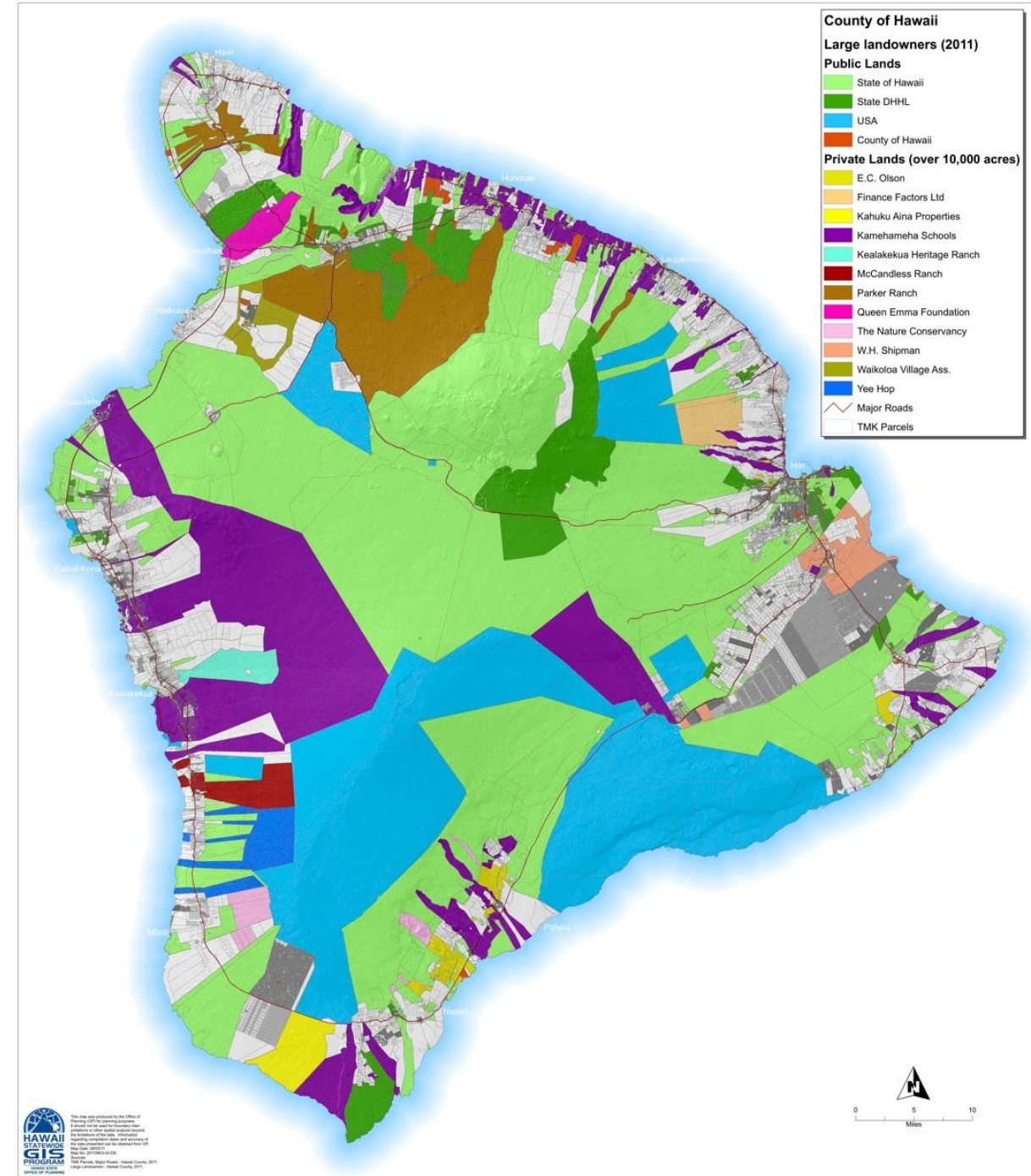
'I'iwi on *Lobelia grayana*

How do we protect and enhance natural resources* when land ownership looks like a patchwork quilt with different owners?

Natural resources include:

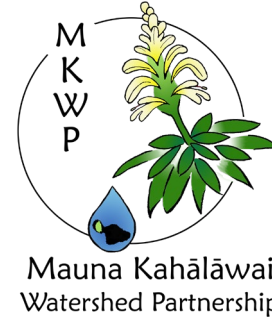
- native species and ecosystem processes
- water/watershed function
- soil/microbial health and moisture/infiltration/retention
- ocean, reef & stream functions

Natural resources and Hawaiian culture are intertwined

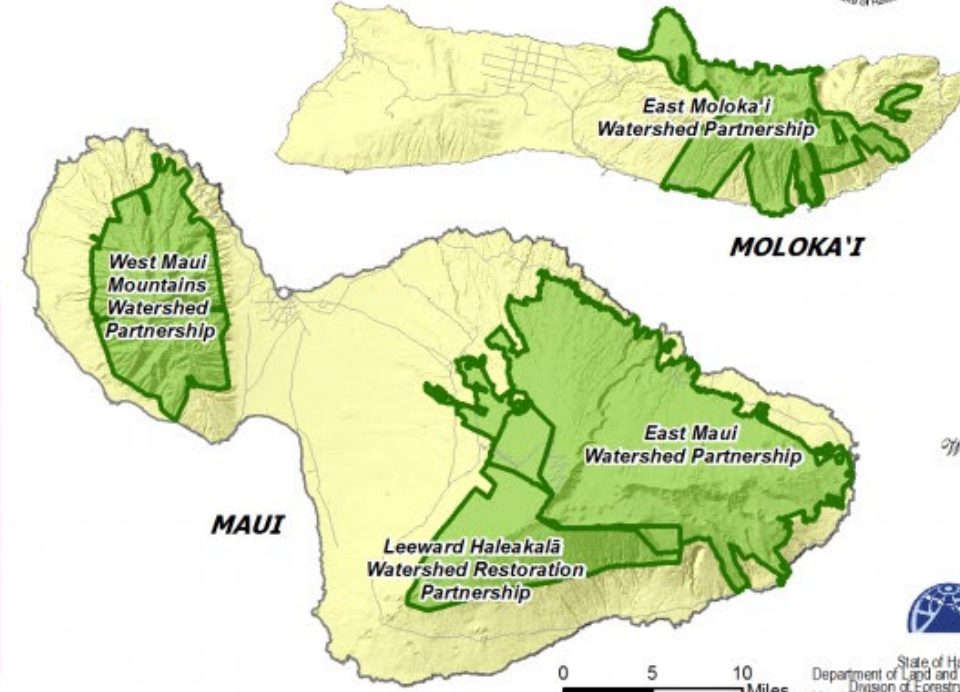
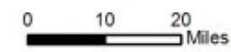
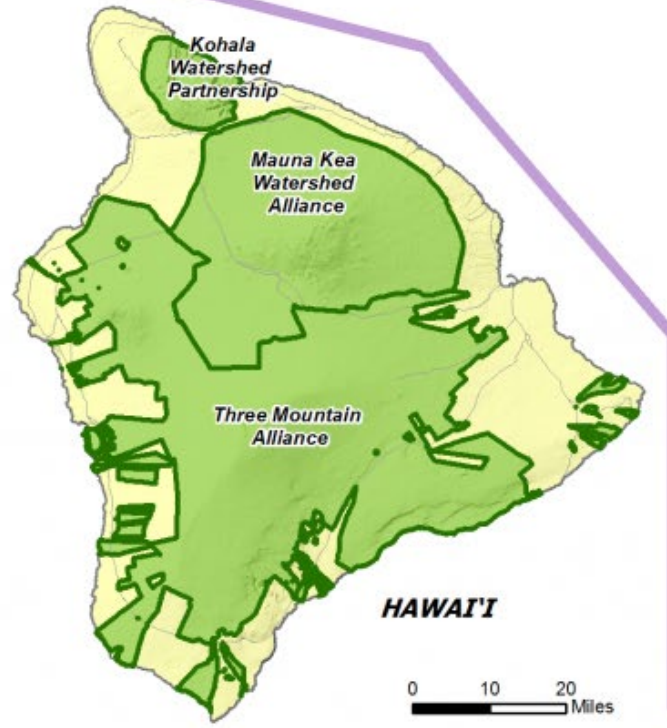
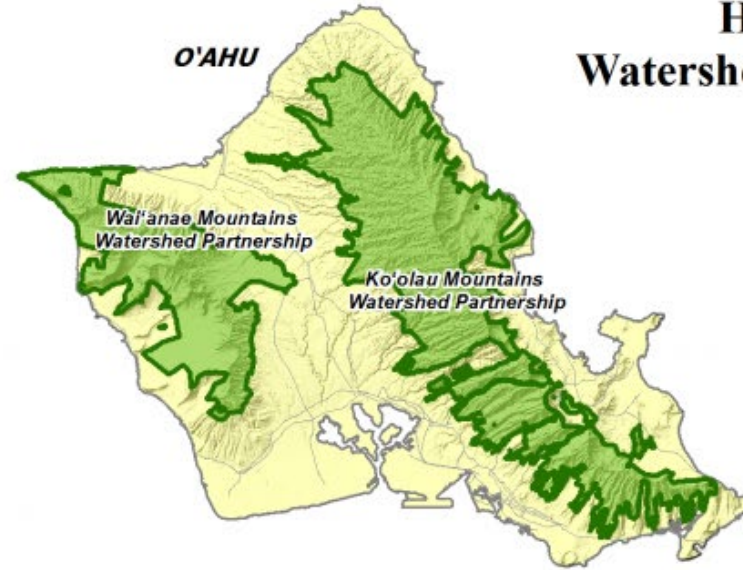
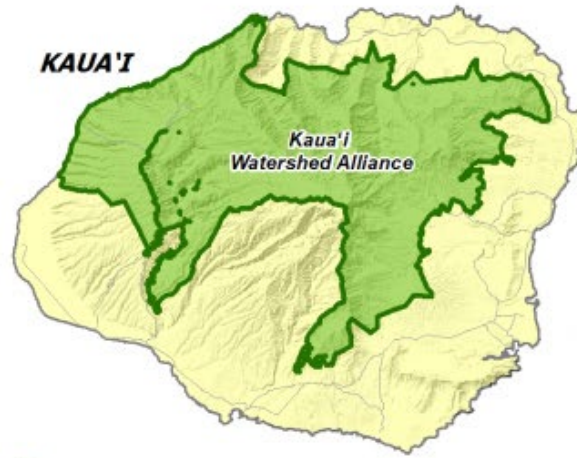


Examples of projects that fill gaps and work across property lines

- 1991 Watershed Partnerships began forming to manage water across property lines, now there are 9 (6 RCUH)
- 1995 CGAPS formed to facilitate multi-agency communications and work on invasive species, including policies and public outreach
- 1997 Invasive Species Committees started forming to fill in for the lack of early detection and rapid response capabilities within agencies.



HAWAI'I Watershed Partnerships 2015



State of Hawaii
Department of Land and Natural Resources
Division of Forestry and Wildlife
Map No. FW-1022 (11/2011), Edit 11/2015

Watershed Partnerships

WPs build fences to protect the most important watershed forests, remove ungulates and invasive plants, and plant natives



PCSU Project: Mauna Kahālāwai
Watershed Partnership





PCSU Project: Three Mountain Alliance

Invasive Species Committees of Hawaii



PCSU Projects: Moloka'i Invasive Species Committee and O'ahu Invasive Species Committee





PCSU Projects: Maui Invasive Species Committee, Kaua'i Invasive Species Committee, Big Island Invasive Species Committee

Most RCUH natural resource projects with field crews use GPS and other technologies to record data and frequently have to use helicopters to get to remote or otherwise inaccessible locations. Many are also using UAVs (drones).

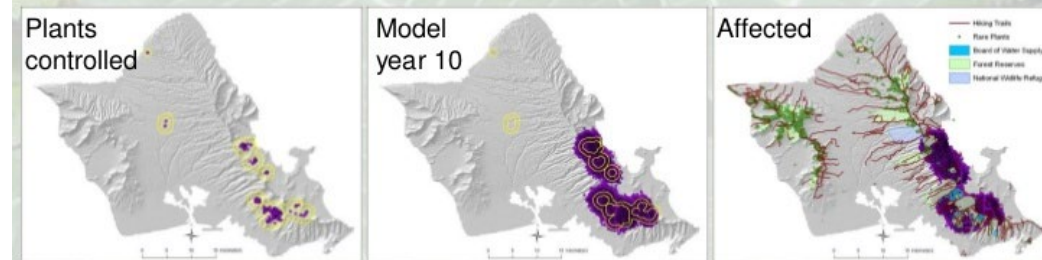


<https://www.youtube.com/watch?v=988i6SQKSzY>

“Herbicide Ballistic Technology” with CTAHR,
Maui Invasive Species Committee, Kaua‘i
Invasive Species Committee (top)

O‘ahu Invasive Species Committee (right)

Model of miconia spreading across the
watersheds of O‘ahu in the absence of
systematic control efforts

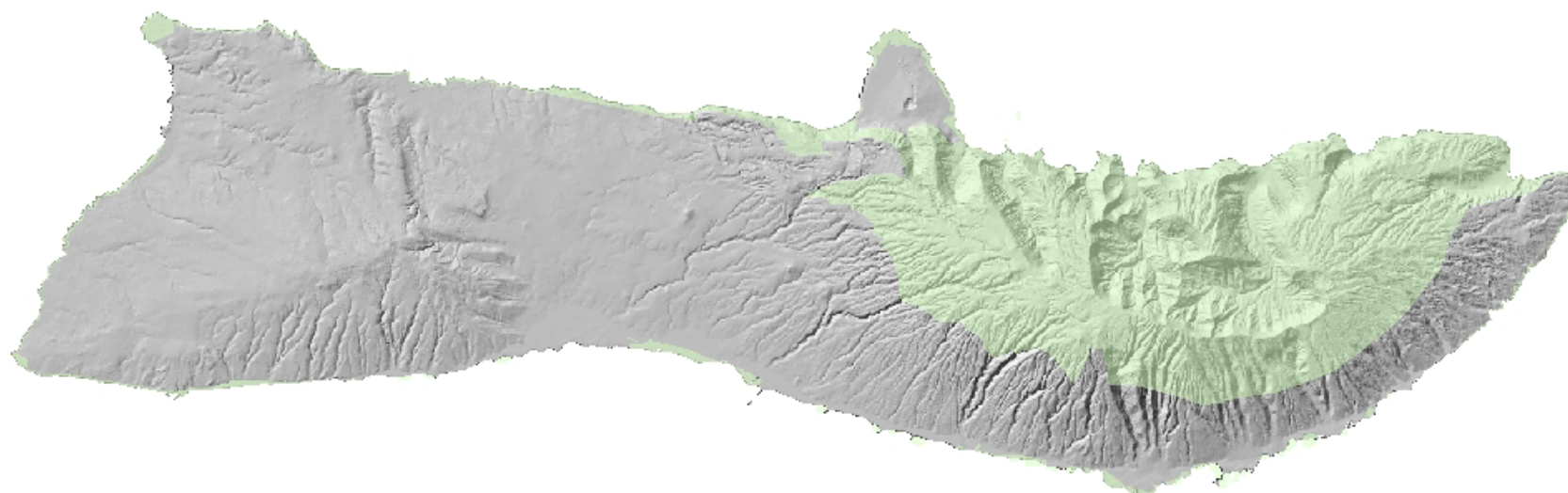
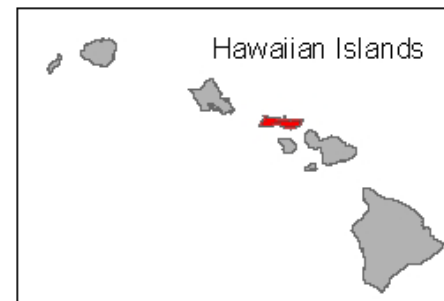


Miconia in Tahiti

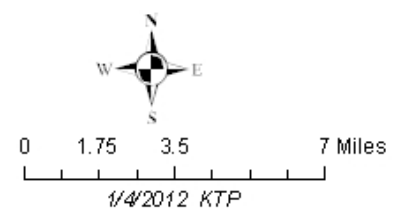


Miconia model output -Mānoa

Conservation Zoned Lands on Molokai



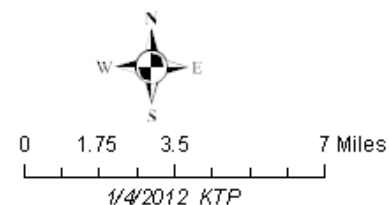
 Conservation Zoned Lands



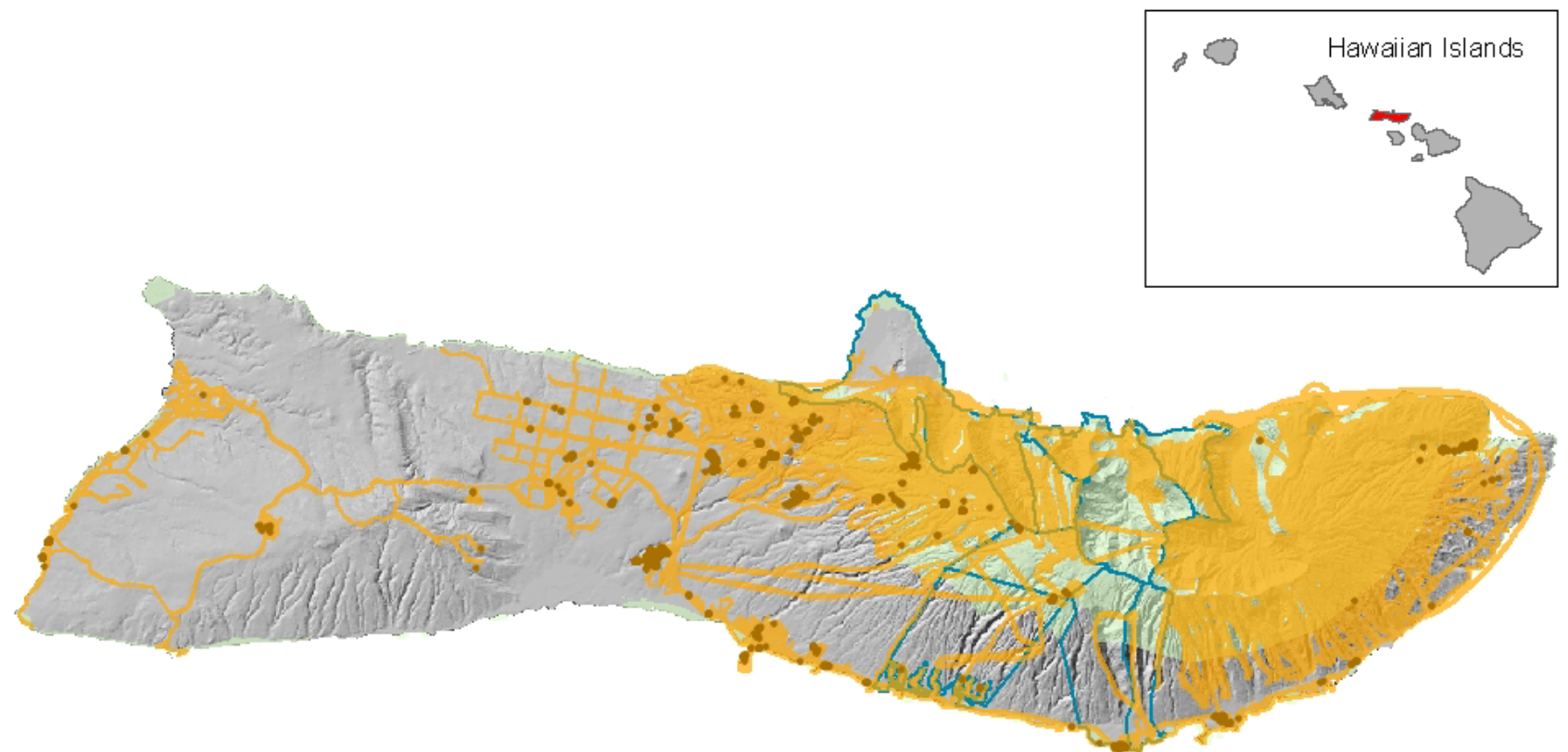
Watershed Partnership Boundaries on Molokai



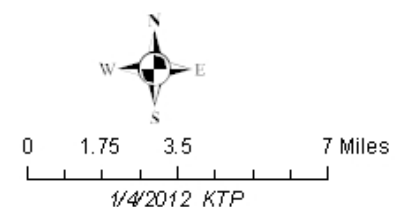
- Watershed Partnership Boundaries
- Conservation Zoned Lands



Invasive Species Committee Survey and Control on Molokai



- MOMISC Treatment Points
- MOMISC Surveys
- Watershed Partnership Boundaries
- Conservation Zoned Lands





We occasionally have to do R & D for new treatment tools for eradication work.

They developed this nozzle and application system to aerially treat little fire ants in East Maui...



- No LFA detected (7,933)
- LFA present (1,609)
- Hana Hwy (SR 360)
- ▨ Hau (*Hibiscus tiliaceus*)



Site characterization prior to aerial treatment (10/1/2019)

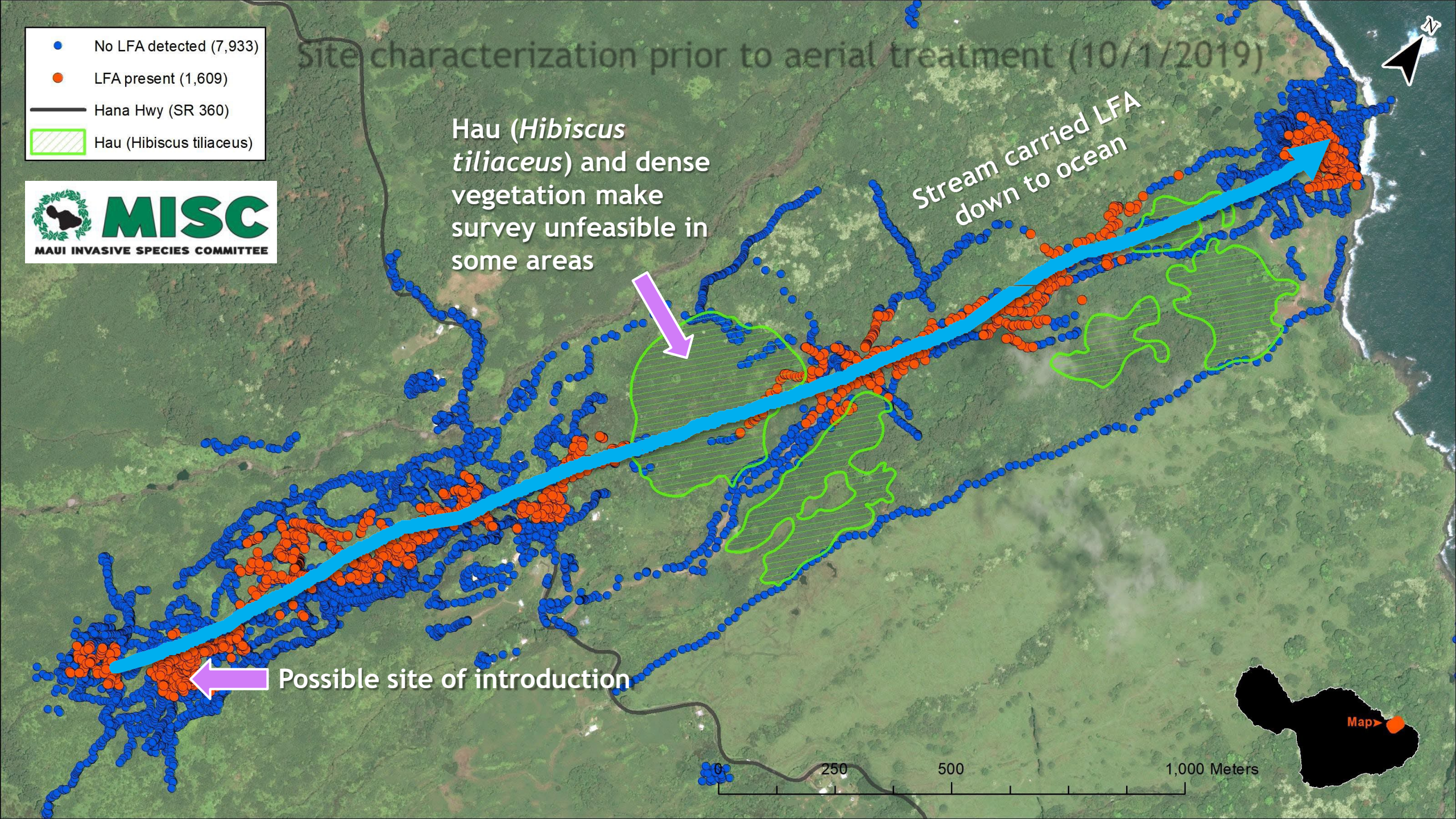
Hau (*Hibiscus tiliaceus*) and dense vegetation make survey unfeasible in some areas

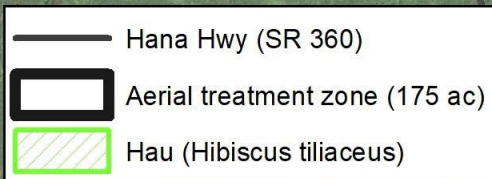
Stream carried LFA down to ocean

Possible site of introduction

0 250 500 1,000 Meters

Map





Compilation of treatment tracks

13 treatments over 19 months

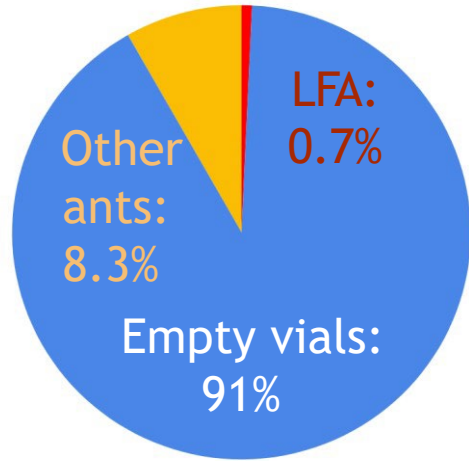


0 250 500 1,000 Meters

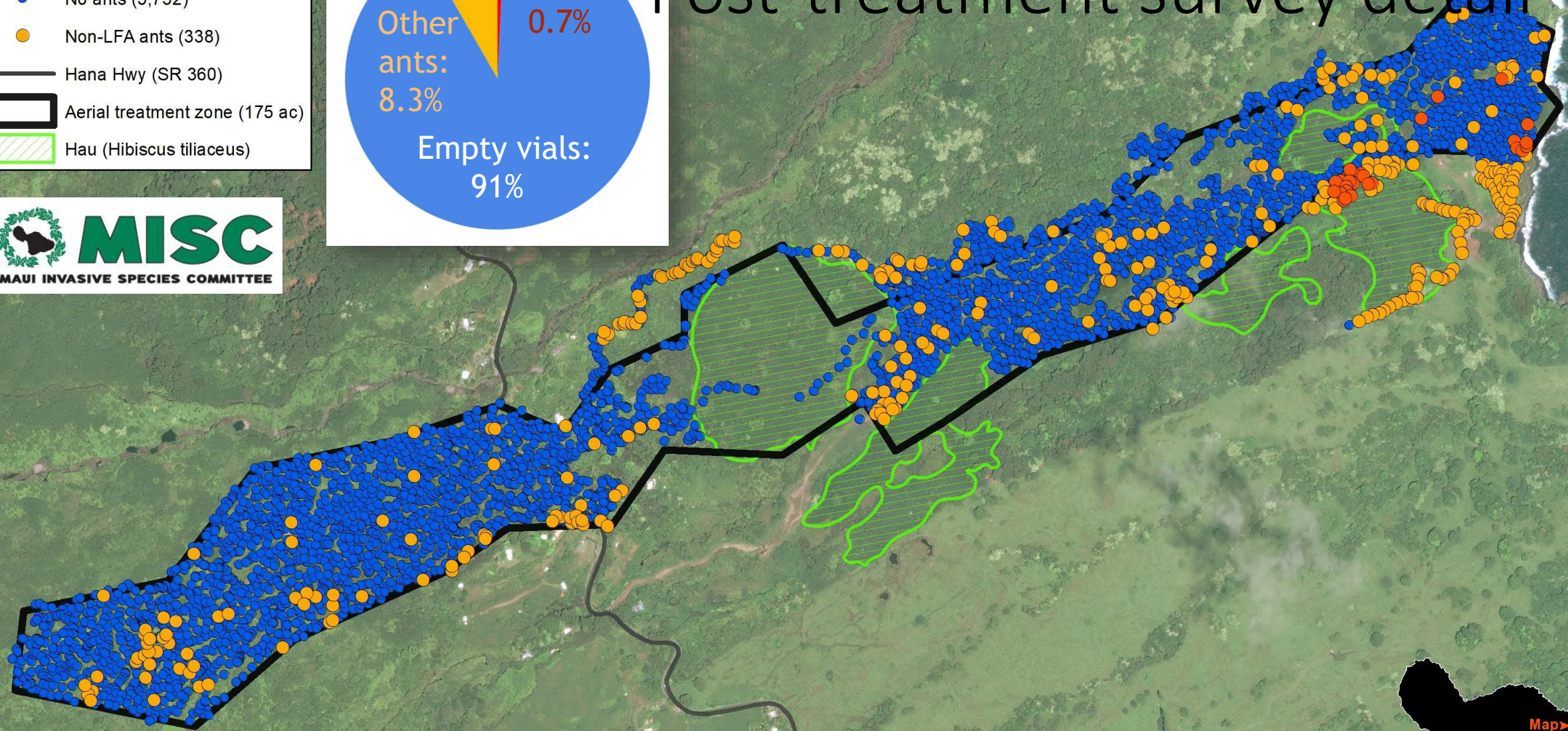
Map

Empty

- LFA present (30)
- No ants (3,732)
- Non-LFA ants (338)
- Hana Hwy (SR 360)
- Aerial treatment zone (175 ac)
- ▨ Hau (Hibiscus tiliaceus)



Post-treatment survey detail



PCSU Project: Hawai'i Ant Lab

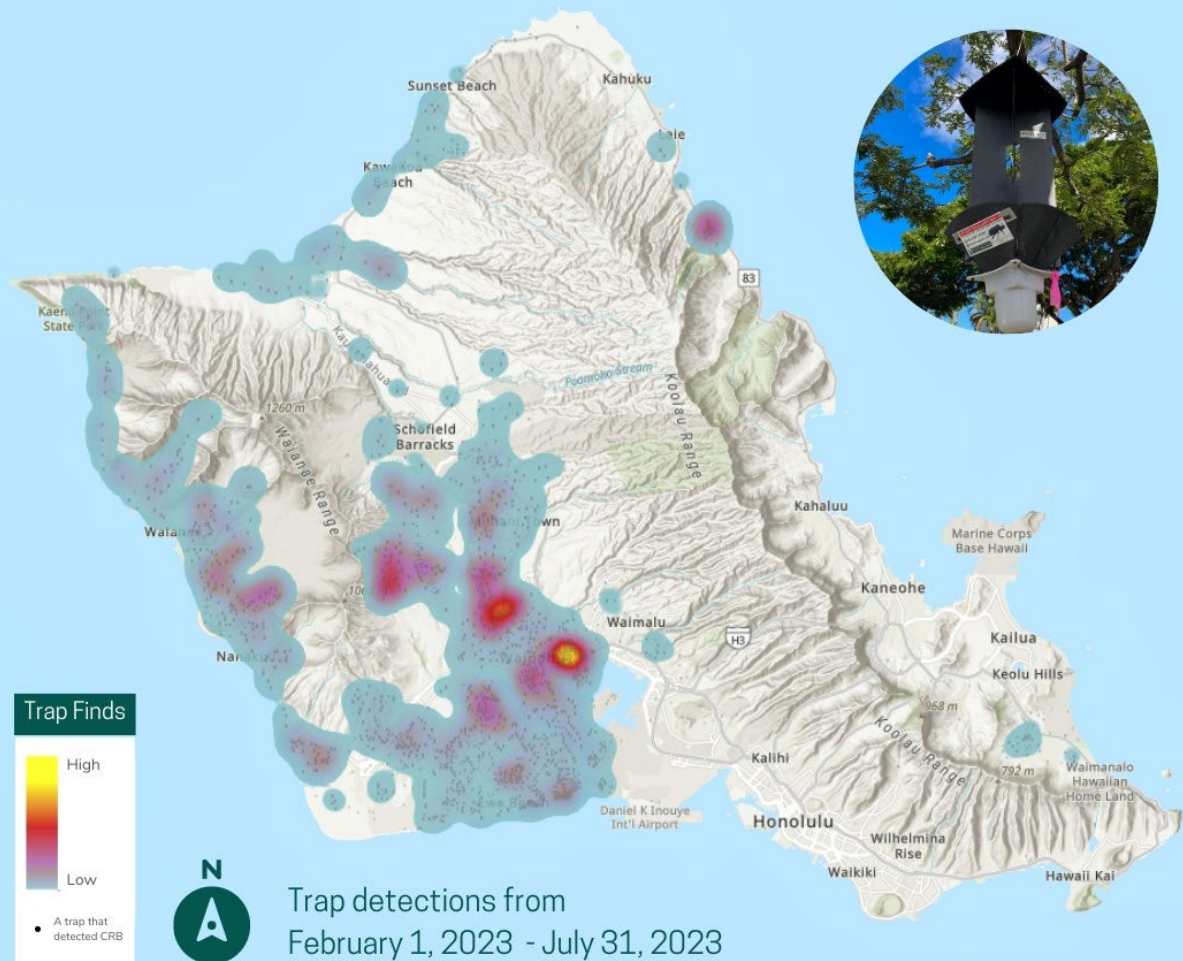


CTAHR PEPS: Coconut Rhinoceros Beetle Response



Coconut Rhinoceros Beetle

TRAP DETECTIONS - OAHU



Most projects are multi-agency. The Coconut Rhinoceros Beetle Response works in collaboration with the Invasive Species Committees and relevant county, state, and federal agencies

Coconut Rhinoceros Beetle

KAUAI DETECTIONS

Since First Detection May 31, 2023



Aquatic Invasive Species



PCSU Project: Ballast Water & Hullfouling



PCSU Project: Culturing native collector urchins to control invasive seaweeds



Legal Fellows



William S. Richardson School of Law- Environmental Law Institute Project: Legal Fellows



Forest Bird Recovery Projects work with some of the most critically endangered species in the world

Critically Endangered Hawaiian Forest Birds

* Extinction is likely for all within the next 1-10 years without immediate action to control the spread of mosquito-borne disease.

'Akeke'e

Home: Kaua'i

Population Estimate:

650 remaining wild birds



Kiwikiu

Home: Maui

Population Estimate:

135 remaining wild birds



'Akikiki

Home: Kaua'i

Population Estimate:

40 remaining wild birds



'Ākohekohe

Home: Maui

Population Estimate:

1,650 remaining wild birds



wandering_finch

©2023WanderingFinch.com
@wandering_finch



PCSU Projects: Kaua'i Forest Bird Recovery Project and Maui Forest Bird Recovery Project



PCSU Project: Kaua'i Endangered Seabird Recovery Project

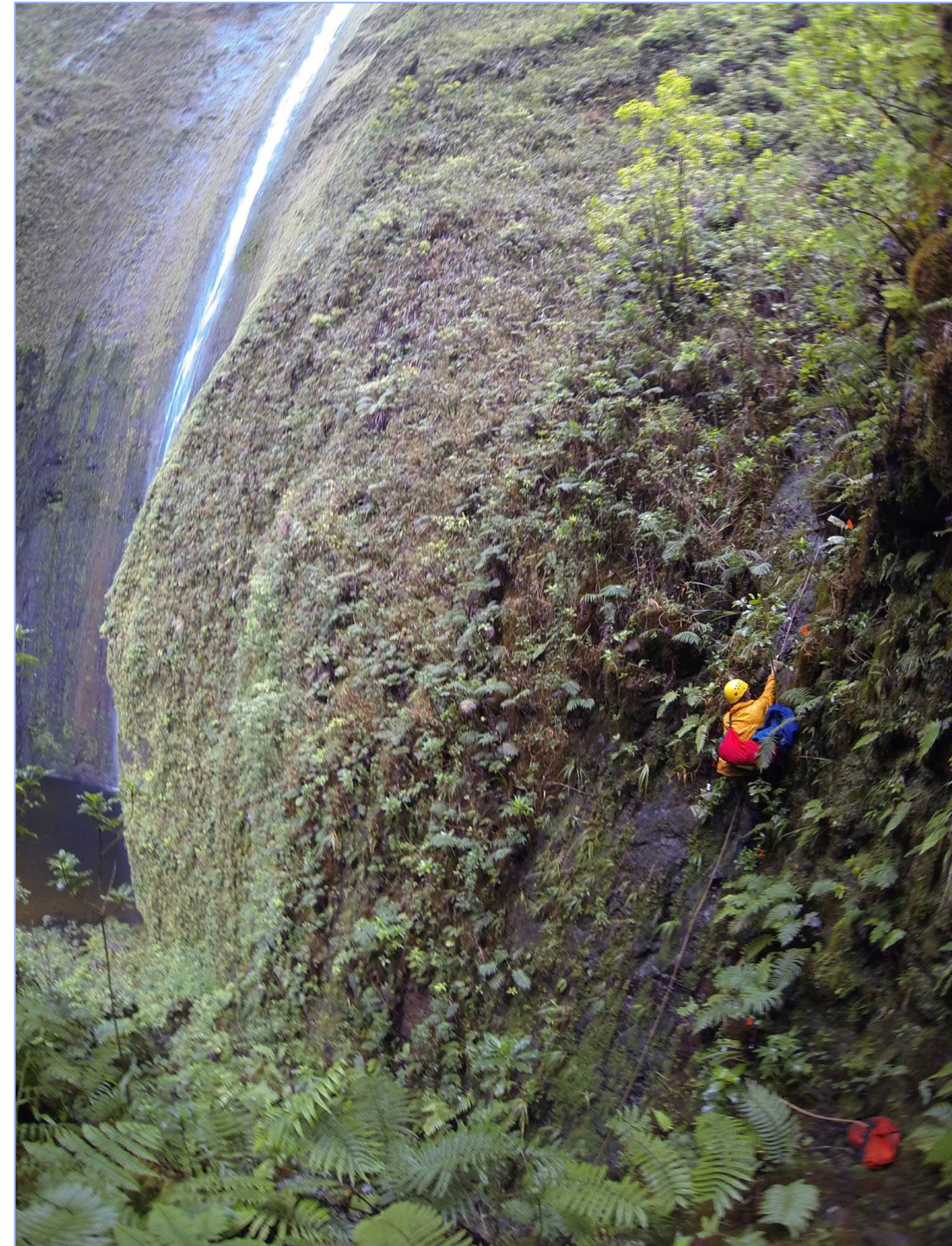


Credit: Archipelago Research & Conservation
<https://www.youtube.com/watch?v=QY6rPqNDjM4>



© Jennifer Rothe, KESRP

PCSU Project: Plant Extinction Prevention Program



PCSU Project: Maui Nui Plant Extinction Prevention Program



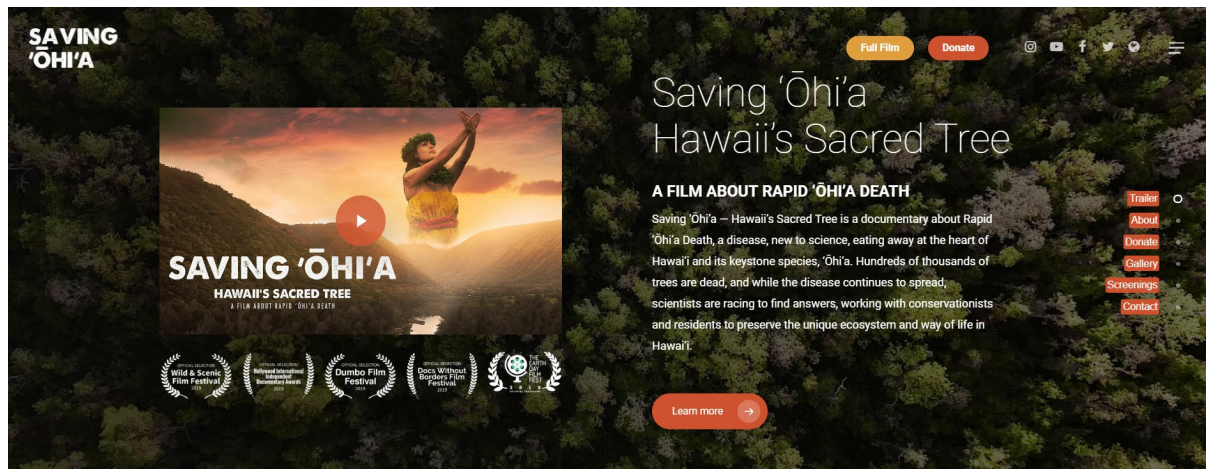
CTAHR Project: Rapid 'Ōhi'a Death Strategic Response



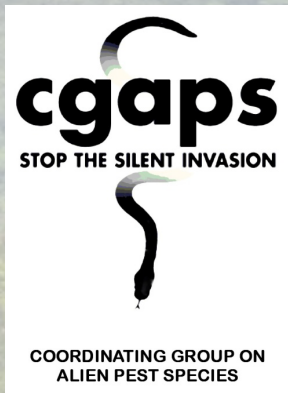
CTAHR Project: Rapid 'Ōhi'a Death Strategic Response (portions under CTAHR, PCSU, many agencies)



All projects have outreach & extension components



Mahalo for making all this (and more) possible!



Christy Martin
christym@hawaii.edu
(808) 722-0995
www.CGAPS.org

Photo: Dan Clark





RCUH BOARD OF DIRECTORS MEETING – SEPTEMBER 19, 2023 EXECUTIVE DIRECTOR'S REPORT

This report presents programmatic updates and summarizes RCUH's major initiatives since the Board's June 2, 2023 meeting. It begins with updates, followed by a status report of the actions taken toward RCUH's 2022-2026 Strategic Plan for calendar year 2023.

UPDATES

Impact of Maui Wildfires

In response to the devastating wildfires on Maui, RCUH followed the state's directive in granting administrative leave for non-emergency RCUH employees on Maui from August 9-13, 2023. The communication was distributed via web announcement on August 9 and a direct email the following day to all employees. In order to assist with the safety and well-being of our 275 RCUH employees on Maui, a personalized email was sent on August 14 with resources for those affected by the wildfires (e.g., RCUH Employee Assistance Program, RCUH Retirement Plan Hardship Withdrawal, available services from health vendors). HR Director Kira Higa also sent emails to 33 Principal Investigators who had staff on the Valley Isle. Through the feedback she received, RCUH can report that there were no known fatalities or physical harm to RCUH employees due to the wildfires. However, at least one employee lost their home. From a project location standpoint, the Maui Forest Bird Recovery Project reported minimal damage to their office. The Mauna Kahālāwai Watershed Partnership reported that they only recently restored power to their baseyard in early September. And it should be noted that although the Pacific Disaster Center was not damaged by fire, they played a role in the disaster response, working with the Maui County Emergency Management Agency, HEMA, FEMA, and the National Guard to leverage resources from NASA.

Legislative Update

RCUH received a legislative request for information from the UH Government Relations Office on August 2. This request was initiated by Senator Donovan Dela Cruz, Chair of the Senate Committee on Ways and Means, and distributed to all state departments and agency heads. The request asked for each agency's process for onboarding new Board and Commission members, including training/education opportunities on relevant statutes and Session Laws, as well as resources provided, such as cell phones, laptops, or business cards. RCUH responded to the request and forwarded its response to the University of Hawai'i for submission.

Installation of Enterprise Platform and Replacement of the AS400

The planned development and roll out of the Lumisight enterprise platform and the Accounting System Replacement is forecasted to be delayed six months each. The Lumisight platform is now forecasted for release on December 31, 2023. The Accounting System Replacement is anticipated to be released on December 31, 2024. The cause of the delay is attributed primarily to RCUH's prioritizing IT consultants and staff resources to the Revolving Account Transition that was directed by the UH OVPRI. System modifications that were made to the existing data interface between UH's Kualii Financial System (KFS) and RCUH's AS400 required significant collaboration and testing to ensure accurate information was being exchanged and accurate reports being generated.

Office of Naval Research Audit

The Office of Naval Research (ONR) performed and completed their triennial Contractor Purchasing System Review of the UH and RCUH procurement systems. There were no findings of material weaknesses or violations of federal standards, and ONR expressed overall satisfaction with the respective UH/RCUH procurement systems. ONR did recommend updating the UH/RCUH terms and conditions and policy and procedures for flow down clauses and/or dollar thresholds for Small Business

Subcontracting Plans, Certifications of Current Cost and Pricing Data, and Counterfeit Parts. These recommendations will be enacted by December 31, 2023.

TIAA Third-Party Data Security Incident

In late June, RCUH's retirement plan provider TIAA reported that a third-party vendor, Pension Benefit Information, LLC ("PBI"), may have been affected by the worldwide MOVEit security breach that occurred on or around May 31, 2023. PBI utilizes MOVEit to securely transfer files. Unfortunately, TIAA confirmed the following month that there were RCUH participants whose personal information was involved. PBI sent letters to impacted individuals, which included an offer for free credit monitoring for 24 months. PBI also notified law enforcement, and TIAA Information Security experts are in close contact with the third-party vendor. TIAA stated that it is working diligently to address and remediate this incident as quickly as possible.

Revolving Account Transition to the University of Hawai'i

After six months of coordination, planning, system modifications, and testing, RCUH has transitioned Revolving Accounts to the University of Hawai'i's newly created Special Fund Research and Re-charge Center accounts (SRRC). I am happy to report that the transition was fairly smooth despite the aggressive deadline imposed on this transition. It should be noted, however, that a few sizable Revolving Accounts were granted extensions (i.e., SOEST and Maunakea Shared Services) even though the vast majority of revolving accounts were transitioned to UH's Kualii Financial System by July 7, 2023, the opening of the new fiscal year.

HMSA Credit to RCUH Employees & Projects

As a result of HMSA's financial recovery emerging from the pandemic, HMSA issued a \$121,000 credit to RCUH for premiums paid in December 2021. RCUH processed and returned these funds back to all employees (comprised of: 650 Active, 263 Terminated Employees) and active project accounts affected. RCUH worked back with the UH Office of Research Services and issued a check of \$33,500 back to the University for the closed project accounts. Thanks to all RCUH core staff employees who spent significant time and effort to get this unusual transaction completed.

ACTIONS TAKEN TOWARD GOAL ACHIEVEMENT RCUH 2022 – 2026 STRATEGIC PLAN

GOAL 1. EVALUATE AND IMPLEMENT RECOMMENDATIONS FROM THE RCUH TASK FORCE.

- Collaborate with UH in an effort to minimize IT costs.
 - Determine and evaluate areas for possible integration between UH and RCUH systems. On September 1, RCUH met with UH ITS staff to discuss the offboarding process for RCUH employees. Due to the recent breaches at UH community colleges, UH ITS is working to clean up accounts in the UH System, which may include RCUH employees who have terminated. Similarly, RCUH had initial discussions on this topic in August to determine how to deactivate accounts in its own systems for UH Principal Investigators and Fiscal Administrators who have terminated. Upon further discussion it was clear that there are gaps in the offboarding process for both UH and RCUH. A secondary meeting will be scheduled in October to include OHR and ORS to bridge those gaps and determine what type of data each office needs to operate more effectively. Once these datasets are identified, RCUH will work with UH ITS to build an automatic report or feed into their system.

GOAL 2. CLARIFY RCUH'S IDENTITY WITH UH AND THE STATE.

- **Clearly define RCUH's role and relationship with UH, State of Hawai'i.**
 - **Engage with stakeholders to establish guidelines, expectations for RCUH's scope of work.**
The RCUH Leadership Team held a session at the Leading with Excellence Conference on August 9, coordinated by the UH Mānoa Office of the Vice Provost for Academic Excellence. This conference provides current and newly appointed academic leaders the ability to gain a better understanding of what their roles require of them, sharpen their leadership skills, and leverage their skills and vision to move their departments forward. RCUH's topic "Enhance Your Research with RCUH," was intended to help explain the complex relationship between UH and RCUH, teach potential new PIs about the various services RCUH offers, and to provide a glimpse of RCUH's priorities moving forward. Approximately 30 individuals attended the session and provided positive comments and feedback, rating it an overall 3.7 out of 4 points.
- **Ensure stakeholders understand RCUH's role and limitations.**
 - **Increase engagement with board members.** ED Gouveia held an in-depth orientation for Regents Wilson and Haning on August 23. During this meeting ED Gouveia reviewed the materials in the board binder, as well as the "[Introduction to RCUH](#)" presentation. The board has also been invited to the upcoming RCUH Forum and Awards Luncheon. RCUH is also pleased to announce that Director Salmon agreed to volunteer on the Selection Committee for the 2023 Outstanding Employees of the Year Awards.

GOAL 3. REFORM RCUH'S INTERNAL OPERATIONS.

- **Identify and implement efficiencies in RCUH's operations.**
 - **Evaluate internal procedures and streamline for efficiencies.**
 - **Automated Payroll Emails:** HR created automated eTimesheet emails for Regular-status employees pending submittal on payroll deadline day. This function was previously done manually by HR staff and was implemented on August 1.
 - **Laptop Migration:** All HR staff have been migrated to laptops with docking stations to increase mobility and flexibility within the workplace.
 - **RCUH Acceptance of UH Title IX Training:** To eliminate the duplication of training for RCUH Employees working on UH Projects, RCUH will accept the University of Hawai'i's Title IX Training in lieu of RCUH's EEO/Sexual Harassment Prevention course, effective August 1, 2023. Employees who proceed with this option will need to upload their certificate of completion into the RCUH Training Portal and still view three PDFs that refer to RCUH-specific policies and procedures.
 - **Evaluate current roles/positions to consider modification of RCUH's organizational chart.**
ED Gouveia and the Finance Department have held numerous meetings to discuss the appropriate placement of the Disbursing section. Disbursing is currently grouped with Procurement, but it was evaluated whether its functions may fall under the purview of Accounting. While it was agreed that certain Disbursing functions (i.e., Manual Checks, Foreign Wire Payments, Vendor Data Maintenance, Tax Compliance) are best suited in the

Accounting section, it was determined that the timing of the transfer of such duties should be postponed until the Procurement and Accounting sections are fully staffed and the replacement of the AS400 system is complete. The capabilities of the new system may play a factor whether realignment of those Disbursing functions will be necessary.

- **Invest in development of RCUH core staff.** Jan Kao of Dale Carnegie Training Hawaii & Guam presented a 2-hour training, "Outstanding Customer Service" on July 21. Staff learned about principles to maintain professionalism and strengthen relationships, how to engage customers and build loyalty, how to effectively resolve a customer complaint, and how to disagree agreeably. Staff comfortably engaged in the exercises that included individual and group sharing.

HR staff continue to focus on professional development and recorded 14 training completions since the start of the new fiscal year. The department also recorded one new certification from the Society of Human Resources Management (SHRM), one from the American Payroll Association, and another from the HRCI Senior Professional in Human Resources (SPHR®) Program. RCUH HR now has a total of 6 SHRM certified employees (1 in progress), 4 HRCI (S)PHR certifications, and 1 Certified Payroll Professional certification.

- **Utilize and implement feedback from core staff.** Since RCUH began implementing monthly manager meetings, RCUH Leadership felt it was important to include their direct feedback on the current strategic plan for updates. Upon reviewing the current plan, the directors and managers proposed additions, deletions, and revisions that were then forwarded to the UH Office of the Vice President for Research and Innovation for their feedback. Once OVPRI returns the document to RCUH, it will be shared with the RCUH Board.
- **Other — Hawaii Foodbank Volunteer Activity.** Nearly 20 RCUH employees and family members volunteered their time and effort at the Hawai'i Foodbank Food Drive Day on Saturday, August 26, 2023, at Waterfront Plaza. Donations made on Food Drive Day went towards the Foodbank's Maui Relief Fund in support of those impacted by the wildfires. RCUH was one of several volunteer groups who waved signs, collected cash donations, and unloaded vehicles dropping off food and other household items. RCUH plans to coordinate more volunteer activities in the future to encourage engagement and team building amongst core staff.
- **Ensure systems are secure and in compliance with applicable policies, regulations.** IT Systems/Security Administrator Michael Cera worked with the State of Hawai'i's Office of Enterprise Technology Services to migrate to the new SentinelOne OneBox platform, which allows the State to manage multiple accounts, while allowing account owners to customize their configuration without affecting other users.

Defensive Driver Training: RCUH met with Tracy Kitaoka from the Department of Accounting and General Services (DAGS) Risk Management Office on July 10 to discuss their defensive driver training program. The training was previously offered in person by the state's insurance broker, however it was converted into a digital training during the pandemic. DAGS offered the training to RCUH for upload into our Training Portal for RCUH employees who are named in at fault accidents from the state's claims database. Moving forward, DAGS will generate a report on a quarterly basis and will share it with RCUH to identify employees who need to take the training.

- **Perform security audit of RCUH practices and consider recommendations for improvements.** Mr. Cera conducted a baseline phishing campaign in July using the KnowBe4 simulated phishing platform to test core staff's knowledge and awareness of cyber-attacks. Mr. Cera plans to release simulated phishing attacks every quarter (at

minimum) to ensure that core staff keep cyber safety top of mind. If a user does click on a simulated attack, the employee will be required to complete a brief training from KnowBe4 to limit future mistakes.

Mr. Cera also conducts regular assessments of RCUH's vulnerability status and provided the data below from the latest report. He stated that numbers will fluctuate as new vulnerabilities are discovered and remediated.

Vulnerability Summary	August 19, 2023	May 17, 2023
Critical	30	79
High	17	107
Medium	12	205
Low	0	0

- **Develop and implement an action plan for data and systems security.** As part of a layered defense system, Mr. Cera has implemented Quad9 DNS Resolution on one of RCUH's servers. This application blocks lookups of malicious host names from an up-to-the-minute list of threats. Quad9 also protects network devices against a wide range of threats such as malware, phishing, spyware, and botnets.
- Mr. Cera also deployed a one-click "Phish Alert Button" in Outlook for core staff employees. This is a tool that allows staff to report suspicious emails, which are then forwarded to the IT administrator for analysis. The IT Administrator will inform staff whether the email was malicious or legitimate.
- **Reduce the administrative burden for researchers.**
 - **Re-evaluate RCUH's policies and procedures by the end of 2023:** An updated policy template and compilation spreadsheet was distributed to managers for their review by the end of the calendar year. Managers have been instructed to review their respective policies for accuracy, as well as opportunities to streamline and become more efficient.
 - **Enhance IT systems to reduce manual processes and eliminate paper documents.**
 - **Replace AS 400 system.** After consultation with UH VPIT/CIO Garret Yoshimi on the terms and conditions for the SAP S/4 HANA accounting system, RCUH moved forward with the purchase of the SAP licenses. The system initiation and user set up is proceeding. See update related to "Installation of Enterprise Platform and Replacement of the AS400" for more details.
 - **Other — HR Portal Upgrade:** The RCUH Human Resources Portal and Employee Self-Service went through a system upgrade on September 11. As part of this upgrade, the systems moved to a new website with an updated layout. The improved and simplified interface allows for increased visibility for our system's features and elevates users' experiences. The new layout provides

quicker access to hiring, personnel actions, eTimesheets, and updating personal information.

GOAL 4. INCREASE ENGAGEMENT AND OUTREACH TO CLIENTS.

- **Strengthen relationships with Pls, FAs, and Project Staff.** On July 3, 2023, Governor Josh Green signed into law pay transparency bill [SB 1057](#). Effective January 1, 2024, Hawai'i employers with more than 50 employees will be required to disclose in all external job listings the hourly rate or salary range that reasonably reflects the actual expected compensation of the position. The objective of the law is to reduce pay inequalities and promote ongoing transparency. RCUH HR has been meeting with projects for additional training or assistance as it specifically relates to the projects, which includes career mapping, pay equity analysis, and job description reviews/updates.
 - **Schedule annual meetings on all islands for RCUH Leadership Team and Pls.** RCUH HR staff travelled to Maui, Hawai'i Island, and Kauai in July to meet with projects and conduct safety meetings with HEMIC, RCUH's Workers' Compensation provider. HEMIC and HR staff also coordinated meetings on O'ahu to reach a total of 205 employees. ED Gouveia is also planning to meet with select Chancellors and Principal Investigators on Maui, Kaua'i, and Hawai'i Island in the coming months.
 - **Conduct virtual Q&A sessions each quarter on various RCUH-related topics.** To prepare for the launch of the updated HR Portal and Employee Self-Service, HR Information Systems staff held two virtual sessions that were attended by nearly 200 individuals. HR previously received a lot of comments from projects about the HR Portal being hard to traverse, but the feedback from the virtual previews were overwhelmingly positive.
 - **Coordinate professional development opportunities for project staff.** More than 100 RCUH employees who serve in supervisory roles have been registered for the first of three supervisory courses conducted by the Hawaii Employers Council. "Supervision 101" will be offered on September 20 and October 3.
 - **Other — RCUH Outstanding Employee of the Year Awards:** Corporate Services received nine (9) nominations for the 2023 Outstanding Employees of the Year awards. Filming by UH Information Technology Services will take place in July and August and completed videos will premiere at the RCUH Awards Luncheon on October 24, 2023 at the UH Campus Center Ballroom.
- **Improve external communications to projects.** In order to promote a consistent look in virtual meetings and training sessions, an official RCUH virtual background was distributed to core staff in late August. This was a result of a recommendation from the August manager's meeting.

Internal Communications: RCUH implemented Microsoft Teams on all computers to promote a quicker and more informal method of communication amongst core staff. All of RCUH is now reachable via Teams.

- **Conduct annual forum on research-related topics.** RCUH has secured several panelists for the upcoming forum on the topic of AI's Impact on Academic Researchers, co-hosted by the UH Manoa Office of the Vice Provost for Research and Scholarship. The panelists will include Jason Leigh, Director of LAVA: the Laboratory for Advanced Visualization & Applications and co-Director of the Hawai'i Data Science Institute; Peter Sadowski, co-

Director of the Artificial Intelligence Precision Health Institute; and the third panelist is being finalized. The forum is scheduled for Friday, November 17th and will be followed by a luncheon for select PIs and administrators.

NEW DIRECT PROJECTS (24 ACTIVE PROJECTS):

- **Western States Genetic Network (\$575,000).** The Western States Regional Genetics Network engages in activities to increase access to genetic services, education, and information for underserved communities in Hawai'i, Alaska, California, Guam, Idaho, Oregon, and Washington. The project will research best practices to provide services, education, and information and the results will be disseminated through peer-reviewed publications and presentations.