



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
Senate Committees on Government Operations and Higher Education  
Tuesday, February 13, 2018 at 1:30 p.m.

by  
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### SB 2607 – RELATING TO THE RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII

Chairs Kim and Kahele, Vice Chairs Ruderman and Mercado Kim, and members of the Committees:

The University of Hawai'i (UH) opposes SB 2607.

In 1965, the Hawai'i State Legislature recognized the unique requirements of the research industry in Hawai'i when it created the Research Corporation of the University of Hawai'i (RCUH) to support the UH research and training enterprise by allowing it certain exemptions from cumbersome State procurement practices – which enabled UH to function as a more nimble enterprise able to effectively compete for federal and other research and training funding. This flexibility is also a key component to UH's strategic goal of building a \$1 billion dollar research industry under the Hawai'i Innovation Initiative.

In recent years, like other research institutions across the country, UH continues to weather an extremely challenging funding landscape brought on by the lingering effects of sequestration, uncertainties in agency funding, budget cuts and the realignment of R&D funding priorities. Extramural funding, which UH once brought in a high of \$489 million in 2011, has now slipped to an average of about \$390 million. With increased competition for fewer federal dollars, RCUH's flexibility has become absolutely essential to UH research enterprise now more than ever.

Although research is the visible recipient of RCUH services, non-research grants contribute to an equally significant part of the UH portfolio. Many of these projects are in training and workforce development at UH Hilo, UH West O'ahu and the UH Community Colleges -- also play a significant role in contributing to the state's economy. As it stands, SB 2607's requirement calling for a sealed bid, public advertising procurement process and a dollar threshold exemption ceiling -- will make it difficult for UH faculty to successfully land critical federal and private funding for research and non-research projects.

At a time when other universities and colleges are working to find ways to streamline their operations and to make their faculty more competitive to secure federal and private funding, many states are working these institutions to help ease these restrictions – not adding to them.

Thank you for the opportunity to testify on this measure.