History of Regents Policy for Service Orders to RCUH

VASSILIS SYRMOS
VICE PRESIDENT FOR RESEARCH AND INNOVATION
SYRMOS@HAWAII.EDU
“Service ordering to RCUH shall be for the direct support of a research or training project and shall not include major construction (CIP) and repair and maintenance (R&M) projects, employment of any person in excess of one year, purchases in excess of $500,000 (total value), as a means to supplement existing university contracts or salaries, and contracting of services exceeding $500,000 in total value unless prior board approval is obtained.”
Key Dates

10/18/02 – BORP 5-19 adopted establishing Board policy regarding RCUH, including service order approval requirements/restrictions under BORP 5-19c

10/17/03 – Board moves to postpone implementation of BORP 5-19c employment restriction through April 30, 2004

9/10/04 – BORP 5-19c amended to add exceptions to RCUH employment rule

9/16/05 – Board moves to suspend 10/18/02 and 9/10/04 amendments with respect to employment
Board policy prior to 10/18/02

Circa 2000 Board of Regents Policy Chapter 5 Academic Affairs, which included Board’s research related policies, contained no reference at all to RCUH

• NOTE: UH Administrative Procedure A8.930, Service Orders to RCUH referred only to the Hawaii Revised Statutes and UH-RCUH Internal Agreement

Amendment on 10/18/02 added Section 5-19, Research Corporation of the University of Hawai‘i

Of interest to researchers is Section 5-19c, which specifies when Board approval is required to service order
Amendment dated 10/18/02 (BORP 5-19c)

“Service ordering to RCUH shall be for the direct support of a research or training project and shall not include major construction (CIP) and repair and maintenance (R&M) projects, employment of any person in excess of one year, purchases in excess of $100,000 (total value), as a means to supplement existing university contracts or salaries, and contracting of services exceeding $100,000 in total value unless prior board approval is obtained.”

Historical context of 10/18/02 amendment

Abuses cited over the years during external audits of the University’s use of RCUH

Public employee union concerns regarding hiring of personnel through RCUH not being monitored or administered as originally intended by the Legislature

Board concerns about service order of Medical School project at Kakaʻako, which was done without its knowledge or consent

SOURCE: Board minutes dated September 10, 2004, p. 11
Amendment approved 9/10/04 (Changes in bold text)

“Service ordering to RCUH shall be for the direct support of a research or training project and shall not include major construction (CIP) and repair and maintenance (R&M) projects, employment of any person in excess of one year except for (1) shipboard personnel, personnel hired for work out-of-state, personnel who work in a classified environment, or part-time intermittent personnel, (2) extramurally funded personnel whose work directly supports the research and training mission of the university; (3) current employees of RCUH hired on behalf of the University, or (4) other personnel who because of the unique nature of their services, the urgency of need, the limited duration of employment, or other exceptional circumstances make it impractical to follow the normal UH and State recruitment procedures provided that such exceptions shall be in accordance with procedures established by the President. Purchases in excess of $100,000; $300,000 (total value), as a means to supplement existing University contracts or salaries, or the contracting of services exceeding $100,000; $300,000 in total value unless prior Board approval is obtained.”

SOURCE: Board minutes dated September 10, 2004, pp. 13-14
Historical context of 9/10/04 amendment

Attempt to balance the needs of the researchers, who were concerned about the employment restriction and its impact on the research enterprise, versus the public employee union’s concerns.

In the end, both groups were not satisfied, which led to....
Board action on 9/16/05

Suspended implementation of 2002 and 2004 amendments with respect to employment of persons by RCUH until Board acts on the Administration’s recommendations on the 2004 amendments.

Administration instructed to implement procedures that existed prior to the adoption of the 2002 policy, thereby allowing extension of appointments of RCUH personnel beyond one year.

SOURCE: Board minutes dated September 15-16, 2005, p. 38
Ramifications

All language referring to employment limitations in RP 12.207 III.C. should not exist

Procedures existing prior to the 2002 policy

• Per July 18, 2000 memo from President Mortimer, “UH plans to maintain proper position control by retaining a “gatekeeper process” whereby any UH request for RCUH position(s) must be reviewed by the University who shall determine whether positions should be filled by UH or through RCUH.”

• This continues to be done through the Authorization to Acquire RCUH Employees (Attachment B) on RCUH Fast Track.
Current text should read

“Service ordering to RCUH shall be for the direct support of a research or training project and shall not include major construction (CIP) and repair and maintenance (R&M) projects, purchases in excess of $500,000 (total value), as a means to supplement existing university contracts or salaries, and contracting of services exceeding $500,000 in total value unless prior board approval is obtained.”
Proposed revision to RP 12.207 III.C.

“Service ordering of institutional funds[*] to RCUH shall be for the direct support of research or training projects, including mandatory cost sharing or matching.

1. Prior Board approval is required for service order of institutional funds for:

   a. Major construction (CIP) and repair and maintenance (R&M) projects in accordance with the threshold delineated in RP 8.201, Section III.B.1;

   b. Purchases of goods or services in accordance with the threshold delineated in RP 8.201, Section III.E.1; or

   c. Consultant contracts in accordance with the threshold delineated in RP 8.201, Section III.C.1.”

* Institutional funds = research and training revolving funds; tuition and fee special funds; or bond proceeds
Effect of proposed revision

Reiterates condition that service order of institutional funds are for the support of research and training projects, including cost sharing purposes

Clarifies the conditions when Board approval is required for service ordering of institutional funds

• Proposes to eliminate confusing statement regarding supplementation of existing University contracts or salaries

• Proposes that the same thresholds for Board approval under RP 8.201 be used for major construction and repairs and maintenance, purchases of goods and services, and for consultant contracts