MINUTES

BOARD OF REGENTS COMMITTEE ON RESEARCH AND INNOVATION MEETING

MAY 24, 2018

I. CALL TO ORDER

Committee Chair Eugene Bal, called the meeting to order at 10:30 a.m. on Thursday, May 24, 2018, at the University of Hawai'i at Mānoa, Information Technology Building, 1st Floor Conference Room 105A/B, 2520 Correa Road, Honolulu, Hawai'i 96822.

Committee members in attendance: Committee Chair Eugene Bal; Committee Vice Chair Stanford Yuen; Regent Brandon Marc Higa; Regent Lee Putnam; Regent Douglas Shinsato; Regent Michelle Tagorda; Regent Ernest Wilson Jr.

Others in attendance: Board Chair Jan Sullivan; Board Vice Chair Benjamin Kudo; Regent Simeon Acoba; Regent Wayne Higaki; Regent Michael McEnerney (ex officio committee members); President/Interim UH-Mānoa (UHM) Chancellor David Lassner; Vice President for Community Colleges John Morton; Vice President for Legal Affairs/University General Counsel Carrie Okinaga; Vice President for Academic Planning & Policy Donald Straney; Vice President for Research & Innovation Vassilis Syrmos; Vice President for Information Technology/Chief Information Officer Garret Yoshimi; Vice President for Budget & Finance/Chief Financial Officer Kalbert Young; Interim UH-Hilo (UHH) Chancellor Marcia Sakai; UH-West O'ahu (UHWO) Chancellor Maenette Benham; Honolulu Community College (HonCC) Chancellor Erika Lacro; Executive Administrator and Secretary of the Board of Regents (Board Secretary) Kendra Oishi; and others as noted.

II. APPROVAL OF MINUTES OF THE FEBRUARY 7, 2018 MEETING

Regent Higa moved to approve the minutes of the February 7, 2018 meeting, seconded by Regent Wilson, and the motion carried unanimously.

III. PUBLIC COMMENT PERIOD

Board Secretary Oishi announced that the Board Office received no written testimony, and no individuals had signed up to provide oral testimony.

IV. AGENDA ITEMS

A. For Information & Discussion

1. Update on Patent and Copyright Policies

VP Syrmos provided an update on patent and copyright policies, which were repealed from Hawai'i Administrative Rules and will be proposed in the form of regents policy instead. Discussions have been held with the UHM Faculty Senate and consultation on the proposed policies is being conducted with the University of Hawai'i Professional

Assembly (UHPA) and the Hawai‘i Government Employees Association (HGEA). Administration expects to have the regents policies ready for committee review in the fall.

2. Update on University of Hawai‘i F&A (Indirect) Cost Rate Proposal

VP Syrmos provided an update on UH's facilities and administrative (F&A) indirect rate proposal. UH's objective is to increase the overhead rate to capture more costs with respect to research expenditures. Administration is waiting for a response from the federal Department of Health and Human Services, and in the absence of any rate negotiations, the current overhead rate will remain in place. The hope is to have the new rate by the end of the calendar year and transition in January 2019.

Regent Tagorda arrived at 10:35 a.m.

3. FY18 Q3 Extramural Awards Report

VP Syrmos provided a report on FY18 3rd quarter extramural awards, including an overview, information on significant awards by campus, award amounts by location, and actual results compared to forecasts and targets. The FY18 3rd quarter extramural award total is $71 million, which is 5.9% more than FY17 3rd quarter. While the FY18 3rd quarter is ahead of last year, FY18 1st quarter was below last year, so a strong 4th quarter is needed to finish above FY17. There are several anticipated projects which should help UH have a strong 4th quarter.

Questions were raised regarding whether administration tracks pending proposals and trends, and whether administration anticipates the federal government decreasing investment in areas that have been of importance to UH. VP Syrmos explained that administration tracks pending proposals and trends, and uses that data to make projections for the next year. The number of proposal submissions has remained steady and the amount of awards has remained the same. However, the level of funding per award has decreased due to shifting in the areas that are being funded. Not all of the research areas that UH is known for are priorities for the current federal government. However, congressional funding has remained steady and the omnibus budget yielded positive results for UH.

The committee commended administration for their efforts during difficult times but expressed concerns over the decline in total extramural awards since 2011. The committee also questioned whether the annual targets and the goal of $1 billion in extramural awards were realistic and need to be revisited. VP Syrmos explained that the previous targets were based on trends which showed UH doubling research funding every 12 years, which was equivalent to a 5% to 6% annual increase to meet the $1 billion goal in 10 years. This rate of increase is comparable to peer institutions. Other institutions continued to hire as usual, but UH suspended hiring and did not replenish vacated positions. Administration has instituted a system where all positions vacated due to retirement and attrition are put into a pool and those positions are reassigned to colleges where investments need to be made to improve research capabilities and academic issues, and are aligned with the university's strategic plan.

The committee requested that administration provide the board with a plan on what the university is trying to accomplish and suggested communicating its goals to the community. VP Syrmos noted that administration is putting together a long-range research plan that maintains the target and outlays steps the university will be taking to reach the $1 billion goal by 2021.

Questions were raised regarding the rationale behind the forecasts. VP Syrmos explained that forecasts are based on a moving average calculation for the three previous years that includes the number of awards, number of submitted proposals, and actual funding. Campuses were asked to provide their research strategies for catching up to the targets. UHM, UHH, and UHWO have provided overviews of their strategies, and UHH and the community colleges will be providing overviews of their strategies in the near future.

4. Update on Strategic Research & Innovation/Hawai‘i Innovation Initiative Metrics

VP Syrmos provided an overview of the current metrics including extramural awards; invention disclosures; patents issued; licenses executed; start-ups created; science, technology, engineering, and math (STEM) degrees; royalty income; and proposed restructuring of metrics.

Questions and comments were raised regarding projected royalty income being flat and how royalty revenues are expended. VP Syrmos explained that the goals for royalty income will be set by the new Director of the Office of Innovation and Commercialization (OIC) and Chief Innovation Officer David Ai. Approximately 90 percent of royalty revenues go toward the patent budget. Director Ai may consider reducing that amount, which would allow the university to utilize that revenue for other purposes.

Questions were raised regarding establishing a requirement for percentage of research salary covered by extramural funding. The amount of salary covered by extramural funding varies by college. The School of Ocean and Earth Science and Technology (SOEST) has the most positions covered through indirect cost recovery or directly by federal funds, but this is not the model commonly used across the university. VP Syrmos agreed to provide a list of the percentage of faculty member salaries covered by extramural funding, Research Training and Revolving Funds (RTRF), or general funds, broken down by college. He also agreed to work with administration to determine the net value to the research being conducted by the university.

Questions and comments were raised regarding targets and the rationale for broadening the start-up metrics to include more than just licensed UH technology. VP Syrmos responded that the trends were based on data extrapolated from the prior 10 to 20 years. He noted that all metrics within the Office of Technology Transfer have been mostly flat. The new OIC Director will be reviewing these metrics. The majority of XLR8UH start-up companies start with faculty, students, and staff, and it is relevant to count them as many other institutions do.

The committee requested additional student-centered metrics, and metrics related to the integration of entrepreneurship and innovation into the educational experience.

5. Update on Office of Innovation & Commercialization

OIC Director/Chief Innovation Officer Ai provided an overview of the OIC, FY18 highlights, technology transfer metrics, OIC's role in the Hawai'i Innovation Initiative, strategic objectives, and short- and long-term initiatives.

Committee Chair Bal welcomed Director Ai to UH and indicated he looked forward to the plans he has set forth.

Board Vice Chair Kudo arrived at 11:44 a.m.

6. Applied Research Laboratory (ARL) Briefing

Due to time constraints, this item was deferred to the next committee meeting. There were no objections.

7. Committee Annual Review

The annual review had been distributed to members, and it was noted that many of the items were scheduled for today's meeting.

V. ADJOURNMENT

There being no further business, Regent Higa moved to adjourn, and Regent Wilson seconded, and with unanimous approval, the meeting was adjourned at 12:04 p.m.

Respectfully Submitted,

/S/

Kendra Oishi
Executive Administrator and Secretary
of the Board of Regents