

## **MINUTES**

### **BOARD OF REGENTS COMMITTEE ON RESEARCH AND INNOVATION MEETING**

**MARCH 5, 2020**

#### **I. CALL TO ORDER**

Chair Jan Sullivan called the meeting to order at 11:52 a.m. on Thursday, March 5, 2020, at the University of Hawai'i at Mānoa, Information Technology Building, 1<sup>st</sup> Floor Conference Room 105A/B, 2520 Correa Road, Honolulu, Hawai'i 96822.

Committee members in attendance: Chair Jan Sullivan; Regent Kelli Acopan; Regent Eugene Bal; and Regent Randy Moore.

Committee members excused: Vice-Chair Michelle Tagorda

Others in attendance: Board Chair Ben Kudo; Regent Simeon Acoba; Regent Wayne Higaki; Regent Alapaki Nahale-a; Regent Robert Westerman; Regent Ernest Wilson (ex officio committee members); President David Lassner; Vice President (VP) for Administration Jan Gouveia; VP for Community Colleges Erika Lacro; VP for Legal Affairs/University General Counsel Carrie Okinaga; VP for Academic Planning and Policy Donald Straney; VP for Research and Innovation Vassilis Syrmos; VP for Information Technology/Chief Information Officer Garret Yoshimi; VP for Budget and Finance/Chief Financial Officer Kalbert Young; UH Mānoa (UHM) Provost Michael Bruno; UH Hilo (UHH) Chancellor Bonnie Irwin; UH West O'ahu (UHWO) Chancellor Maenette Benham; Executive Administrator and Secretary of the Board of Regents (Board Secretary) Kendra Oishi; and others as noted.

#### **II. APPROVAL OF MINUTES OF THE DECEMBER 5, 2019 MEETING**

Regent Moore moved to approve the minutes of the December 5, 2019, meeting, seconded by Regent Acopan, and noting the excused absence of Vice-Chair Tagorda, the motion carried with all members present voting in the affirmative.

#### **III. PUBLIC COMMENT PERIOD**

Board Secretary Oishi announced that the Board Office did not receive any written testimony, and no individuals signed up to provide oral testimony.

#### **IV. AGENDA ITEMS**

##### **A. Recommend Board Approval of New Regents Policies (RP)**

VP Syrmos provided background on the development of the proposed new RPs noting that numerous discussions and consultations have occurred regarding the Research and Training Revolving Fund (RTRF) established under section 304A-2253, Hawai'i Revised Statutes. He remarked that it is intended that proposed RPs 12.209 and 12.210 work together harmoniously. Chair Sullivan added that the committee

discussed these proposed policies in detail at its last meeting but that nonsubstantive revisions have been made to the proposed RPs since that time.

**1. RP 12.209, Strategic Research Plan**

Proposed RP 12.209 establishes a requirement that the board periodically review and approve a long-range Strategic Research Plan (Plan) that will articulate university priorities for pursuing research growth during a five-year period; set forth common system goals and planning principles; and identify specific strategies for implementing and achieving those goals. Proposed RP 12.209 also requires that annual progress reports on the approved Plan be provided to the board. This proposed policy will help formalize what is already occurring with regard to strategic research planning and ensure that this planning is conducted in an organized and consistent manner.

**2. RP 12.210, Research and Training Revolving Fund (RTRF)**

Proposed RP 12.210 would require a minimum of 10% of total RTRF recovered by each campus be set aside for strategic hiring in priority research areas; would require a minimum of 10% of total RTRF funds for each campus to be utilized for the rehabilitation or construction of strategic research facilities and laboratories for research areas that are consistent with the research priority areas; would exempt campuses which receive less than \$10,000,000 in RTRF from these requirements; and establishes a Strategic Research Facilities Improvement Fund that would be funded by RTRF funds to facilitate the issuance of revenue bonds to finance the construction or rehabilitation of priority research facilities. Proposed RP 12.210 also requires that annual progress reports on the use of funds by each campus, including information on related revenues, commitments, and carryover funds, be made to the board.

VP Syrmos stated that, while consensus was reached on proposed RP 12.209, some concerns with regard to RP 12.210 were raised during discussions. These concerns included the necessity of using a specific accounting process; the use of RTRF funding for strategic hiring purposes as RTRF money is not intended to provide permanent salary support; and the practicality of using RTRF money for debt service support for revenue bonds on a large scale. He reviewed the current process for the allocation of RTRF funds noting that current executive policy (EP 12.216) utilizes a formulaic method for the distribution of funds whereby the campus that procured the research funding is allotted 75 percent of the funds and is authorized to determine how those funds are used. The Office of the Vice President of Research and Innovation (OVPRI) receives 25 percent of the awarded funds. VP Syrmos remarked that many of the concerns raised could be more appropriately and efficiently addressed in greater detail through amending EP 12.216 which has not been updated in nearly 17 years. Revisions to EP 12.216 are currently being drafted and the administration is planning on presenting the draft of proposed revisions to EP 12.216 to the committee prior to July 1, 2020.

Regent Moore moved to recommend board approval to establish RPs 12.209 and 12.210, seconded by Regent Bal.

Regent Acoba noted that RP 12.210 established an improvement fund to facilitate research infrastructure and facility improvements through the use of revenue bonds and asked how this correlated with capital improvement project (CIP) requests submitted to the State Legislature. VP Syrmos replied that currently, debt service on research facilities are funded completely through CIP monies and that RTRF funds are not used for this purpose. He stated, however, that a mixed-use funding mechanism that used RTRF funds to finance infrastructure and facility improvements could be a strategy used by the university when requesting project revenues from the legislature. For example, he explained that the administration could request \$30 million in general obligation bond funds for a \$50 million facility project and inform the legislature that the administration would issue \$20 million in revenue bonds through the RTRF. RTRF funds would then be used to pay the debt service on the revenue bonds. This may make the provision of \$30 million in CIP funds more palatable to the legislature. Regent Acoba asked if comingling of these funds has occurred in the past. Projects have been built with general obligation and revenue bonds funding, and VP Syrmos noted that while the university has issued revenue bonds and used RTRF funds to pay debt service on these bonds, a mixed use of general obligation bonds issued through the CIP process and revenue bonds issued through the RTRF has never been attempted.

There having been a motion that was moved and seconded, the committee voted to recommend board approval to establish RPs 12.209 and 12.210, and noting the excused absence of Vice-Chair Tagorda, the motion carried with all members present voting in the affirmative.

## **B. Enterprise Risk Management: Research Infrastructure Update**

VP Syrmos presented a brief overview of the university's research infrastructure including infrastructure for the research areas of life sciences, ocean sciences, and astronomy. Although hundreds of millions of dollars have been invested in this research infrastructure, primarily through State funding, and have contributed greatly to the university's ability to obtain large amounts of extramural funding, he stated that maintenance of this infrastructure is the key to sustaining a competitive edge in acquiring research dollars. It was emphasized that while the university has been the recipient of numerous philanthropic awards for research programs, funding for research infrastructure has been difficult to obtain and the university continues to rely heavily on federal, State, and RTRF funds for this purpose.

The administration continues to work on increasing funding for the construction and maintenance of research infrastructure. The use of financing methods contained in the proposed RP 12.210 for facility construction or rehabilitation is a part of this endeavor. Additionally, the administration is increasing its efforts to recover indirect costs for research facilities. VP Syrmos noted that indirect costs consist of both administrative and facilities costs. The university has been able to cap administrative costs at 26 percent. On the other hand, facilities costs are uncapped and offer the most potential for growth in relation to recovering indirect costs, since these costs are relatively low at

the university. He explained that facilities cost recoverability is heavily dependent on the percentage of building space used for extramurally funded research and, as such, if the university were to invest larger amounts of money on research facility space, it would allow for greater recoupment of costs from the federal government.

VP Symos provided a brief overview of a ten-year trend comparison between RTRF expenditures, indirect cost recovery, and RTRF cash balances. The administration is projecting slight increases in indirect cost recovery in the next 4 to 5 years.

Board Chair Kudo inquired about the distribution process for RTRF funds, questioned whether each campus that had at least \$10 million of research was given a lump sum of money, and asked whether the campus or OVPRI ultimately determined how these funds were allocated and expended. VP Symos stated that, under current policy, OVPRI receives all of the RTRF revenues generated, of which OVPRI keeps 25 percent. OVPRI allocates 75 percent of RTRF revenues generated to the campus that procured the research funding, regardless of whether the campus generated \$10 million in research funding. He explained that OVPRI does not dictate how the allocated funds are used but rather each campus that receives funds is allowed to make this determination.

Noting that some areas of research are more prominent than others, Board Chair Kudo asked about fairness within each campus in determining how the RTRF funds received are allocated among the disciplines. VP Symos replied that responsibility for the distribution of RTRF funds is held by various offices in the university system. At UHM, which is the most transparent of the campuses where the distribution of RTRF funds are concerned, the Office of the Vice Chancellor for Research (OVCR) is responsible for the distribution of RTRF funds. The Office of the VP for Community Colleges is responsible for allocating RTRF funds to community college campuses. The distribution of funds at UHH and UHWO is managed by the Office of the Chancellor for each respective campus. While OVCR uses a formulaic method that distributes funds to programs based upon percentages of research funding generated, VP Symos was unaware of how RTRF funds were distributed at the other campuses.

Board Chair Kudo opined that there are numerous factors that can affect the way money is distributed and that it was his belief that each campus should have a transparent process for the allocation of RTRF funds that can be monitored by OVPRI to ensure parity and fairness. VP Symos agreed and responded that the administration will consider incorporating this suggestion when developing revisions to executive policy regarding the distribution of RTRF funds.

### **C. Research Development (RD) Update**

Dr. Velma Kameoka, Interim Vice Chancellor for Research, noted that the RD Program is responsible for proactive, capacity-building activities to promote extramurally funded research and reviewed some of the major functions of OVCR. She highlighted that the RD Program has been targeting strategic hires including junior faculty in particular fields of research.

Dr. Kameoka introduced Dr. Chad Walton, Interim Assistant Vice Chancellor for Research, who provided an update on the RD Program. Dr. Walton stated that the RD Program is designed to facilitate individual faculty and faculty research teams competitiveness for extramural research funding; create collaborative relationships; and develop and implement strategies focused on advancing UHM's ability to leverage faculty research strengths and obtain increased amounts of research funding. He reviewed various activities undertaken and key investments made to achieve the goals of the RD program, including the use of search tools such as Research Insight, engagement of The Implementation Group (TIG) to enhance UHM's competitiveness for federal funding with regard to research and development, and use of the InfoReady Review web portal that automates competition, review, and approval processes for research awards.

Regent Bal asked about the cost of engaging TIG. Dr. Kameoka replied that the investment in engaging TIG is shared systemwide but that UHM's portion is approximately \$69,500 per year. VP Syrmos added that systemwide, the cost to use TIG's services is approximately \$175,000 per year. Dr. Kameoka remarked that the use of TIG's services has been a worthwhile investment for the university as nine funded research proposals had already been received and more were pending for this year. Last year, the use of TIG assisted the university in obtaining over \$24 million in research funding investments.

Chair Sullivan commented that perhaps the university could look at other affordable ways of tracking and notifying faculty about extramural funding opportunities. She noted that the University of Southern California uses a searchable database tool called Grant Forward that contains a listing of extramural research funding awards available from over nine thousand participating agencies and institutions. The Grant Forward database is licensed for approximately \$4,000 and may be a lower-cost alternative for the university to search for extramural funding. Dr. Kameoka replied that the university had investigated a number of platforms for the tracking of, and notification about, nationwide research funding before deciding on the platform currently being used.

Chair Sullivan noted that Vice-Chair Tagorda conveyed that there were gaps in support from the research community and that these gaps needed to be closed. She concurred with Vice-Chair Tagorda and suggested that an informal roundtable discussion group consisting of board members, administrators, and researchers be established to review and discuss research issues, including funding issues, and how to address them. The group could then report back to the board. Dr. Kameoka responded that the administration would be happy to participate in these discussions.

Regent Moore noted his concern that the informal roundtable may run afoul of Hawai'i's sunshine law if more than two members of the informal roundtable were board members. Chair Sullivan agreed and proposed that Vice-Chair Tagorda and herself represent the board on the informal roundtable, so as to stay within the confines of the sunshine law, and report back to the committee and board. There were no objections from committee members to Chair Sullivan's proposal.

#### **D. Fiscal Year 2019-2020 2<sup>nd</sup> Quarter Extramural Awards Update**

Prior to deferring this agenda item due to time constraints, Chair Sullivan inquired if committee members had any questions on the report provided in their materials. Seeing none, this report was deferred.

**E. Future Status of the Research and Innovation Committee**

Chair Sullivan expressed her belief that, rather than each committee determining the status of its own future, the most impartial method of addressing this issue would be to charge the Committee on Personnel Affairs and Board Governance with reviewing and making recommendations on the future status of the various committees of the board. Board Chair Kudo and the committee members concurred.

**V. ADJOURNMENT**

There being no further business, Regent Moore moved to adjourn, Regent Bal seconded the motion, and noting the excused absence of Vice-Chair Tagorda, and with all members present voting in the affirmative, the meeting was adjourned at 12:37 p.m.

Respectfully Submitted,

/S/

Kendra Oishi  
Executive Administrator and Secretary  
of the Board of Regents