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MINUTES

BOARD OF REGENTS COMMITTEE ON RESEARCH AND INNOVATION MEETING

FEBRUARY 2, 2023

I. CALL TO ORDER

Chair Eugene Bal called the meeting to order at 11:04 a.m. on Thursday, February 2, 2023, at the University of Hawai'i (UH) at Mānoa, Information Technology Building, 1st Floor Conference Room 105A/B, 2520 Correa Road, Honolulu, Hawai'i 96822.

Committee members in attendance: Chair Eugene Bal; Vice-Chair William Haning; Regent Abigail Mawae; Regent Laurie Tochiki; and Regent Ernest Wilson.

Others in attendance: Board Chair Randy Moore; Regent Wayne Higaki; Regent Alapaki Nahale-a; Regent Diane Paloma (ex officio committee members); President David Lassner; Vice President (VP) for Academic Strategy Debora Halbert; VP for Legal Affairs/University General Counsel Carrie Okinaga; VP for Research and Innovation Vassilis Syrmos; VP for Information Technology/Chief Information Officer Garret Yoshimi; UH Hilo Chancellor Bonnie Irwin; UH West O'ahu Chancellor Maenette Benham; Associate VP for Administrative Affairs for the UH Community College System Mike Unebasami; Interim Executive Administrator and Secretary of the Board of Regents (Interim Board Secretary) Jamie Go; and others as noted.

II. APPROVAL OF MINUTES

Chair Bal inquired if there were any corrections to the minutes of the October 6, 2022, committee meeting which had been distributed. Hearing none, the minutes were approved.

III. PUBLIC COMMENT PERIOD

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

IV. AGENDA ITEMS

Chair Bal announced that Agenda Item IV.C. would be taken up at this time given that it was the only agenda item requiring committee action.

C. Recommend Board Approval of Amendments to Regents Policy (RP) 6.203, Attachment 1, Board of Regents Approved Fees

VP Syrmos provided the rationale for the administration's request to amend RP 6.203, Attachment 1, Board of Regents Approved Fees, stating that the amendment would allow the university to collect fees related to the Research Recharge Center

(RRC) Special Fund accounts. He spoke about the administration's review of revolving fund accounts currently in existence within the Research Corporation of the University of Hawai'i (RCUH), noting that discussions and updates about this review were provided to the Committee on Independent Audit at its April 7, 2022, and June 1, 2022, meetings. As a result of these efforts, a determination was made to transfer the aforementioned revolving fund accounts to university accounts in order to implement oversight, promote transparency, and ensure compliance with federal regulations with respect to specialized service facilities and university policies and procedures.

Given the plan to transfer the university's revolving fund accounts established within RCUH back to the university, VP Syrmos stated that the administration was requesting the addition of RRC fees to the list of board approved fees contained within Attachment 1 of RP 6.203, emphasizing that the board must authorize the establishment of any university fee. He explained that RRCs enable and enhance research by providing access to technologies and services that are generally beyond the technical or financial capability of individual investigators; provided examples of RRCs at the university, including the Research Vessel (R/V) Kilo Moana, as well as the special fund accounts associated with these recharge centers, such as the R/V operations revolving fund account; and discussed the methodology used to calculate RRC fees, highlighting some of the applicable federal guidelines.

Regent Wilson inquired about the fees charged for use of the R/V Kilo Moana in relation to its annual operating costs. VP Syrmos replied that the rates for use of the R/V Kilo Moana are calculated based upon cost-studies that have been performed regarding vessel operations and maintenance and can be upwards of \$25,000 per day. He also noted that while the vessel is operated by the university, it is owned by the United States Navy. As such, the rates associated with its use and the manner in which they are calculated are subject to federal audits.

Regent Tochiki asked if the establishment of this fee will have an impact on students. VP Syrmos replied that students will not be impacted by the establishment of the RRC fee. President Lassner offered additional context to the establishment of fees at the university stating that this authority rests solely with the board in accordance with the Hawai'i Revised Statutes. However, RP 6.203 delegates the determination of fee rates to the President, save for specific instances where the fee amounts themselves must be approved by the board, including mandatory student fees and any fees that impact a student's cost of attendance.

Regent Wilson moved to recommend board approval of the proposed amendments to RP 6.203, Attachment 1, seconded by Vice-Chair Haning, and the motion carried with all members present voting in the affirmative.

A. Research Project Briefing: "Advancing the Innovation Ecosystem in Hawai'i" Presentation by the University of Hawai'i Office of Innovation and Commercialization (OIC)

VP Syrmos introduced Mr. Steven Auerbach, Interim Director of OIC, who would be offering insights into some of the work that the office has conducted over the past 18-months.

Mr. Auerbach provided an overview of OIC's operational enhancement efforts stating that these endeavors will allow the office to better fulfill its mission of improving innovation commercialization at the university by bridging connections and building partnerships; strategically advancing discoveries; and inspiring innovators and entrepreneurs to create new opportunities for Hawai'i. He underscored the university's importance to developing and nurturing new economic sectors in Hawai'i; noted the alignment of OIC's mission with the economic diversification through research and innovation imperative contained within the university's 2023-2029 Strategic Plan; reviewed the tenets of OIC's plan to increase innovation commercialization at the university; and highlighted the some of the successes experienced by OIC thus far including the disclosure of over 472 inventions, the establishment of 23 startups, and the generation of \$10.97 million in revenues. He also introduced members of the OIC team who would present information on some of the office's engagement activities.

OIC team members went over several partnerships and programs in which the office is actively involved including Hacking4X, Faculty Fellows, Patents2Products, NSF I-Corps, and HITIDE, reviewing the purposes, goals, topics, target populations, and impacts of each. While the programs and partnerships vary, it was emphasized that they are focused on furnishing innovation and entrepreneurship training, affording commercialization guidance and development support, or offering startup growth and advancement opportunities. A startup project relating to supercooling technology that was shepherded by OIC through the commercialization journey from lab concept to market was also spotlighted.

Regent Moore inquired as to whether there was a tangible way of measuring the success of OIC's innovation commercialization efforts. Mr. Auerbach replied that success can be measured in terms of achieving various milestones throughout the commercialization process such as the successful prosecution and filing of a patent or the negotiation of a licensing agreement. VP Syrmos expressed his belief that the embedding of innovation and entrepreneurship principles into general education courses, as well as the building up of research activities in a way that will allow researchers to achieve their aspirations that can be beneficial to society, are metrics that can be used to evaluate the impacts of OIC's efforts on the university ecosystem and the public.

Regent Nahale-a opined that OIC is creating an ecosystem at the university that brings the issues of innovation and entrepreneurship together in a way that is not only beneficial to the university but to society as a whole. VP Syrmos concurred with this observation stating that taking an invention or product from its early concept stages to fruition as a business is difficult and requires certain concepts to be embedded into a lifestyle, which is something that OIC is attempting to achieve.

Chair Bal commended VP Syrmos and Mr. Auerbach for their efforts in this area remarking that this was the most directed and organized activity with respect to

technology transfer that he has seen during his time on the board. Although the results of these endeavors have yet to be fully realized, he stated his belief that this venture is destined for success.

B. Research Corporation of the University of Hawai'i (RCUH) Presentation

Leonard Gouveia, Jr., Executive Director of RCUH, provided a historical overview of RCUH and the rationale for its creation in 1965, noting that the establishment of RCUH was intended to facilitate the university's rapid and extensive entry into basic and applied research efforts and programs by providing greater financial flexibility and streamlining operational and procurement processes to allow for research activities to be conducted in a timely fashion. He reviewed the organizational structure of RCUH, which is under the general management and control of a Board of Directors (RCUH Board); noted changes made to the composition of the RCUH Board since the 1990s, as well as some of the reasons for these changes; touched upon various exemptions from State procurement, civil service, and accounting laws that were given to RCUH; spoke about the services provided by RCUH, such as the processing of annual expenditures for researchers and research projects; went over information on financial matters related to RCUH including revenue sources and revenue and expenditure amounts for fiscal year 2022; and talked about the four goals contained within RCUH's 2022-2026 Strategic Plan. He also discussed RCUH's priorities for 2023, which consists of, among other things, completing the process of locating core staff in a single physical location at the East-West Center and determining an appropriate working capital reserve policy, and stressed the importance of RCUH to the university and the State.

Regent Paloma left at 11:41 a.m.

Noting that its core workforce was only comprised of 35-40 individuals, Vice-Chair Haning asked if there was a succession plan in place for the directors of the three departments within RCUH. Executive Director Gouveia replied that RCUH is in the process of creating leadership succession plans. RCUH is also strengthening its management team through the cross-training of individuals and incrementally increasing personnel responsibilities to allow for smoother management transitions should the need arise.

Regent Higaki left at 12:14 p.m.

D. Fiscal Year 2023 (FY23) Mid-Year Extramural Awards Update

- 1. FY23 Mid-Year Extramural Awards Analysis**
- 2. FY23 Mid-Year Research and Innovation Metrics Summary**
- 3. FY23 Monthly Report of Extramural Awards (as of December 31, 2022)**

Due to time constraints, Chair Bal asked VP Syrmos to summarize the FY23 mid-year extramural awards report stating that details for this agenda item were provided in the materials packet.

VP Syrmos reported that the university received approximately \$322.6 million in extramural awards as of December 31, 2022, which was approximately 4.5 percent higher than the same period last fiscal year. He indicated that, if current trends continue, the university anticipates receiving in excess of \$500 million in extramural research funding for the second year in a row.

V. ADJOURNMENT

There being no further business, Chair Bal adjourned the meeting at 12:15 p.m.

Respectfully Submitted,

Jamie Go
Interim Executive Administrator and
Secretary of the Board of Regents