

MINUTES

BOARD OF REGENTS' COMMITTEE ON RESEARCH AND INNOVATION MEETING

APRIL 6, 2017

I. CALL TO ORDER

Committee Chair Eugene Bal, called the meeting to order at 9:01 a.m. on Thursday, April 6, 2017, at the University of Hawai'i at Mānoa, Information Technology Building, 1st Floor Conference Room 105A/B, 2420 Correa Road, Honolulu, Hawai'i 96822.

Committee members in attendance: Committee Chair Eugene Bal; Committee Vice Chair Benjamin Kudo; Regent Brandon Marc Higa, Regent Wayne Higaki, Regent Lee Putnam.

Others in attendance: Board Chair Jan Sullivan; Board Vice Chair Randy Moore, Regent Simeon Acoba, Regent Michael McEnerney; Regent Jeffrey Portnoy; Regent Michelle Tagorda; Regent Stanford Yuen; Regent Ernest Wilson, Jr. (*ex officio* committee members); President/Interim UH-Mānoa (UHM) Chancellor David Lassner; Vice President for Legal Affairs/University General Counsel Carrie Okinaga; Vice President for Research & Innovation Vassilis Syrmos; Vice President for Budget & Finance/Chief Financial Officer Kalbert Young; UH-Hilo (UHH) Chancellor Donald Straney; Executive Administrator and Secretary to the Board Cynthia Quinn; and others as noted.

II. APPROVAL OF THE MINUTES OF FEBRUARY 9, 2017 MEETING

Regent Putnam moved to approve the minutes of the February 9, 2017 meeting, seconded by Regent Higaki, and the motion carried unanimously.

III. PUBLIC COMMENT PERIOD

Executive Administrator and Secretary of the Board Cynthia Quinn confirmed that the board office received no written testimony and no individuals signed up to give oral testimony.

IV. AGENDA ITEMS

A. For Information

1. Update on FY17 Q3 Extramural Awards

VP Syrmos reported that extramural awards are the same as third quarter last year; year to date awards are up and expected to meet projections for the year.

Committee Chair Bal shared a *Science* magazine article entitled "[Trump wants 2018 NIH cut to come from overhead payments](#)," as it was germane to the indirect cost (IDC)

proposal and research training & revolving fund (RTRF) discussions. The article mentions that the Trump administration wants to cut \$5.8 billion from the 2017 National Institutes of Health (NIH) by eliminating overhead payments, and a proposed 18% cut to NIH's \$31.7 billion budget, which could negatively impact universities and research institutions. VP Syrmos indicated that it will be a challenge to get the university's indirect cost proposal approved by the current U.S. Department of Health & Human Services. NIH is currently the only federal agency that compensates for indirect costs in addition to direct research costs, while other agencies include IDC in their awards.

2. FY 2016 F&A (Indirect) Cost Proposal

VP Syrmos provided a presentation on the proposal for the upcoming negotiation for a new Facilities & Administrative Cost (F&A) rate that targets reaching the cap of 26% for Administrative Indirect Costs and approximately 25% for F&A indirect Costs. He included historical comparisons, explanation of new favorable guidelines for utilities and depreciation, and components of the proposal. Discussion regarded strategies to leverage funds, ensuring research budgets are based on funds net of overhead costs, and return on investment considerations to prioritize research opportunities.

3. Internal Allocation of Recovered Indirect Costs (Research & Training Revolving Fund)

VP Syrmos provided a presentation of the current allocation methodology for recovered indirect costs and investments. The recommended best practice included focusing on fine tuning current practices, and that the UHM methodology and allocation practices are within reasonable, though more generous ranges than peers. Discussion included consideration of allocations based on strategic initiatives, incentivizing awards, providing better measurements to ensure return on investments, adding student education as a goal, clearer reporting on expenditures, increasing funds to develop talent, and prioritizing funds given current climate of threatened budget cuts, and a better understanding of how RTRF funds are expended by the school/college/organized research unit (ORU).

4. Update on Advancing Research at UH Mānoa

Due to time constraints, the report was deferred to the next meeting in May. UHM Vice Chancellor for Research Michael Bruno added that the External Advisory Committee (EAC) will be meeting and conducting a site visit in April 27 and 28th after which the presentation will include the outcomes and set of recommendations that will help determine the role of the board going forward. The sessions are open to the public, and administration will share the agenda for the EAC site visit with regents who are welcome to attend. Chair Sullivan disclosed that her husband is serving on the committee and she would recuse herself at the appropriate time from any items that come before the board if necessary.

5. Committee self evaluation

Committee Chair Bal shared a form for the committee to consider and comment, and stated that a survey would be sent to fill out and will be used to lay the groundwork for next year's committee.

V. ADJOURNMENT

There being no further business, Committee Chair Bal adjourned the meeting with no objections. The meeting was adjourned at 10:32 a.m.

Respectfully Submitted,

/S/

Cynthia Quinn
Executive Administrator and
Secretary of the Board of Regents