

**RCUH**

Research Corporation  
of the University of Hawai'i

# Introduction to RCUH

February 2026

# Presentation Outline

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- About RCUH
- Overview of RCUH Financials
- Summary of State Audits
- 2022–2026 Strategic Plan
- What's to Come in 2026





# About RCUH

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# About RCUH

## A Brief Background

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The Research Corporation of the University of Hawai'i (RCUH) was established by the Hawai'i State Legislature in 1965 as a public instrumentality and is attached to the University of Hawai'i for administrative purposes. RCUH provides the ancillary services to hire personnel and procure goods/services on behalf of its clients (e.g., UH, state agencies, private not-for-profits).

### **MISSION**

To support and enhance research, development, and training in Hawai'i, with a focus on the University of Hawai'i.

### **VISION**

A Hawai'i where research, development, and training flourish and energize a prosperous state economy.

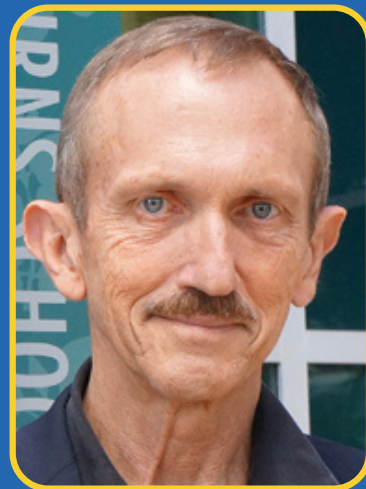
[Click here to view RCUH's historical highlights from each decade.](#)

# RCUH Board of Directors



**Ken Kawahara**

*CHAIR, Governor's Business  
Sector Appointee*



**William Haning III**

*UH Board of Regents  
Appointee*



**David Karl**

*Governor's UH System Research  
Faculty Member Appointee*



**Gabriel Lee**

*UH Board of Regents  
Appointee*



**Jaret KC Leong**

*House Speaker's Appointee*



**Michael Nedbal**

*Governor's Non-UH Research  
Organization Appointee  
(pending confirmation)*



**Chad Walton**

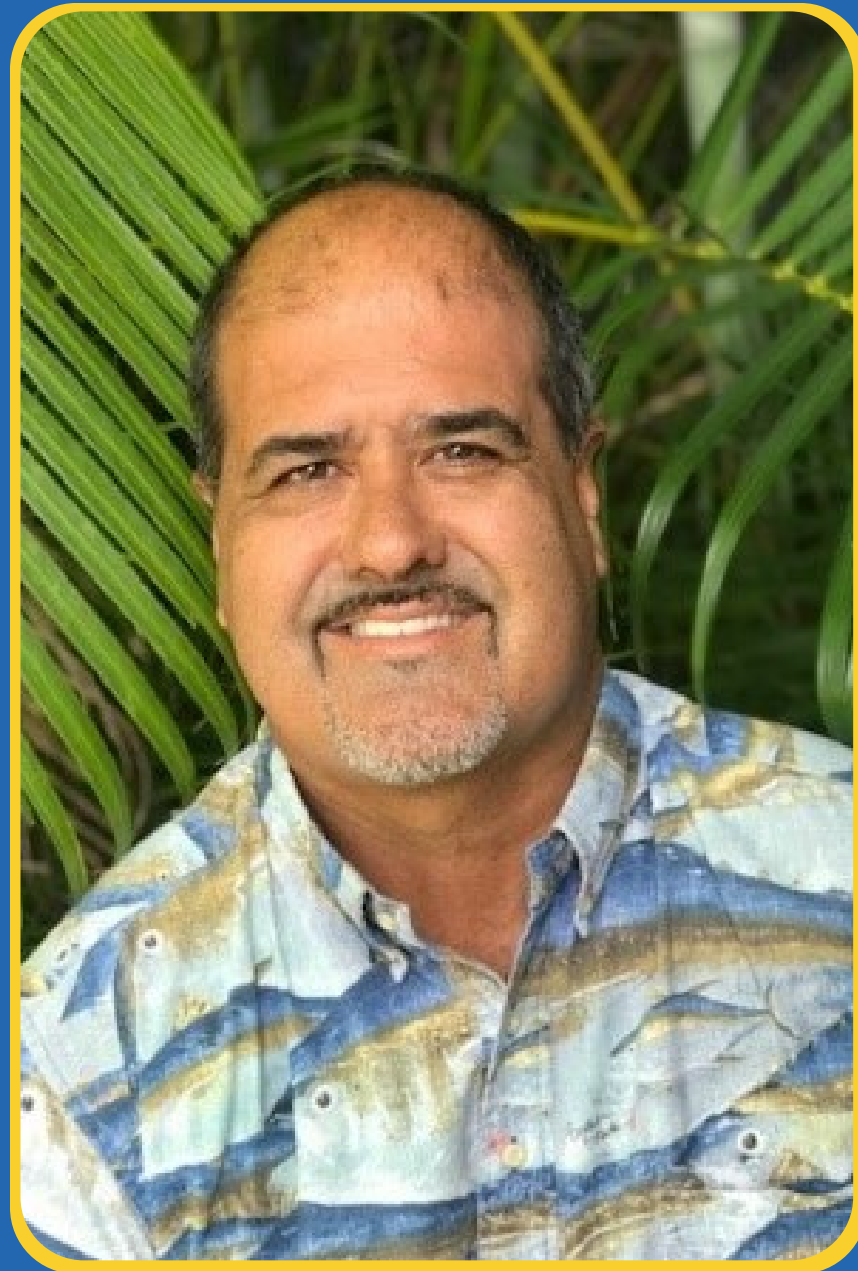
*UH Vice President for Research and  
Innovation (ex-officio, non-voting)*



**[VACANT]**

*Senate President's  
Appointee*

# RCUH Leadership



## Leonard R. Gouveia, Jr.

### RCUH Executive Director

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B.S., Chaminade University

J.D., Gonzaga University School of Law

More than 18 years of experience at the University of Hawai'i serving in a variety of roles:

- Director, UH Office of Research Services
- Director, UH Office of Research Compliance
- Director, UH Office of Export Control
- UH Facility Security Officer

# RCUH's Function

## What is our purpose?

Research contracts often require a much more flexible and streamlined method of operation than is permitted by typical state agencies, which is one of the primary reasons why RCUH was created. In order to help the University run more like a business, RCUH was established to help hire personnel and procure goods and services in an expeditious manner. To provide this flexibility and expedite actions for research projects, RCUH is excepted from certain state laws, such as:

- **Sections 36-27 and 36-30**, relating to special fund reimbursements to the state general fund
- **Chapter 103D**, relating to procurement and construction contracts\*
- **Chapter 76**, relating to civil service
- **Section 78-1**, relating to public employment

**Click here to view a synopsis  
from the 1965 Senate Journal**



\* *Provided that the exception shall not apply where state funds are used and compliance with Chapter 103D is required by a bill enacted by the legislature*

# RCUH Operations & Services

## Departments



### *Finance*

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- Accounting
- Disbursing
- Employee Travel
- Procurement
- Project Administration



### *Human Resources*

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- Employee Benefits
- Employment
- Information Systems
- Payroll
- Recruitment



### *Corporate Services*

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- Board Matters
- Communications
- Executive Office Support
- Online Training
- Special Events

# Project Portfolio

## Who We Serve

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Although the numbers fluctuate throughout the year, RCUH services approximately **4,100 active research and training projects** and processes more than \$300 million in annual expenditures for researchers.

These projects employ more than **2,500 individuals** in a wide range of fields, including astronomy, oceanography, health, human services, natural resources, agriculture, education, business, and other areas.



# FY 2025 Projects by County

HONOLULU



**3,597**

PROJECTS

**1,692**

EMPLOYEES

**\$319,873,970**

VOL. OF BUSINESS

HAWAII



**391**

PROJECTS

**625**

EMPLOYEES

**\$32,698,936**

VOL. OF BUSINESS

MAUI



**123**

PROJECTS

**312**

EMPLOYEES

**\$25,724,084**

VOL. OF BUSINESS

KAUAI



**17**

PROJECTS

**77**

EMPLOYEES

**\$947,020**

VOL. OF BUSINESS

OTHER (Continental U.S. + International)

177 EMPLOYEES

**NOTE: "Volume of Business" is the amount of expenditures processed in RCUH's Financial System, NOT RCUH revenue.**

# Overview of RCUH Employees

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## ***RCUH employees are state, non-civil service employees***

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All employees are subject to all applicable RCUH policies and procedures, UH and/or business entities' policies and procedures (as applicable), as well as the Hawaii State Ethics Code.

## ***Employment is dependent upon funding***

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Since RCUH employees are not paid from appropriated General funds (G-funds), continuation of employment is dependent upon availability of funds, program needs, satisfactory work performance, and compliance with applicable federal and state laws.

## ***RCUH employees are non-union and have different benefits from UH/State employees***

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[Please click here for an overview of employee benefits.](#)

# Guidelines for Hiring RCUH Employees

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*(for UH Projects)*

*Click below to view:*

» AP 12.203

1

Any UH request which involves the appointment of an RCUH employee for a covered type of position shall be accompanied by a Service Order Personnel Form which must be reviewed and approved by the UH Office of Human Resources (OHR) before it is sent to the UH Office of the Vice President for Research and Innovation (OVPRI) for final institutional approval.

2

Any covered-type position that is continuously filled by an RCUH employee for three years shall be subject to review and re-authorization by OHR and OVPRI.

3

RCUH shall not establish any covered type of position unless it has been specifically approved by the UH Office of Human Resources and VPRI.



# Overview of RCUH Financials

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# RCUH Operations

## How is RCUH funded?

RCUH does not directly receive any appropriated G-funds from the State Legislature to support its operations. Instead, RCUH is funded through fees collected from a percentage of expenditures that run through RCUH's Financial System.

University of Hawai'i projects pay RCUH based on the applicable formula or rate stated in the [Internal Agreement](#) between UH and RCUH. Direct projects from state agencies follow the formula listed in the [Master Agreement](#) and [Amendment](#).

**In FY 2025, it cost UH just 2.1% of its Extramural expenditures to use RCUH's Fiscal and HR services.**



# RCUH REVENUE SOURCES

## *UH EXTRAMURAL PROJECTS*

Externally sponsored federal and non-federal contracts, grants, and other agreements

## *UH INTRAMURAL PROJECTS*

Internally sponsored programs or activities funded with UH Research and Training Revolving Funds (RTRF) or Tuition and Fee Special Funds (TFSF)

## *UH SRRC/SSF REVOLVING PROJECTS*

Self-sustaining, income-generating projects established to support a specialized service activity, a recharge center, or other sales and service activities

## *DIRECT PROJECTS*

Projects assigned to and accepted by RCUH from non-UH organizations, including federal and state agencies, international organizations, and other not-for-profit organizations



[Flow Chart of Grant Awards](#)

# UH Service Orders to RCUH

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## **RP 12.207**

» [Click to View](#)

## **AP 12.203**

» [Click to View](#)

## **AP 12.204**

» [Click to View](#)

## ***UH Extramural Funds (RP 12.207, AP 12.203)***

The University service orders extramural contracts and grants to RCUH. However, RCUH shall not be used to circumvent statutes, board policies, contracts, settlements, or regulations.

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## ***UH Intramural Funds (RP 12.207, AP 12.203)***

To request RCUH's services for an intramural funded project, it must be for a new or on-going scientific and technical developments or unanticipated contingency situation that requires immediate action for the successful completion of the project or activity.

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## ***UH Special Fund Research Recharge Centers (AP 12.204)***

As of July 2023, the majority of Revolving Accounts have transferred back to UH. UH evaluated each Revolving Account and those who meet the criteria are now classified as Special Fund Research Recharge Centers (SRRCs).

# Internal Agreement

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*UH/RCUH Internal  
Agreement*

» [Click to View](#)

## *About the Internal Agreement*

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The Internal Agreement establishes a mutually acceptable set of relationships, responsibilities, and procedures. This agreement controls fees paid by UH to RCUH and has been in place since 1968. It compensates RCUH for servicing these types of University projects/accounts:

- *Extramural Projects*
- *Intramural Projects*
- *Special Fund Research Recharge Centers (SRRCs), Revolving, and Specialized Service Facility (SSF) Projects*

It has been renegotiated, amended, and restated 10 times in its 50-year history, most recently in 2017. The Internal Agreement was re-evaluated in 2022 and both parties agreed that the current agreement should remain in place with no modifications.

# Current UH Management Fee

(Agreement since 2007 and restated in 2017)



Project Type	Cost Base	Cost Rate
Extramural Projects	RCUH Operating Expense	% = Extramural MTDC / All Projects MTDC
Intramural Projects	MTDC	2.9%
Revolving/SRRC/SSF Accounts	MTDC	2.9%

**Modified Total Direct Cost (MTDC)** is a federal term used to determine reimbursable indirect costs on grants and contracts. MTDC includes costs such as salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and the first \$25,000 of each subaward. In accordance with the federal definition, it excludes costs such as equipment, capital expenditures, scholarships and fellowships, and the portion of each subaward in excess of \$25,000.

# FY 2025 VOLUME OF BUSINESS

(Monies that were processed in the RCUH Financial System on behalf of research projects)

*EXTRAMURAL  
EXPENDITURES*

\$307,371,289

or

**81%**

of RCUH's volume  
of business

*REVOLVING/SRRC/  
SSF EXPENDITURES*

\$37,434,963

or

**10%**

of RCUH's volume  
of business

*INTRAMURAL  
EXPENDITURES*

\$20,411,272

or

**5%**

of RCUH's volume  
of business

*DIRECT  
EXPENDITURES*

\$14,026,486

or

**4%**

of RCUH's volume  
of business

**TOTAL FY 2025 EXPENDITURES: \$379,244,010**

# FY 2025 RCUH REVENUE

(RCUH Revenue collected from UH Extramural, Intramural, and Revolving/SRRC/SSF Projects)

*EXTRAMURAL  
FEES*

**\$6,243,834**

or

**2.0%**

of Extramural  
Expenditures

*REVOLVING/  
SRRC/SSF FEES*

**\$1,031,963**

or

**2.8%**

of Revolving/SRRC/SSF  
Expenditures

*INTRAMURAL  
FEES*

**\$528,013**

or

**2.6%**

of Intramural  
Expenditures

*TOTAL FEES  
PAID BY UH*

**\$7,803,810**

or

**2.1%**

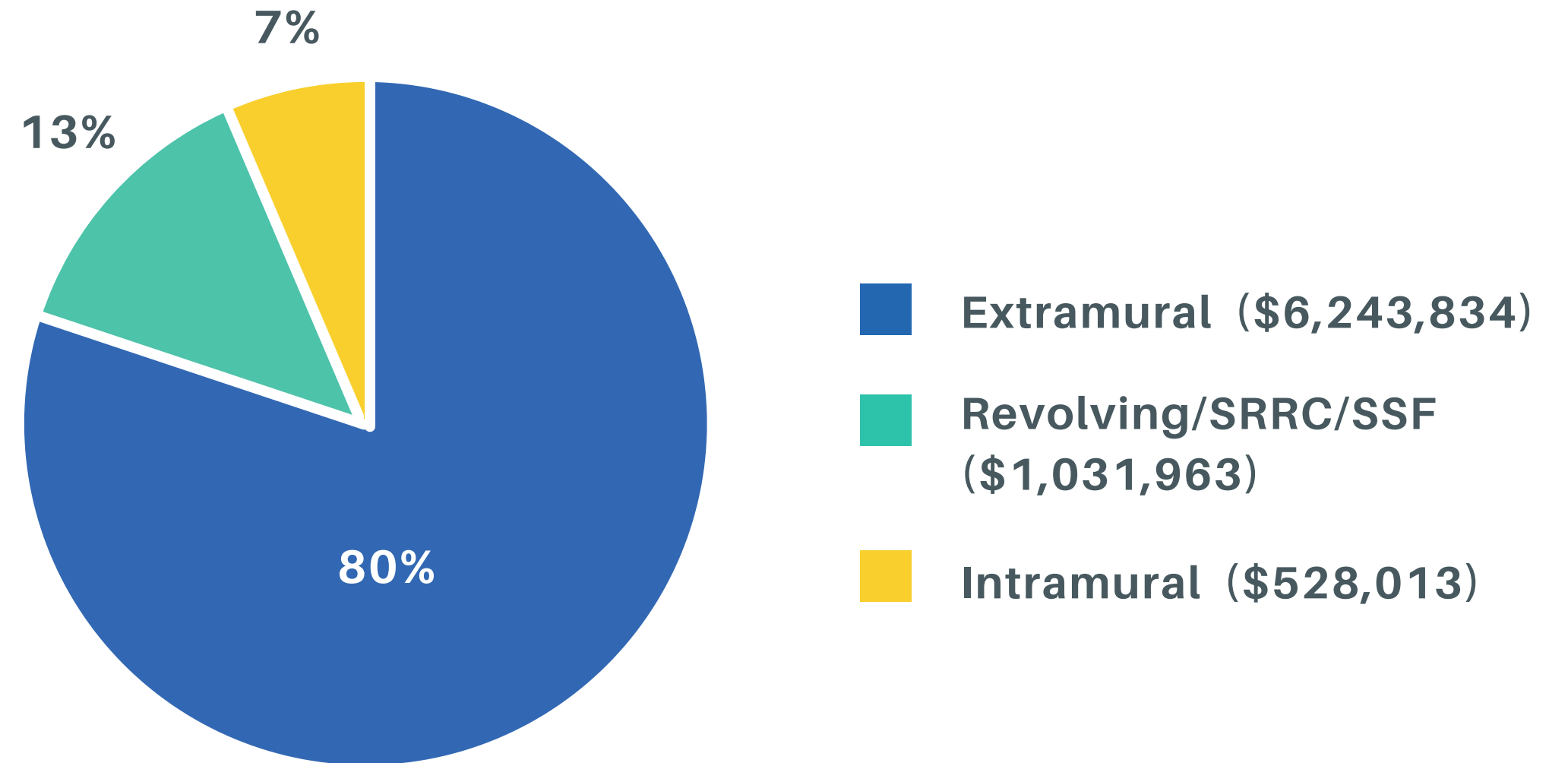
of UH's Expenditures  
processed by RCUH

# FY 2025 RCUH Revenue

*(from UH Projects)*

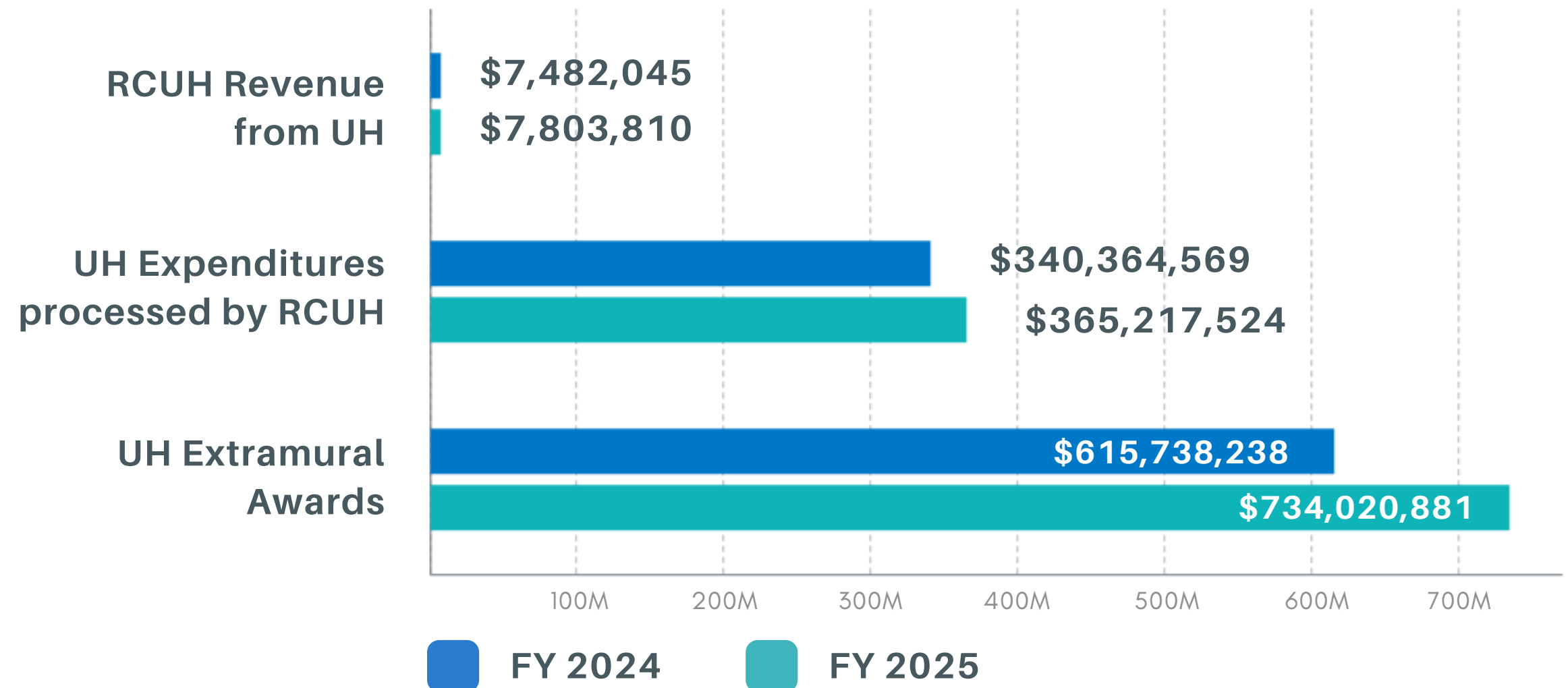
## FY 2025 Fees Collected from UH:

**\$7,803,810**



# UH Awards, Expenditures, and RCUH Revenue

## FY 2024 vs FY 2025 Comparison



**NOTE: Extramural awards can extend across multiple fiscal years, and not all expenditures are run through RCUH (e.g., salaries for UH researchers).**

# Master Agreement

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## *State of Hawai'i/RCUH Master Agreement*

» Click to View

## *Flow Chart for Accepting Direct Projects (State)*

» Click to View

## *About the Master Agreement*

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This agreement compensates RCUH for servicing state agencies (excluding UH) and establishes the guidelines state agencies must follow in order to seek RCUH services. Here are some examples of the criteria projects must follow:

- The nature of the research or investigation is at an intellectual level appropriate for university-level research
- Funding for the project exceeds \$25,000
- The project does not involve classified research
- The State program manager requires professional assistance in such areas as the development of the project scope
- Private sector assistance for the project is inappropriate because of such factors as lack of technical expertise, etc.

# Direct Project Request

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» State Form

» Non-State Form

## *What the Application Entails*

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The Direct Project Request is a detailed application that requires the following information:

- Detailed Project Description
- Insurance Requirements
- Financial Information
- Project Budget
- Funding Source (i.e., Federal, State, Other)
- Position Requirements
- Business References

# Direct Project Master Agreement

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» Click to View

## *Agreement between RCUH & the Direct Project*

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The Direct Project Master Agreement details:

- Services provided by RCUH
- Responsibilities of the Project
- Performance Period
- Compensation
- Insurance Requirements
- Indemnifications

# Current Management Fee for Direct Projects



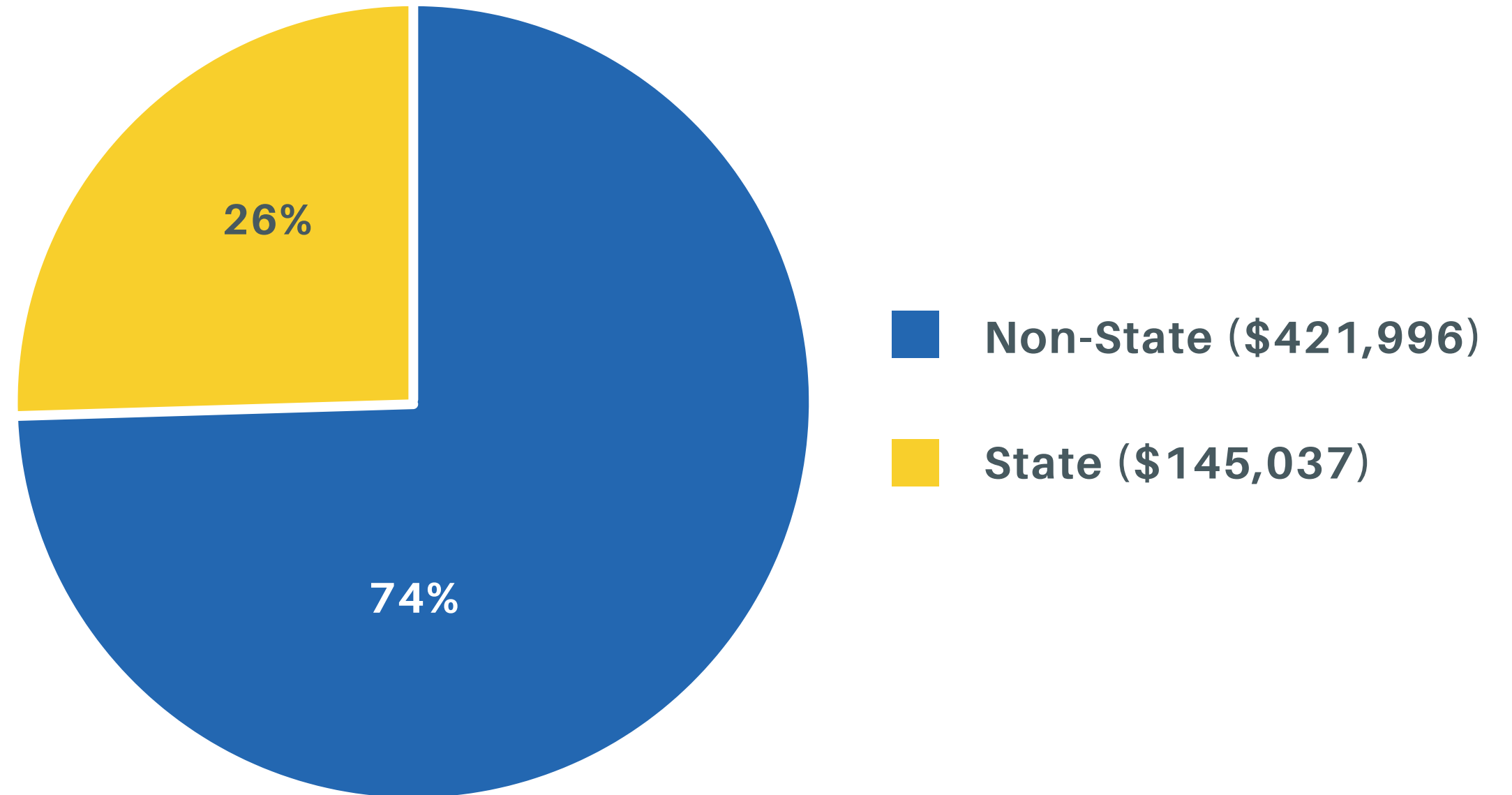
Project Type	Cost Base	Cost Rate
Direct Projects (State & Private)	MTDC	3.1% - 5.0%

Direct Projects that are a State of Hawai'i Department/Agency have an indirect cost rate of 3.1%. Direct Projects that are Non-State entities have an indirect cost rate of 5.0%.

# FY 2025 RCUH Revenue

*(from Direct Projects)*

**FY 2025 Fees Collected from Direct Projects:  
\$567,033**





# Summary of State Audits

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# 1993 State Audit

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## *Report 93-10*

» [Click to View](#)

## *Recommendations*

» [Click to View](#)

## *Follow-Up Report 95-9*

» [Click to View](#)

## *Summary of Findings*

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1. RCUH operates as an independent entity with little accountability and oversight by either the university or its board.
2. Federal funds have been jeopardized and significant deficiencies found in RCUH's financial management because the university and RCUH have not defined clearly their respective responsibilities.
3. The RCUH's financial reports are misleading and do not adhere to generally accepted accounting principles for treatment of assets.
4. RCUH lacks clear policies, criteria, and management controls for contracting with state agencies. It has allowed abuses to occur.
5. Executive departments use contracts with RCUH to evade state requirements.
6. RCUH charges an arbitrary fee for its services to state agencies.

# 2015 State Audit

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## *Report 15-07*

» [Click to View](#)

## *Recommendations*

» [Click to View](#)

## *Follow-Up Report 18-10*

» [Click to View](#)

## *Summary of Findings*

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1. Complacency and weak planning by the RCUH Board of Directors and executive director have resulted in a reactive approach to supporting research and training that focuses support services on University of Hawai'i activities. In addition, plans do not address RCUH's mandate to initiate, stimulate, conduct, and coordinate research and training generally in Hawai'i.
2. RCUH project oversight deficiencies jeopardize the integrity of the corporation's services.

**NOTE: Among the 23 agencies for which follow-up reviews were conducted, RCUH was 1 of 3 agencies to implement all of its recommendations.**



PRIORITIES

# Current Priorities

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# 2022-2026 Strategic Plan

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» Click to View

## Goals

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1. Evaluate and implement recommendations from the RCUH Task Force.
2. Clarify RCUH's identity with UH and the State.
3. Reform RCUH's Internal Operations.
4. Increase engagement and outreach to clients.

# 2022-2026 Strategic Plan

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## 2025 Achievements

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1. Refreshed the RCUH website
2. Executed 360-degree performance reviews for all core staff
3. Launched a new HR Portal Access feature in the RCUH HR Portal
4. Provided supervisor training to 205 RCUH employees courtesy of the Hawaii Employers Council
5. Streamlined and standardized hiring processes, while addressing compliance requirements with the University

# Final Thoughts

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## *The Value of Research Funding*

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In May 2021, the Economic Research Organization at the University of Hawai'i released a report, which found that each research-related dollar generated \$1.83 of total business sales, \$0.59 of employee earnings, and \$0.10 of state tax revenue; and each million dollars of spending generated 13.5 local jobs.

## *Remembering the Mission: Supporting Research, Development, and Training in Hawai'i*

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After supporting researchers in Hawai'i for more than 50 years, RCUH is taking a closer look on how to reduce the administrative burden on researchers so that they can focus more time on their research. Using feedback from our clients and recommendations from the state auditor, RCUH is committed to increasing administrative efficiencies, while following proper compliance with the State and federal government.

# Contact Us

For questions or more info:

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Burns Hall, 4th Floor, Makai Wing  
Honolulu, HI 96848

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(808) 956-5411

## *Email Address*

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