

RCUH

Research Corporation
of the University of Hawai'i

Introduction to RCUH

August 2026

Presentation Outline

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





About RCUH



About RCUH

A Brief Background

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*



David Karl

*Governor's UH System Research
Faculty Member Appointee*



Marie Laderta

*UH Board of Regents
Appointee*



Gabriel Lee

*UH Board of Regents
Appointee*



Jaret KC Leong

House Speaker's Appointee



Michael Nedbal

*Governor's Non-UH Research
Organization Appointee*



Laurie Okinaga

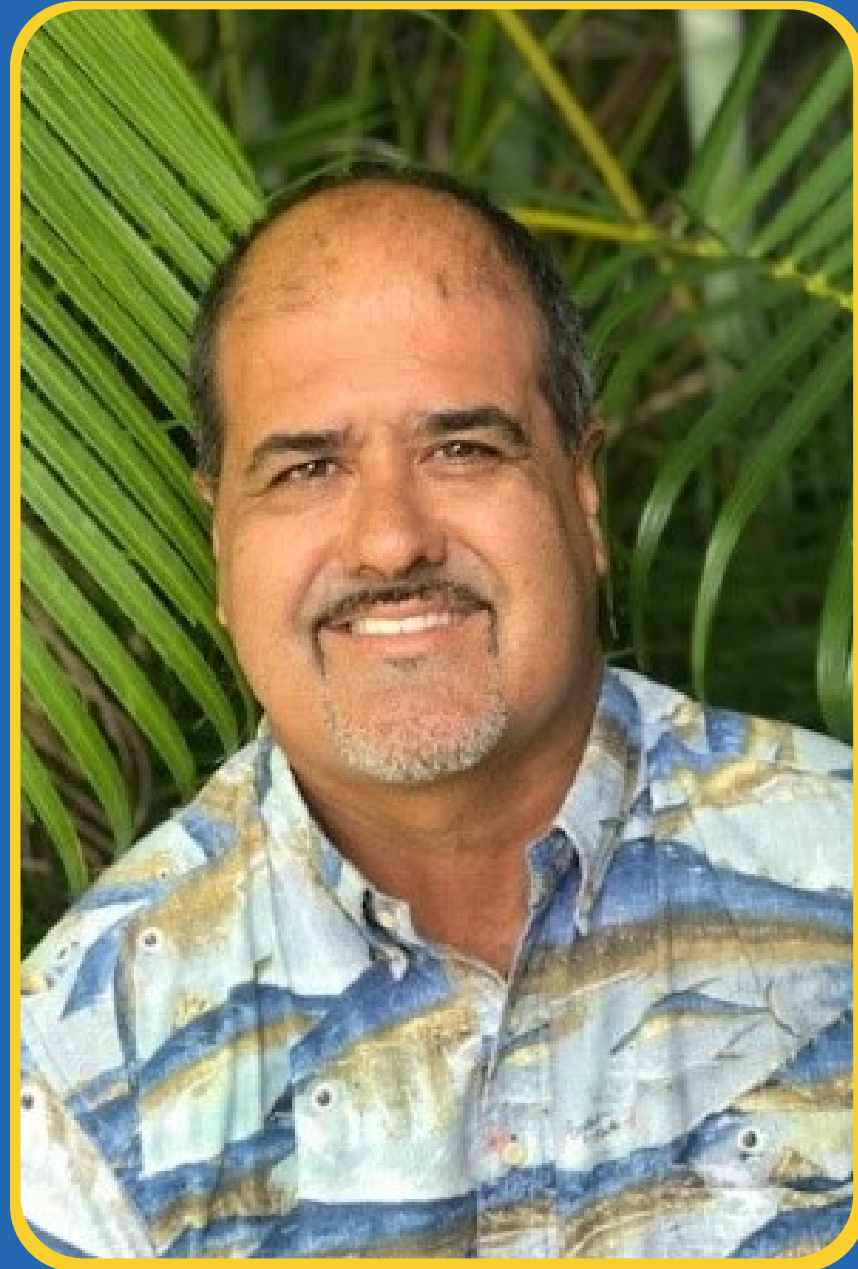
*Senate President's
Appointee*



Chad Walton

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

RCUH Leadership



Leonard R. Gouveia, Jr.

RCUH Executive Director

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

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



Human Resources

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



Corporate Services

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

Project Portfolio

Who We Serve

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

RCUH employees are state, non-civil service employees

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

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

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

Guidelines for Hiring RCUH Employees

(for UH Projects)

Click below to view:

» AP 12.207

1

Any University request to establish and recruit a regular status RCUH position shall be accompanied by a Position Request Form, which must be reviewed and approved by the OHR before it is sent to OVPRI for final institutional approval.

2

Any covered-type position that is continuously filled by an RCUH employee for one (1) year 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



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

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.

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.

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

UH/RCUH Internal Agreement

» Click to View

About the Internal Agreement

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%

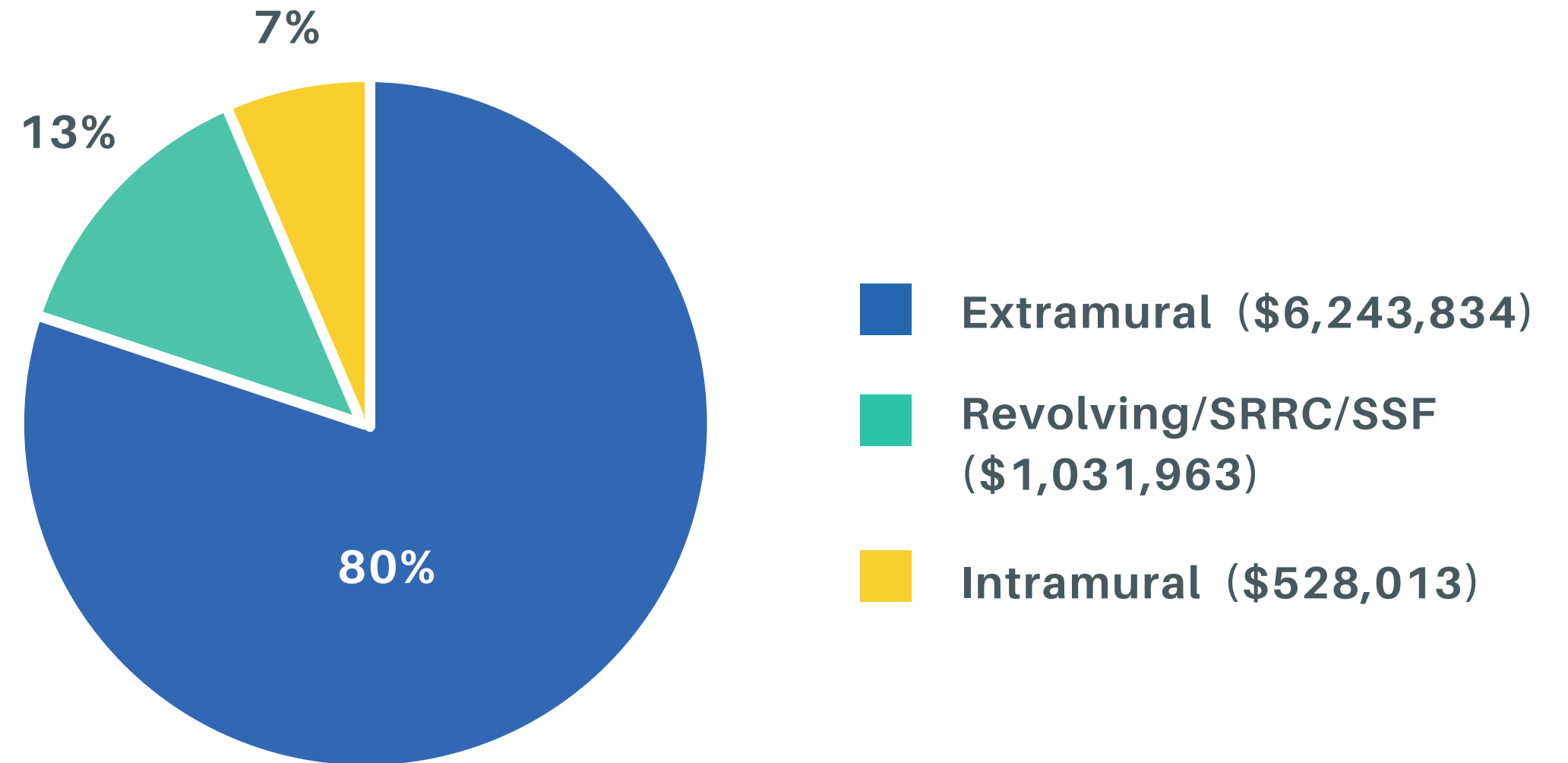
of UH's Expenditures
processed by RCUH

FY 2025 RCUH Revenue

(from UH Projects)

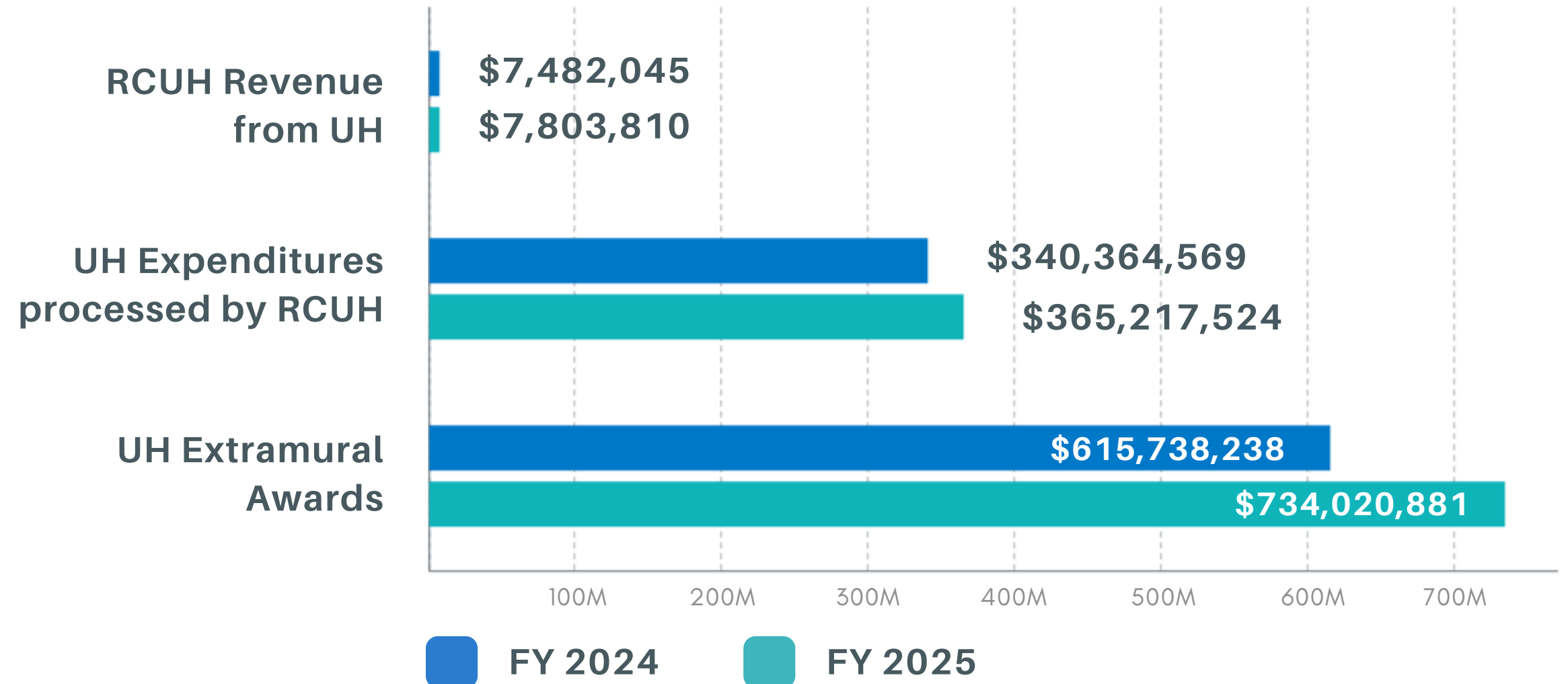
FY 2025 Fees Collected from UH:

\$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

State of Hawai'i/RCUH Master Agreement

» Click to View

Flow Chart for Accepting Direct Projects (State)

» Click to View

About the Master Agreement

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

» State Form

» Non-State Form

What the Application Entails

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

» Click to View

Agreement between RCUH & the Direct Project

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



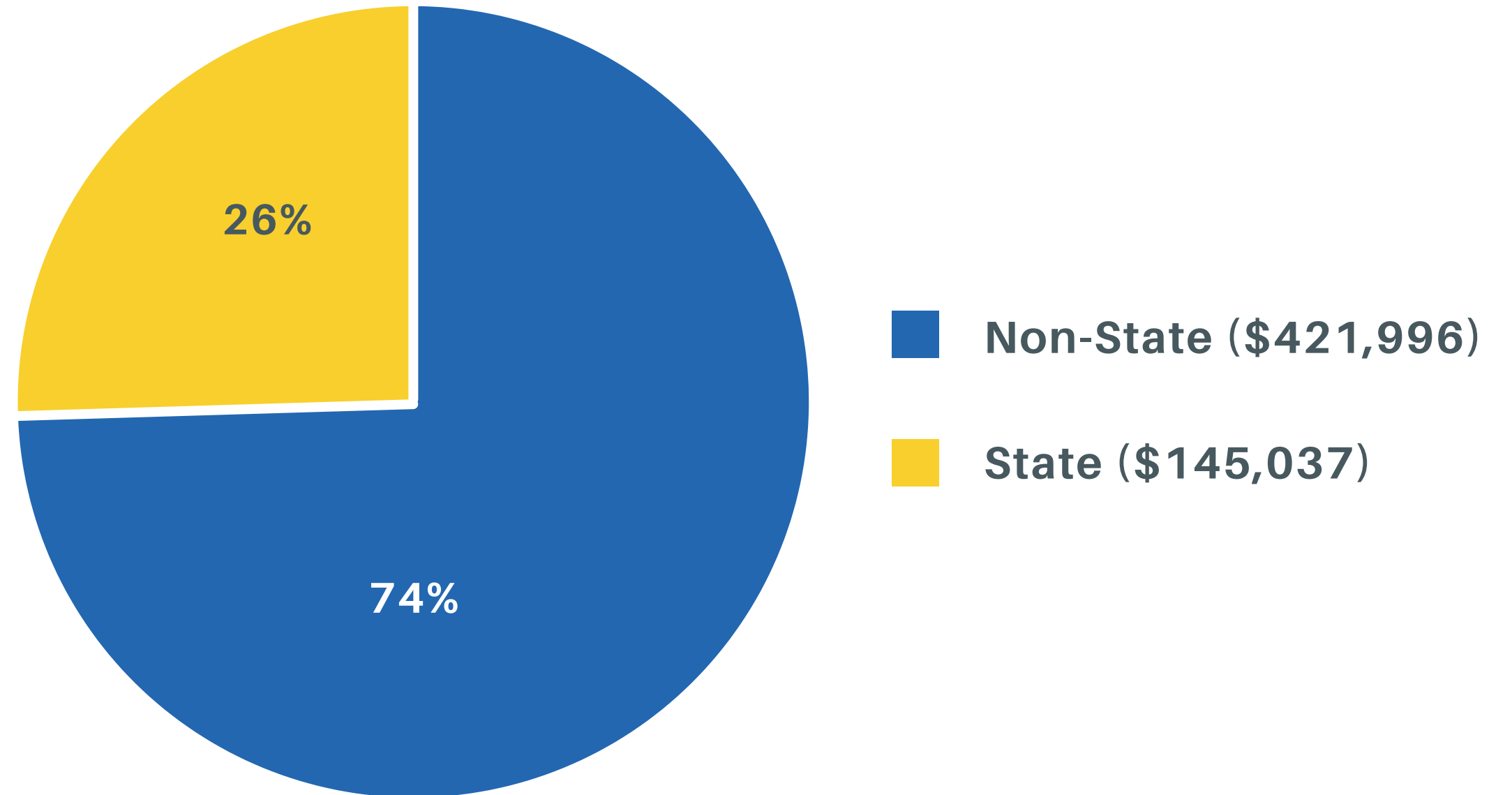
Project Type	Cost Base	Cost Rate
Direct Projects (State & Private)	MTDC	3.1% - 5.0%

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

1993

State Audit

Report 93-10

» Click to View

Recommendations

» Click to View

Follow-Up Report 95-9

» Click to View

Summary of Findings

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

Report 15-07

» Click to View

Recommendations

» Click to View

Follow-Up Report 18-10

» Click to View

Summary of Findings

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

2022-2026 Strategic Plan

» Click to View

Goals

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

2025 Achievements

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

The Value of Research Funding

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

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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