

---

## A BILL FOR AN ACT

RELATING TO THE RESEARCH CORPORATION OF THE UNIVERSITY OF  
HAWAII.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that concerns have been  
2 raised that the research corporation of the University of Hawaii  
3 and its board of directors' current authority and flexibility  
4 are other than originally intended.

5           Accordingly, the purpose of this Act is to clarify:

- 6           (1) The composition of the membership of the board of  
7           directors of the research corporation of the  
8           University of Hawaii;
- 9           (2) The role of the research corporation of the University  
10           of Hawaii and its board of directors;
- 11           (3) The relationship between the board of directors and  
12           the University of Hawaii system; and
- 13           (4) The authorization of the board of directors with  
14           respect to the employment of an executive director and  
15           construction contracts.

16           SECTION 2. Section 304A-3002, Hawaii Revised Statutes, is  
17 amended to read as follows:



1           "~~+~~§304A-3002~~+~~ Board of directors; composition. The  
2 affairs of the research corporation shall be under the general  
3 management and control of the board of directors. The board of  
4 directors shall consist of ~~ten~~ eight members~~[-Five]~~ as  
5 follows:

- 6           (1) Two members of the board of regents of the University  
7 of Hawaii, selected by the board of regents~~[-shall be~~  
8 ~~members of the board of directors]~~ for terms to be  
9 determined by the board of regents; provided that no  
10 term shall extend beyond the term as a member of the  
11 board of regents~~[-The remaining five];~~
- 12           (2) Three members ~~[shall]~~ to be appointed by the governor  
13 pursuant to section 26-34~~[-]~~; provided that:
- 14           (A) One member shall be a University of Hawaii system  
15 research faculty member;
- 16           (B) One member shall be from the business sector; and  
17           (C) One member shall be a representative of a non-  
18 University of Hawaii research organization;
- 19           (3) One member to be appointed by the president of the  
20 senate;
- 21           (4) One member to be appointed by the speaker of the house  
22 of representatives; and



1       (5) The vice president for research of the University of  
2       Hawaii system, who shall be a nonvoting ex officio  
3       member of the board of directors.

4 All the members appointed by the governor, president of the  
5 senate, and speaker of the house of representatives shall serve  
6 for a term of four years, except that the governor may reduce  
7 the terms of those initially appointed [~~se~~as] to provide, as  
8 nearly as can be, for the expiration of an equal number of terms  
9 at intervals of one year, each term commencing on July 1 and  
10 expiring on June 30. All members of the board of directors  
11 shall serve without pay, but shall be entitled to reimbursement  
12 for necessary expenses while attending meetings and while in the  
13 discharge of duties and responsibilities.

14       The members of the board of directors shall elect the  
15 chairperson of the board."

16       SECTION 3. Section 304A-3005, Hawaii Revised Statutes, is  
17 amended to read as follows:

18       "**[+]§304A-3005[+]** **Research corporation excepted from**  
19 **certain state laws.** To carry out the purposes and objectives of  
20 the research corporation, including the conduct of research and  
21 training projects, the research corporation shall be granted  
22 flexibility in hiring its personnel and in handling and



1 disbursing moneys by being excepted from the following state  
2 laws:

- 3 (1) Sections 36-27 and 36-30, relating to special fund  
4 reimbursements to the state general fund;
- 5 (2) Chapter 103D, relating to advertising for bids and  
6 purchases to be made in Hawaii whenever public moneys  
7 are expended;
- 8 (3) Chapter 103D with respect to construction contracts;  
9 provided that the exception shall not apply where  
10 state funds are used and compliance with chapter 103D  
11 is required by a bill enacted by the legislature;
- 12 ~~[(3)]~~ (4) Chapter 76, relating to civil service; and  
13 ~~[(4)]~~ (5) Section 78-1, relating to public employment."

14 SECTION 4. Section 304A-3006, Hawaii Revised Statutes, is  
15 amended to read as follows:

16 "~~[(1)]~~**\$304A-3006**~~[(1)]~~ **Officers and employees of the research**  
17 **corporation.** ~~[The president of the university shall be the~~  
18 ~~president of the research corporation.]~~ The board of directors  
19 shall employ an executive director of the research corporation  
20 who shall serve at the pleasure of the board of directors. The  
21 executive director's salary shall not be more than two times  
22 greater than the salary of the highest paid head of a department



1 within the executive branch. The board of directors may also  
2 appoint [~~such~~] other officers and employees as may be necessary  
3 in administering the affairs of the research corporation. The  
4 board of directors shall set the employees' duties,  
5 responsibilities, salaries, holidays, vacations, leaves, hours  
6 of work, and working conditions. The board of directors may  
7 grant [~~such~~] other benefits to its employees as it deems  
8 necessary. Employees of the research corporation shall not be  
9 entitled to any benefits conferred under chapter 76 relating to  
10 civil service, chapter 78 relating to public service, chapter 88  
11 relating to pension and retirement systems, and the appropriate  
12 collective bargaining agreement, executive order, executive  
13 directive, or rule."

14 SECTION 5. Statutory material to be repealed is bracketed  
15 and stricken. New statutory material is underscored.

16 SECTION 6. This Act shall take effect on July 1, 2013.



**Report Title:**

Research Corporation of the University of Hawaii; Board of Directors; Procurement

**Description:**

Amends the composition of the Research Corporation of the University of Hawaii's Board of Directors. Modifies the procurement exemption for certain construction contracts. Removes the University President as the President of the Research Corporation. Caps the Executive Director's salary. Effective July 1, 2013. (SB1388 HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

