

STAND. COM. REP. NO.

1087

Honolulu, Hawaii

MARCH 21, 2013

RE: S.B. No. 1388
S.D. 2
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committee on Higher Education, to which was referred
S.B. No. 1388, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE RESEARCH CORPORATION OF
THE UNIVERSITY OF HAWAII,"

begs leave to report as follows:

The purpose of this measure is to address the administration
of and procedures at the Research Corporation of the University of
Hawaii by, among other things:

- (1) Reducing the number of members of the Board of Directors
from ten to eight and the number of members of the Board
of Directors who are members of the University of Hawaii
Board of Regents from five to two;
- (2) Specifying that of the members of the Board of Directors
appointed by the Governor, one must be a University of
Hawaii research faculty member, one must be from the
business sector, one must be a representative of a non-
University of Hawaii research organization, and two must
be from the general public;
- (3) Including the Vice President for Research of the
University of Hawaii System as a nonvoting ex officio
member of the Board of Directors;

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- (4) Repealing the Research Corporation's exemption from the Procurement Code with respect to construction contracts where an unspecified amount or more of state funds is to be used;
- (5) Repealing the President of the University of Hawaii's role as the President of the Research Corporation; and
- (6) Limiting the salary of the Research Corporation's Executive Director to no more than two times the salary of the highest paid head of an Executive Branch department.

The Policy Office of the Governor supported this measure. The University of Hawaii opposed this measure. The State Procurement Office, Research Corporation of the University of Hawaii, Subcontractors Association of Hawaii, and a concerned individual provided comments.

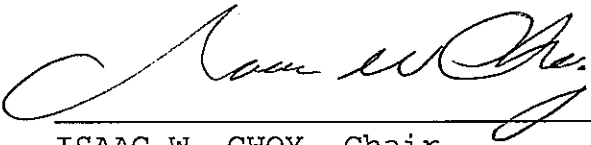
Your Committee has amended this measure by:

- (1) Deleting the requirement that two members of the Research Corporation's Board of Directors be members from the general public;
- (2) Reducing the number of members of the Research Corporation's Board of Directors appointed by the Governor to three from five;
- (3) Requiring that one member of the Research Corporation's Board of Directors be appointed by the President of the Senate and one be appointed by the Speaker of the House of Representatives;
- (4) Modifying the procurement exemption for certain, specified construction contracts;
- (5) Changing its effective date to July 1, 2013; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.



As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1388, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1388, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Higher Education,



ISAAC W. CHOY, Chair



State of Hawaii
House of Representatives
The Twenty-seventh Legislature

HSCR 1087

Record of Votes of the Committee on Higher Education

Bill/Resolution No.: SB 1388, SD2	Committee Referral: HED, FIN	Date: 3/14/13		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
HED Members	Ayes	Ayes (WR)	Nays	Excused
1. CHOY, Isaac W. (C)	✓			
2. ICHIYAMA, Linda (VC)	✓			
3. AQUINO, Henry J.C.	✓			
4. HANOHANO, Faye P.	✓			
5. NAKASHIMA, Mark M.	✓			
6. OHNO, Takashi	✓			
7. TAKAI, K. Mark	✓			
8. TAKUMI, Roy M.	✓			
9. CHEAPE, Lauren Kealohilani	✓			
10. FALE, Richard Lee	✓			
TOTAL (10)	10	0	0	0
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ committee acronym(s) did not support recommendation.				
Vice Chair's or designee's signature: <u><i>Linda Ichiyama</i></u>				
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