
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 "~~§304A-3006~~ **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 the
22 salary of the highest paid head of a department within the



1 executive branch. The board of directors may also appoint
2 [~~such~~] other officers and employees as may be necessary in
3 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 upon its approval.



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.
(CD1)

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