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# 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 the research  
2 corporation of the University of Hawaii, a public  
3 instrumentality of the State that is administratively attached  
4 to the University of Hawaii, was established in 1965 for the  
5 purposes of promoting, encouraging, initiating, developing, and  
6 conducting scientific research and investigation in all branches  
7 of learning and disseminating this research and investigation to  
8 the public.

9           To promote cooperative research projects with private firms  
10 and persons, the legislature at the time granted the research  
11 corporation of the University of Hawaii flexibility in the  
12 hiring of its personnel and handling and disbursement of moneys  
13 by exempting the corporation from state laws relating to  
14 reimbursement of special funds to the state general fund;  
15 advertisement for bids and purchases to be made in Hawaii  
16 whenever public moneys are expended; civil service;



1 compensation; and public employment. The legislature finds,  
2 however, that it is a matter of statewide concern that the  
3 research corporation of the University of Hawaii has gradually  
4 expanded its undertakings over the years into areas beyond its  
5 original eponymous purpose, and the benefits of the exemptions  
6 from statutory requirements have been extended to apply beyond  
7 what was originally intended by the legislature. For example,  
8 the research corporation's website currently states that one of  
9 its missions is to "support and enhance . . . development" in  
10 Hawaii.

11 The purpose of this Act is to clarify that the purpose of  
12 the research corporation of the University of Hawaii is to  
13 promote educational, scientific, and literary pursuits through  
14 research, training of research personnel, and dissemination of  
15 knowledge by publication of research findings, and the  
16 corporation's undertakings shall be limited to acts that are  
17 reasonably necessary to carry out this purpose.

18 SECTION 2. Section 304A-112, Hawaii Revised Statutes, is  
19 amended to read as follows:

20 "~~§~~304A-112~~§~~ **Contracts for services provided by the**  
21 **research corporation of the University of Hawaii.** (a)



1 Notwithstanding any law to the contrary, when the university  
2 determines that neither the university nor another state agency  
3 can more effectively or efficiently accomplish the purposes of  
4 the sponsored research and training activities, the university  
5 ~~[shall]~~ may contract with the research corporation of the  
6 University of Hawaii established under section ~~[+]~~304A-3001~~[+]~~  
7 to provide management and other services as described in  
8 subsection (b) to support the university's research and training  
9 activities. Contracts by the university with the research  
10 corporation pursuant to this section shall be limited to  
11 sponsored research and training projects; except that  
12 ~~[university projects supported by]~~ funds appropriated by the  
13 legislature may ~~[also]~~ be ~~[contracted]~~ expended to contract with  
14 the research corporation ~~[pursuant to rules adopted by the board~~  
15 ~~of regents.]~~ for purposes of supporting or facilitating  
16 sponsored research and training activities.

17 (b) Management and other support services provided by the  
18 research corporation pursuant to this section may include:

- 19 (1) The procurement of goods and services;  
20 (2) Employment of personnel; and



1           (3) The provision of advance funding for research and  
2           training contracts and grants.  
3 These services may be provided by the corporation to the  
4 university without regard to [~~chapter~~] chapters 76, 78, 89, [~~or~~]  
5 and 103D.

6           (c) For each state project or program involving the  
7 research corporation and each project or program involving the  
8 research corporation and a state employee, the university shall  
9 notify the exclusive representative of the appropriate  
10 bargaining unit to review conformance of positions with  
11 exceptions to collective bargaining. The corporation shall not  
12 supplant civil service employees and shall obtain approval from  
13 the governor on all initial requests for service projects."

14           SECTION 3. Section 304A-3001, Hawaii Revised Statutes, is  
15 amended by amending subsection (b) to read as follows:

16           "(b) The purposes of the research corporation shall  
17 [~~include, but not be limited to,~~] be the promotion of [~~all~~]  
18 educational, scientific, and literary pursuits [~~by~~] through  
19 the:

20           (1) [~~Encouraging, initiating, aiding, developing, and~~  
21 ~~conducting training,~~] Conduct of research[~~, and study~~]



- 1 in the physical, biological, and social sciences[~~7~~];  
2 humanities[~~7~~]; and all other branches of learning;
- 3 (2) Encouraging and aiding in the education [~~and~~] or  
4 training of persons [~~for the~~] in the conduct [~~of the~~]  
5 training, investigations, research, and study;  
6 provided that the persons being educated or trained  
7 shall be engaged in the conduct of research;
- 8 [~~(3) Furnishing of means, methods, and agencies by which~~  
9 ~~the training, investigation, research, and study may~~  
10 ~~be conducted;~~]
- 11 [~~(4)~~] (3) Assisting in the dissemination of knowledge from  
12 research studies by establishing[~~, aiding, and~~  
13 ~~maintaining professorships or other~~] staff positions,  
14 fellowships, scholarships, publications, and lectures;  
15 and
- 16 [~~(5)~~] ~~Engaging in other means of making the benefits of~~  
17 ~~training, investigations, research, and study~~  
18 ~~available to the public; and~~
- 19 (6) ~~Taking any and all other actions reasonably designed~~  
20 ~~to promote these purposes in the interest of promoting~~  
21 ~~the general welfare of the people of the State.]~~



1        (4) Dissemination of knowledge by the publication of  
2                    research findings."

3        SECTION 4. Section 304A-3003, Hawaii Revised Statutes, is  
4 amended to read as follows:

5            "~~[+]§304A-3003[+]~~ **Powers of the research corporation.** (a)

6 The research corporation, under the direction of the board of  
7 directors, shall have the following general powers:

8            (1) To adopt, amend, and repeal bylaws governing the  
9                    conduct of its business and the exercise of the powers  
10                   and performance of duties granted to or imposed upon  
11                   it by law;

12           (2) To sell, lease, rent, hold, maintain, use, and operate  
13                   any property, real, personal, or mixed, tangible or  
14                   intangible, in accordance with the conditions under  
15                   which it was received;

16           (3) To enter into and perform ~~[such]~~ contracts, leases,  
17                   cooperative agreements, or other transactions with the  
18                   university or any other agency or political  
19                   subdivision of the State, any private person, firm,  
20                   partnership, association, company, or corporation,  
21                   only ~~[as it may be]~~ when the board of directors



1 determines that doing so is necessary in the conduct  
2 of [~~its~~] the research corporation's business of  
3 research, training of research personnel, and  
4 publication of research findings, and only on [~~such~~]  
5 terms [~~as it may deem~~] that the board of directors  
6 deems reasonable and appropriate; provided that the  
7 research corporation shall not obligate any funds of  
8 the State except those that have been appropriated to  
9 it.

10 Notwithstanding the foregoing, the research  
11 corporation may enter into and perform [~~such~~]  
12 contracts, leases, cooperative agreements, or other  
13 transactions with any agency or instrumentality of the  
14 United States, a foreign nation, a state, a territory,  
15 or a possession, or with any political subdivision  
16 thereof, for research, training of research personnel,  
17 or publication of research findings, whenever the  
18 donating or granting agency or instrumentality  
19 determines and documents that the university or any  
20 other agency of the State cannot [~~as effectively and~~  
21 ~~efficiently~~] accomplish the purposes for which [~~such~~]



1           the contracts, leases, cooperative agreements, or  
2           other transactions are being entered into; provided  
3           that the research corporation shall not obligate any  
4           funds of the State except those that have been  
5           appropriated to it;

- 6           (4) To receive by gifts, grants, devises, bequests, or  
7           otherwise from private sources only, any property,  
8           real, personal, or mixed, intangible or tangible,  
9           absolutely or in trust, to be used and disposed of,  
10          either the principal or the income therefrom, in  
11          accordance with the conditions under which it was  
12          received; [~~except~~] provided that no gift to the  
13          research corporation shall be accepted unless approved  
14          [~~or confirmed~~] by the board of directors[~~-~~] as a gift  
15          that is beneficial to the research corporation's  
16          business of research, training of research personnel,  
17          and publication of research findings.

18                   Notwithstanding the foregoing, the research  
19                   corporation may receive gifts, grants, or awards from  
20                   any agency or instrumentality of the United States, a  
21                   foreign nation, a state, a territory, or a possession,





1 or from any political subdivision thereof, whenever  
 2 the donating or granting agency or instrumentality  
 3 determines and documents that the university or any  
 4 other agency of the State cannot [~~as effectively and~~  
 5 ~~efficiently~~] accomplish the purposes for which the  
 6 gifts, grants, or awards are being made[~~, except~~];  
 7 provided that no gift to the research corporation  
 8 shall be accepted unless approved [~~or confirmed~~] by  
 9 the board of directors[+] as a gift that is beneficial  
 10 to the research corporation's business of research,  
 11 training of research personnel, and publication of  
 12 research findings;

- 13 (5) To have a corporate seal;
- 14 (6) To sue and be sued in its own name;
- 15 (7) To serve as trustee or beneficiary under terms of any  
 16 gift, indenture, or will;
- 17 (8) To apply for, take out, receive by purchase or gift,  
 18 hold, administer, and dispose of copyrights, patent  
 19 rights, licenses, assignments of inventions,  
 20 discoveries, processes, and other property[+] rights  
 21 or interests therein, and the income thereof,



1 absolutely or subject to ~~[such]~~ conditions or trusts  
2 as may be attached thereto or be imposed thereon, and  
3 to obligate itself to perform and execute any and all  
4 ~~[such]~~ conditions or trusts;

5 (9) To conduct research, studies, experiments,  
6 investigations, and tests in ~~[all fields of knowledge,~~  
7 ~~to]~~ the physical, biological, and social sciences;  
8 humanities; and all other branches of learning;

9 (10) To promote and develop the scientific and commercial  
10 value of inventions, discoveries, and processes; and  
11 to make~~[, publish, and distribute]~~ available to the  
12 public the results thereof;

13 ~~[(10)]~~ (11) To coordinate and correlate activities and  
14 projects of the research corporation with the work of  
15 state agencies for the purpose of ~~[relating]~~  
16 correlating research work ~~[to]~~ with the economic  
17 development of the State whenever ~~[practical or~~  
18 ~~desirable,]~~ the board of directors determines and  
19 documents that doing so serves the purposes of the  
20 research corporation as described in section  
21 304A-3001;



- 1       ~~[(11)]~~ (12) To stimulate and promote cooperative research  
2                    projects and activities;
- 3       ~~[(12)]~~ (13) To ~~[establish and maintain, or to assist in~~  
4                    ~~establishing and maintaining,]~~ :
- 5                    (A) Assist the university's employment of research  
6                    personnel;
- 7                    (B) Assist in the university's establishment and  
8                    maintenance of research scholarships[~~7~~] and  
9                    research fellowships[~~7~~ and professorships, and  
10                   ~~other staff positions for the purpose of aiding~~  
11                   ~~in the acquisition and dissemination of~~  
12                   ~~knowledge]; and [~~to~~]~~
- 13                   (C) As an agent of the university, enter into  
14                    agreements or contracts with other corporations,  
15                    organizations, institutions, or persons for ~~[this~~  
16                    ~~purpose]~~ the purposes of this paragraph and to  
17                    pay the necessary and appropriate expenses  
18                    therefor;
- 19       ~~[(13)]~~ (14) To prepare~~[, print, or]~~ and publish in any  
20                    ~~[manuscript, research article, report, study,~~  
21                    ~~discussion, reference, collection, or any pictorial or~~



1 ~~schematic representation or group or collection~~  
2 ~~thereof, whether it]~~ form, any research finding that  
3 belongs to or is the work of any state agency or its  
4 employees, [~~e~~] the university or [~~one of~~] its faculty  
5 members or employees, [~~e~~] the research corporation or  
6 its employees, or a contractor of the research  
7 corporation. The [~~printing or~~] preparation and  
8 publication of research findings may be accomplished  
9 through whatever person, company, or agency is deemed  
10 most appropriate by the board of directors; [~~and~~]

11 (15) To retain contracts related to invasive species  
12 control and eradication; and

13 [~~(14)~~] (16) To do any or all other acts reasonably necessary  
14 to carry out the [~~objects and~~] purposes of the  
15 research corporation [~~and the university.~~] described  
16 in section 304A-3001.

17 (b) For the purposes of this section, "research personnel"  
18 means any individual who is classified by the university or the  
19 hiring entity as a research worker, spends the majority of work  
20 hours engaged in the conduct of research, and receives  
21 compensation as a research worker."



1 SECTION 5. Section 304A-3005, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 **"§304A-3005 Research corporation excepted from certain**  
4 **state laws.** (a) To carry out the purposes [~~and objectives~~] of  
5 the research corporation[~~, including the conduct of research and~~  
6 ~~training projects,~~] described in section 304A-3001, the research  
7 corporation shall be granted flexibility in the hiring of its  
8 personnel and [~~in~~] handling and [~~disbursing~~] disbursement of  
9 moneys by being excepted from the following state laws:

- 10 (1) Sections 36-27 and 36-30, relating to special fund  
11 reimbursements to the state general fund;
- 12 (2) Chapter 103D, relating to advertising for bids and  
13 purchases to be made in Hawaii whenever public moneys  
14 are expended; provided that the exception shall not  
15 apply to bids and purchases of goods and services that  
16 are not used for research, training of research  
17 personnel, or publication of research findings;
- 18 [~~3~~] Chapter 103D with respect to construction contracts,  
19 ~~provided that the exception shall not apply where~~  
20 ~~state funds are used and compliance with chapter 103D~~  
21 ~~is required by a bill enacted by the legislature;~~



1       ~~(4)~~ (3) Chapter 76, relating to civil service; and  
2       ~~(5)~~ (4) Section 78-1, relating to public employment.

3       (b) For the purposes of this section, "research personnel"  
4 means any individual who is classified by the university or the  
5 hiring entity as a research worker, spends the majority of work  
6 hours engaged in the conduct of research, and receives  
7 compensation as a research worker."

8       SECTION 6. Section 304A-3010, Hawaii Revised Statutes, is  
9 amended to read as follows:

10       "~~§~~304A-3010~~§~~ **Special account~~-~~; revolving accounts;**  
11 **internal service orders.** (a) Notwithstanding any other law to  
12 the contrary, the research corporation shall be authorized to  
13 set up a special account for depositing moneys received from  
14 either public or private contracts, or from private or public  
15 grants, awards, or gifts~~-~~ relating to research and training.  
16 The provisions of section ~~§~~304A-2003~~§~~ and other laws to the  
17 contrary notwithstanding, this special account may be used to  
18 receive, disburse, and account for funds of research and  
19 training projects of the University of Hawaii, other state  
20 agencies, and political subdivisions of the State. All  
21 disbursements shall be drawn on the special account upon checks



1 prepared and signed, as approved by the executive director and  
2 some other person authorized by the board of directors.

3 (b) Any revolving accounts held by the research  
4 corporation shall follow all laws governing the body and  
5 policies established by the corporation. The research  
6 corporation shall also follow University of Hawaii  
7 administrative procedure, AP 12.204, relating to the guidelines  
8 and procedures for revolving fund service orders to the research  
9 corporation. Within thirty days of the adoption of any  
10 amendment to administrative procedure, AP 12.204, by the  
11 University of Hawaii and the research corporation, the  
12 University of Hawaii shall submit a report to the legislature  
13 containing the amended language and a summary of the amendment.

14 (c) All internal service orders and revolving accounts of  
15 the research corporation that involve the use of University of  
16 Hawaii intramural funds shall be limited to projects relating  
17 directly to research and training, including projects in which:

18 (1) Much of the operation will lie outside the State; or  
19 (2) There is a substantial amount of ship operations,  
20 technical shop-type operations, computer services, or  
21 involvement with other research corporation projects;



1 and shall be reported no later than June 30 and December 31 of  
2 each year to the legislature for financial and mission  
3 compliance according to University of Hawaii and research  
4 corporation policies. The University of Hawaii and the research  
5 corporation shall review and approve all revolving accounts on  
6 an annual basis."

7 SECTION 7. If any provision of this Act, or the  
8 application thereof to any person or circumstance, is held  
9 invalid, the invalidity does not affect other provisions or  
10 applications of the Act that can be given effect without the  
11 invalid provision or application, and to this end the provisions  
12 of this Act are severable.

13 SECTION 8. Statutory material to be repealed is bracketed  
14 and stricken. New statutory material is underscored.

15 SECTION 9. This Act shall take effect on July 1, 2050;  
16 provided that the amendments made to section 304A-3003, Hawaii  
17 Revised Statutes, by section 4 of this Act shall apply only to  
18 contracts entered into by the research corporation of the  
19 University of Hawaii after June 30, 2023.





**Report Title:**

RCUH; UH; Purpose; Powers; Exemptions; Contracts for Services

**Description:**

Clarifies the purpose of the Research Corporation of the University of Hawaii and that its undertakings shall be limited to acts that are reasonably necessary to carry out its purpose. Repeals the requirement that the University of Hawaii contract with the Research Corporation when the University determines that other various agencies cannot more effectively or efficiently accomplish certain research and training activities. Grandfathers existing Research Corporation contracts and requires new contracts be subject to new limitations. Limits the scope of the special account the Research Corporation is authorized to establish. Requires revolving accounts to follow University of Hawaii Administrative Procedure 12.204. Limits internal service orders and revolving accounts of the Research Corporation that use University intramural funds to certain projects and requires biannual reports to the Legislature. Effective 7/1/2050. (SD2)

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

