

JAN 24 2013

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 as to whether the research corporation of the University
3 of Hawaii and its board of directors have been given a broader
4 range of authority and flexibility than originally intended.

5 The purpose of this Act is to clarify the role of the
6 research corporation of the University of Hawaii and its board
7 of directors, as well as the relationship between the board of
8 directors and the University of Hawaii system.

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

11 "~~[+]§304A-3002[+]~~ **Board of directors; composition.** The
12 affairs of the research corporation shall be under the general
13 management and control of the board of directors. The board of
14 directors shall consist of ~~[ten]~~ eight members. ~~[Five]~~ Two
15 members of the board of regents of the University of Hawaii,
16 selected by the board of regents, shall be members of the board
17 of directors for terms to be determined by the board of regents;



1 provided that the two members selected by the board of regents
2 shall be subject to the advice and consent of the senate;
3 provided further that no term shall extend beyond the term as a
4 member of the board of regents. [~~The remaining five~~] Five
5 members shall be appointed by the governor pursuant to section
6 26-34 [-]; provided that:

- 7 (1) One member shall be a University of Hawaii system
8 research faculty member;
- 9 (2) One member shall be from the business sector;
- 10 (3) One member shall be a representative of a non-
11 University of Hawaii research organization; and
- 12 (4) Two members shall be from the general public.

13 All the members appointed by the governor shall serve for a
14 term of four years, except that the governor may reduce the
15 terms of those initially appointed so as to provide, as nearly
16 as can be, for the expiration of an equal number of terms at
17 intervals of one year, each term commencing on July 1 and
18 expiring on June 30. The vice president for research of the
19 University of Hawaii system shall be a non-voting ex officio
20 member of the board of directors. All members of the board of
21 directors shall serve without pay, but shall be entitled to



1 reimbursement for necessary expenses while attending meetings
2 and while in the discharge of duties and responsibilities.

3 The members of the board of directors shall elect the
4 chairperson of the board."

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

7 "[+]§304A-3005[+] **Research corporation excepted from**
8 **certain state laws.** To carry out the purposes and objectives of
9 the research corporation, including the conduct of research and
10 training projects, the research corporation shall be granted
11 flexibility in hiring its personnel and in handling and
12 disbursing moneys by being excepted from the following state
13 laws:

14 (1) Sections 36-27 and 36-30, relating to special fund
15 reimbursements to the state general fund;

16 (2) Chapter 103D, relating to advertising for bids and
17 purchases to be made in Hawaii whenever public moneys
18 are expended; provided that the exemption shall be
19 limited to contracts that are directly related to
20 research, and contracts for investigations, training,
21 and studies that are directly related to research,
22 with a total estimated value of \$ _____ or less;



1 (3) Chapter 76, relating to civil service; and
2 (4) Section 78-1, relating to public employment."
3 SECTION 4. Section 304A-3006, Hawaii Revised Statutes, is
4 amended to read as follows:
5 "~~§304A-3006~~ **Officers and employees of the research**
6 **corporation.** ~~[The president of the university shall be the~~
7 ~~president of the research corporation.]~~ The board of directors
8 shall employ an executive director of the research corporation
9 who shall serve at the pleasure of the board of directors. The
10 executive director's salary shall not be more than the salary of
11 the highest paid head of a department within the executive
12 branch. The ~~[board of directors]~~ executive director may ~~[also~~
13 ~~appoint such other]~~ hire officers and employees as may be
14 necessary in administering the affairs of the research
15 corporation. The ~~[board of directors]~~ executive director shall
16 set the employees' duties, responsibilities, salaries, holidays,
17 vacations, leaves, hours of work, and working conditions. The
18 ~~[board of directors]~~ executive director may grant such other
19 benefits to its employees as it deems necessary. Employees of
20 the research corporation shall not be entitled to any benefits
21 conferred under chapter 76 relating to civil service, chapter 78
22 relating to public service, chapter 88 relating to pension and



1 retirement systems, and the appropriate collective bargaining
2 agreement, executive order, executive directive, or rule. The
3 board of directors shall not engage in the daily management or
4 operation of the research corporation."

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

7 SECTION 6. This Act shall take effect upon its approval.

8

INTRODUCED BY:

James Drando



S.B. NO. 1388

Report Title:

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

Description:

Reduces the number of members of the board of directors of the research corporation of the University of Hawaii from ten to eight members. Reduces the number of members of the board of directors that must be members of the board of regents from five to two and makes them subject to the advice and consent of the senate. Specifies the qualifications of the five members to be selected by the governor. Adds the vice president for research of the University of Hawaii system as an ex officio member of the board of directors. Amends section 304A-3005, HRS, to provide that the research corporation's exemption from the procurement requirements of chapter 103D, HRS, applies only for contracts that are directly related to research, and contracts for investigations, training, and studies that are directly related to research, with a total estimated value of an unspecified dollar amount or less. Removes the university president's authority to serve as the president of the research corporation. Authorizes the board of directors to employ an executive director of the research corporation. Caps the executive director's salary at the salary of the highest paid head of a department within the executive branch. Authorizes the executive director rather than the board of directors to hire and oversee necessary officers and employees. Specifies that the board of directors shall not engage in the daily management and operation of the research corporation.

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