

Honolulu, Hawaii

FEB 15 2023

RE: S.B. No. 1414  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committee on Higher Education, to which was referred  
S.B. No. 1414 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Exempt the University of Hawaii and its Board of Regents from certain provisions of the Hawaii Public Procurement Code involving contracts and grants relating to research and training or research and training revolving funds;
- (2) Require the Board of Regents to develop internal policies and procedures exempt from the Hawaii Public Procurement Code for procurement relating to research and training contracts and grants and research and training revolving fund expenditures in support thereof;
- (3) Authorize the President of the University of Hawaii to delegate procurement authority for research and training contracts and grants to the University's Vice President for Research and Innovation; and
- (4) Require the Board of Regents to submit reports to the Legislature.



Your Committee received testimony in support of this measure from the University of Hawai'i System. Your Committee received comments on this measure from the State Procurement Office and the Department of the Attorney General.

Your Committee finds that the University of Hawaii at Manoa has received international recognition for its research. At the state level, University of Hawaii research and training contracts and grants contribute over \$200,000,000 annually to Hawaii's economy and create workforce opportunities throughout the State. To support the excellence of research at the University of Hawaii, this measure exempts the University from certain provisions of the Hawaii Public Procurement Code relating to research and training contracts and grants, facilitating the effective and efficient accomplishment of research and training.

Your Committee has amended this measure by:

- (1) Inserting language specifying that this measure addresses an issue of statewide concern;
- (2) Specifying that the Hawaii Public Procurement Code shall not apply to contracts made by the University of Hawaii or the Board of Regents of the University of Hawaii; provided that the contracts involve research and training and are procured using grant moneys received for research and training or moneys expended from the Research and Training Revolving Fund (RTRF) pursuant to section 304A-2253, Hawaii Revised Statutes, in direct support of research and training;
- (3) Clarifying that references to "research and training revolving funds" refer to RTRF moneys;
- (4) Repealing language that requires the Board of Regents to develop internal policies and procedures exempt from the Hawaii Public Procurement Code for the procurement of construction;
- (5) Clarifying that the Board of Regents shall develop internal policies and procedures exempt from chapter 103D, Hawaii Revised Statutes, only for the procurement of goods and services for research and training and RTRF



moneys expended in direct support of research and training; provided that the President of the University may delegate procurement authority for research and training to the Vice President for Research and Innovation;

- (6) Requiring that the University of Hawaii include a description of the University's internal policies and procurement process in its reports to the Legislature;
- (7) Amending section 1 to reflect its amended purpose; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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. 1414, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1414, S.D. 1, and be referred to your Committee on Ways and Means.

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



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DONNA MERCADO KIM, Chair



