

Honolulu, Hawaii

APR 26 2024

RE: S.B. No. 1511
S.D. 2
H.D. 2
C.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 1511, S.D. 2, H.D. 2, entitled:

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

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- (1) Clarify 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;
- (2) Repeal 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;

- (3) Grandfather existing Research Corporation contracts and require new contracts be subject to new limitations;
- (4) Limit the scope of the special account the Research Corporation is authorized to establish;
- (5) Require revolving accounts to follow University of Hawaii Administrative Procedure 12.204; and
- (6) Limit internal service orders and revolving accounts of the Research Corporation that use University intramural funds to certain projects and require biannual reports to the Legislature.

Your Committee on Conference finds that the Research Corporation of the University of Hawaii (Research Corporation) was established in 1965 for the purposes of promoting, encouraging, initiating, developing, and conducting scientific research and investigation in all branches of learning, which is then disseminated to the public. To achieve its statutory mandate, the Legislature at the time provided the Research Corporation with flexibility in certain operations to promote cooperative research projects with various firms and stakeholders. However, the Research Corporation has gradually expanded its undertakings beyond its original mandate, raising concerns that the Research Corporation has entered projects and roles outside of its established purpose. Therefore, this measure ensures greater accountability and transparency of the Research Corporation of the University of Hawaii and streamlines its purpose to align with its original purpose and intent.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that funds appropriated by the Legislature may be expanded to contract with the Research Corporation to be used for promoting and developing the scientific and commercial value of inventions, discoveries, and processes;
- (2) Clarifying that the University of Hawaii shall notify the exclusive representative of the appropriate bargaining unit to review conformance of positions that are planned to be hired through the Research Corporation;



- (3) Clarifying that, for each civil service employee that will be supplanted, the Research Corporation shall provide a list of the programs affected in its next report to the Legislature;
- (4) Specifying that persons being educated or trained shall be engaged in the conduct of research pursuant to a grant, contract, or other authorized funded agreement;
- (5) Inserting language requiring the Research Corporation to promote and develop the scientific and commercial value of inventions, discoveries, and processes;
- (6) Clarifying that the Research Corporation shall assist in disseminating knowledge through the publication of research findings;
- (7) Specifying that the Research Corporation may enter into and perform contracts, leases, cooperative agreements, or other transactions when the Board of Directors determines necessity in the conduct of the Research Corporation's business pursuant to its statutory purpose;
- (8) Repealing language that authorized the Research Corporation to receive awards from any agency or instrumentality of the United States, a foreign nation, a state, a territory, or a possession, or from any political subdivision thereof;
- (9) Clarifying that no gift to the Research Corporation shall be accepted unless its Board of Directors determines that the gift is beneficial to the Research Corporation's statutory purpose;
- (10) Clarifying that the Research Corporation may also receive devises or bequests, in addition to grants or gifts, on behalf of the University of Hawaii or any other agency of the State whenever the donor or grantor determines that the University or any other state agency cannot accomplish the purpose of the gifts, grants, devises, or bequests;
- (11) Clarifying that the Research Corporation may establish a special account for purposes relating to research, training, or the promotion or development of the



scientific and commercial value of inventions, discoveries, and processes;

- (12) Clarifying that the Research Corporation shall follow University of Hawaii Administrative Procedure, AP. 12.204, relating to the guidelines and procedures for revolving fund service orders from the University of Hawaii to the Research Corporation;
- (13) Inserting an effective date of July 1, 2024; and
- (14) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1511, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1511, S.D. 2, H.D. 2, C.D. 1.

Respectfully submitted on behalf of the managers:

ON THE PART OF THE HOUSE

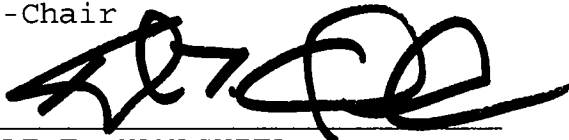
ON THE PART OF THE SENATE



CHRIS TODD
Co-Chair



DONNA MERCADO KIM
Chair



KYLE T. YAMASHITA
Co-Chair



DRU KANUHA
Co-Chair



Record of Votes of a Conference Committee

Bill / Concurrent Resolution No.: SB 1511, SD 2, HD 2	Date/Time: 4-25-24 3:16 PM
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
KIM, Donna Mercado, Chr.	✓				TODD, Chris, Co-Chr.	✓			
KANUHA, Dru Mamo, Co-Chr.	✓				YAMASHITA, Kyle T., Co-Chr.	✓			
FEVELLA, Kurt	✓				KITAGAWA, Lisa	✓			
					NISHIMOTO, Scott Y.				✓
					GARCIA, Diamond	✓			
TOTAL	3				TOTAL	4	0	0	1

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature:
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