

STAND. COM. REP. NO. **578**

Honolulu, Hawaii

FEB 17 2023

RE: S.B. No. 1511
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. 1511 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Clarify that the purpose of the Research Corporation of the University of Hawaii is to promote educational, scientific, and literary pursuits through research, training of research personnel, and dissemination of knowledge by publication of research findings; and
- (2) Limit the Corporation's undertakings to acts that are reasonably necessary to carry out its stated purpose.

Your Committee received testimony in support of this measure from the International Longshore & Warehouse Union Local 142 and twenty-nine individuals. Your Committee received testimony in opposition to this measure from the Research Corporation of the University of Hawai'i, Subcontractors Association of Hawaii, and twenty-eight individuals. Your Committee received comments on this measure from the Department of Land and Natural Resources and University of Hawai'i System.



Your Committee finds that the Research Corporation of the University of Hawaii was established for the purposes of promoting, encouraging, initiating, developing, and conducting scientific research and investigation in all branches of learning and disseminating this research and investigation to the public. When establishing the Corporation, to promote cooperative research projects, the Legislature granted the Corporation flexibility in the hiring of its personnel and handling and disbursement of moneys by exempting it from certain state laws. However, the Corporation has gradually expanded its undertakings into areas beyond its intended purpose, and the benefits of exemptions from statutory requirements have been extended to apply beyond the Legislature's original intent. Therefore, to facilitate greater accountability and transparency of the Corporation, this measure clarifies the purpose of the Research Corporation of the University of Hawaii and limits the Corporation's activities to those reasonably necessary to carry out its purpose.

Your Committee has amended this measure by:

- (1) Specifying that this measure addresses an issue of statewide concern;
- (2) Clarifying the University shall notify the appropriate bargaining unit for state projects or programs involving the Corporation or the Corporation and a state employee;
- (3) Removing language that would have required the Corporation to provide to the Legislature justification for the employment of civil service employees;
- (4) Requiring the Corporation to obtain the Governor's approval on all initial requests for service projects;
- (5) Removing language that would have authorized the Corporation to allow minor renovation projects in support of research and training not to exceed \$2,000,000;
- (6) Clarifying that the Corporation shall be authorized to set up a special account for depositing moneys received from either public or private contracts, or from public



or private grants, awards, or gifts related to research and training;

- (7) Limiting Corporation internal service orders and revolving accounts that use University intramural funds to certain projects relating directly to research and training; 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. 1511, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1511, 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,



DONNA MERCADO KIM, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Higher Education
HRE

Bill / Resolution No.:* SB 1511	Committee Referral: HRE, WAM	Date: 2/9/23
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The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
KIM, Donna Mercado (C)	✓			
KIDANI, Michelle N. (VC)	✓			
FUKUNAGA, Carol		✓		
KEITH-AGARAN, Gilbert S.C.	✓			
FEVELLA, Kurt	✓			
TOTAL	4	1		

Recommendation:
 Adopted
 Not Adopted

Chair's or Designee's Signature:
Michelle N. Kidani

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*Only one measure per Record of Votes