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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;  
17 compensation; and public employment. The legislature finds,



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

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

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

19 "[+]§304A-112[+] Contracts for services provided by the  
20 research corporation of the [University] university of Hawaii.

21 (a) Notwithstanding any law to the contrary, when the



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

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

- 20 (1) The procurement of goods and services;  
21 (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, the university shall notify the exclusive  
8 representative of the appropriate bargaining unit to review  
9 conformance of positions that are planned to be hired through  
10 the research corporation with exceptions to collective  
11 bargaining. The corporation shall not supplant civil service  
12 employees, and if any programs actively employ civil service  
13 employees, the corporation shall provide justification for each  
14 civil service employee that will be supplanted with a list of  
15 the program affected in its next report to the legislature."

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

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



- 1           (1) ~~[Encouraging, initiating, aiding, developing, and~~  
2           ~~conducting training,]~~ Conducting research~~[, and study]~~  
3           in the physical, biological, and social sciences~~[,]~~;  
4           humanities~~[,]~~; and all other branches of learning;
- 5           (2) Encouraging and aiding in the education ~~[and]~~ or  
6           training of persons ~~[for the]~~ in the conduct of ~~[the]~~  
7           training, investigations, research, and study;  
8           provided that the persons being educated or trained  
9           shall be engaged in the conduct of research pursuant  
10          to a grant, contract, or other authorized funded  
11          agreement;
- 12          ~~[(3) Furnishing of means, methods, and agencies by which~~  
13          ~~the training, investigation, research, and study may~~  
14          ~~be conducted;~~
- 15          ~~-(4)]~~ (3) Assisting in the dissemination of knowledge from  
16          research studies by establishing~~[, aiding, and~~  
17          ~~maintaining professorships or other]~~ staff positions,  
18          fellowships, scholarships, publications, and lectures;
- 19          ~~-(5) Engaging in other means of making the benefits of~~  
20          ~~training, investigations, research, and study~~  
21          ~~available to the public; and~~



1       ~~(6) Taking any and all other actions reasonably designed~~  
2           ~~to promote these purposes in the interest of promoting~~  
3           ~~the general welfare of the people of the State.]~~

4       (4) Promoting and developing the scientific and commercial  
5           value of inventions, discoveries, and processes; and

6       (5) Disseminating knowledge through the publication of  
7           research findings."

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

10           "~~{}~~§304A-3003~~{}~~ Powers of the research corporation. (a)

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

13           (1) To adopt, amend, and repeal bylaws governing the  
14           conduct of its business and the exercise of the powers  
15           and performance of duties granted to or imposed upon  
16           it by law;

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



1           (3) To enter into and perform [~~such~~] contracts, leases,  
2           cooperative agreements, or other transactions with the  
3           university or any other agency or political  
4           subdivision of the State, any private person, firm,  
5           partnership, association, company, or corporation,  
6           only [~~as it may be~~] when the board of directors  
7           determines that doing so is necessary in the conduct  
8           of [~~its~~] the research corporation's business as  
9           described in section 304A-3001 and only on [~~such~~]  
10          terms [~~as it may deem~~] that the board of directors  
11          deems reasonable and appropriate; provided that the  
12          research corporation shall not obligate any funds of  
13          the State except those that have been appropriated to  
14          it.

15                   Notwithstanding the foregoing, the research  
16          corporation may enter into and perform [~~such~~]  
17          contracts, leases, cooperative agreements, or other  
18          transactions with any agency or instrumentality of the  
19          United States, a foreign nation, a state, a territory,  
20          or a possession, or with any political subdivision  
21          thereof, for research, training of research personnel,



1           or publication of research findings, whenever the  
 2           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 [~~such~~]  
 6           the contracts, leases, cooperative agreements, or  
 7           other transactions are being entered into; provided  
 8           that the research corporation shall not obligate any  
 9           funds of the State except those that have been  
 10          appropriated to it;

11          (4) To receive by gifts, grants, devises, bequests, or  
 12          otherwise from private sources only, any property,  
 13          real, personal, or mixed, intangible or tangible,  
 14          absolutely or in trust, to be used and disposed of,  
 15          either the principal or the income therefrom, in  
 16          accordance with the conditions under which it was  
 17          received; [~~except~~] provided that no gift to the  
 18          research corporation shall be accepted unless approved  
 19          [~~or confirmed~~] by the board of directors[-] as a gift  
 20          that is beneficial to the research corporation's  
 21          business as described in section 304A-3001.



1           Notwithstanding the foregoing, the research  
2           corporation may receive gifts, grants, [~~or awards from~~  
3           ~~any agency or instrumentality of the United States, a~~  
4           ~~foreign nation, a state, a territory, or a possession,~~  
5           ~~or from any political subdivision thereof,~~] devises,  
6           or bequests on behalf of the university or any other  
7           agency of the State, whenever the [~~donating~~] donor or  
8           [~~granting agency or instrumentality~~] grantor  
9           determines and documents that the university or any  
10          other agency of the State cannot [~~as effectively and~~  
11          ~~efficiently~~] accomplish the purposes for which the  
12          gifts, grants, [~~or awards are being~~] devises, or  
13          bequests are made[~~, except~~]; provided that no gift to  
14          the research corporation shall be accepted unless  
15          approved [~~or confirmed~~] by the board of directors[~~+~~]  
16          as a gift that is beneficial to the research  
17          corporation's business as described in section 304A-  
18          3001;

19          (5) To have a corporate seal;

20          (6) To sue and be sued in its own name;



- 1 (7) To serve as trustee or beneficiary under terms of any  
2 gift, indenture, or will;
- 3 (8) To apply for, take out, receive by purchase or gift,  
4 hold, administer, and dispose of copyrights, patent  
5 rights, licenses, assignments of inventions,  
6 discoveries, processes, and other property~~[,]~~ rights  
7 or interests therein, and the income thereof,  
8 absolutely or subject to ~~[such]~~ conditions or trusts  
9 as may be attached thereto or be imposed thereon, and  
10 to obligate itself to perform and execute any and all  
11 ~~[such]~~ conditions or trusts;
- 12 (9) To conduct research, studies, experiments,  
13 investigations, and tests in ~~[all fields of knowledge,~~  
14 ~~te]~~ the physical, biological, and social sciences;  
15 humanities; and all other branches of learning;
- 16 (10) To promote and develop the scientific and commercial  
17 value of inventions, discoveries, and processes; and  
18 to make ~~[, publish, and distribute]~~ available to the  
19 public the results thereof;
- 20 ~~[-(10)]~~ (11) To coordinate and correlate activities and  
21 projects of the research corporation with the work of



1 state agencies for the purpose of ~~[relating]~~  
2 correlating research work ~~[to]~~ with the economic  
3 development of the State whenever ~~[practical or~~  
4 ~~desirable,]~~ the board of directors determines and  
5 documents that doing so serves the purposes of the  
6 research corporation as described in section  
7 304A-3001;

8 ~~[(11)]~~ (12) To stimulate and promote cooperative research  
9 projects and activities;

10 ~~[(12)]~~ (13) To ~~[establish and maintain, or to assist in~~  
11 ~~establishing and maintaining,]~~ :

12 (A) Assist in the university's employment of research  
13 personnel;

14 (B) Assist in the university's establishment and  
15 maintenance of research scholarships~~[,]~~ and  
16 research fellowships~~[, and professorships, and~~  
17 other staff positions for the purpose of aiding  
18 in the acquisition and dissemination of  
19 knowledge]; and ~~[to]~~

20 (C) As an agent of the university, enter into  
21 agreements or contracts with other corporations,



1 organizations, institutions, or persons for [~~this~~  
2 ~~purpose~~] the purposes of this paragraph and to  
3 pay the necessary and appropriate expenses  
4 therefor;

5 [~~(13)~~] (14) To prepare [~~, print, or~~] and publish in any  
6 [~~manuscript, research article, report, study,~~  
7 ~~discussion, reference, collection, or any pictorial or~~  
8 ~~schematic representation or group or collection~~  
9 ~~thereof, whether it~~] form, any research finding that  
10 belongs to or is the work of any state agency or its  
11 employees, [~~or~~] the university or [~~one of~~] its faculty  
12 members or employees, [~~or~~] the research corporation or  
13 its employees; or a contractor of the research  
14 corporation. The [~~printing or~~] preparation and  
15 publication of research findings may be accomplished  
16 through whatever person, company, or agency is deemed  
17 most appropriate by the board of directors; [~~and~~]

18 (15) To retain contracts related to invasive species  
19 control and eradication; and

20 [~~(14)~~] (16) To do any or all other acts reasonably necessary  
21 to carry out the [~~objects and~~] purposes of the



1 research corporation [~~and the university.~~] described  
2 in section 304A-3001.

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

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

10 "§304A-3005 Research corporation excepted from certain  
11 state laws. (a) To carry out the purposes [~~and objectives~~] of  
12 the research corporation[~~, including the conduct of research and~~  
13 ~~training projects,~~] described in section 304A-3001, the research  
14 corporation shall be granted flexibility in the hiring of its  
15 personnel and [~~in~~] the handling and [~~disbursing~~] disbursement of  
16 moneys by being excepted from the following state laws:

- 17 (1) Sections 36-27 and 36-30, relating to special fund  
18 reimbursements to the state general fund;
- 19 (2) Chapter 103D, relating to advertising for bids and  
20 purchases to be made in Hawaii whenever public moneys  
21 are expended; provided that the exception shall not



1 apply to bids and purchases of goods and services that  
2 are not used for research, training of research  
3 personnel, or publication of research findings;

4 [~~3~~] ~~Chapter 103D with respect to construction contracts,~~  
5 ~~provided that the exception shall not apply where~~  
6 ~~state funds are used and compliance with chapter 103D~~  
7 ~~is required by a bill enacted by the legislature;~~

8 ~~(4)]~~ (3) Chapter 76, relating to civil service; and

9 [~~5~~] (4) Section 78-1, relating to public employment.

10 (b) As used in this section, "research personnel" means  
11 any individual who is classified by the university or the hiring  
12 entity as a research worker, spends the majority of work hours  
13 engaged in the conduct of research, and receives compensation as  
14 a research worker."

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

17 "[~~§~~304A-3010[~~§~~] ~~Special account~~ revolving accounts;  
18 internal service orders. (a) Notwithstanding any other law to

19 the contrary, the research corporation shall be authorized to  
20 set up a special account for depositing moneys received from  
21 either public or private contracts, or from private or public



1 grants, awards, or gifts~~[-]~~ relating to research, training, or  
2 the promotion or development of the scientific and commercial  
3 value of inventions, discoveries, and processes. The provisions  
4 of section [+]304A-2003[+] and other laws to the contrary  
5 notwithstanding, this special account may be used to receive,  
6 disburse, and account for funds of research and training  
7 projects of the [University] university of Hawaii, other state  
8 agencies, and political subdivisions of the State. All  
9 disbursements shall be drawn on the special account upon checks  
10 prepared and signed, as approved by the executive director and  
11 some other person authorized by the board of directors.

12 (b) Any revolving accounts held by the research  
13 corporation shall follow all laws governing the body and  
14 policies established by the corporation. The research  
15 corporation shall also follow university of Hawaii  
16 administrative procedure, AP 12.204, relating to the guidelines  
17 and procedures for revolving fund service orders from the  
18 university to the research corporation. Within thirty days of  
19 the adoption of any amendment to administrative procedure, AP  
20 12.204, by the university of Hawaii and the research  
21 corporation, the university of Hawaii shall submit a report to



1 the legislature containing the amended language and a summary of  
2 the amendment.

3 (c) All internal service orders and revolving accounts of  
4 the research corporation that involve the use of university of  
5 Hawaii intramural funds shall be limited to projects relating  
6 directly to research and training, including projects in which:

7 (1) Much of the operation will lie outside the State; or

8 (2) There is a substantial amount of ship operations,  
9 technical shop-type operations, computer services, or  
10 involvement with other research corporation projects;

11 and shall be reported no later than June 30 and December 31 of

12 each year to the legislature for financial and mission

13 compliance according to university of Hawaii and research

14 corporation policies. The university of Hawaii and the research

15 corporation shall review and approve all revolving accounts on

16 an annual basis."

17 SECTION 7. If any provision of this Act, or the

18 application thereof to any person or circumstance, is held

19 invalid, the invalidity does not affect other provisions or

20 applications of the Act that can be given effect without the



1 invalid provision or application, and to this end the provisions  
2 of this Act are severable.

3 SECTION 8. Statutory material to be repealed is bracketed  
4 and stricken. New statutory material is underscored.

5 SECTION 9. This Act shall take effect on July 1, 2024;  
6 provided that the amendments made to section 304A-3003, Hawaii  
7 Revised Statutes, by section 4 of this Act shall apply only to  
8 contracts entered into by the research corporation of the  
9 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.  
(CD1)

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

