
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;



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

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

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

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



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

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

- 19 (1) The procurement of goods and services;
20 (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 and each project or program involving the
8 research corporation and a state employee, the university shall
9 consult with the exclusive representative of the appropriate
10 bargaining unit to review conformance of positions with
11 exceptions to collective bargaining. The corporation shall not
12 supplant civil service employees, and if any civil service
13 employees or programs actively employ civil service employees,
14 the corporation shall provide justification to the governor for
15 each civil service position accepted, list the program affected
16 in its next report to the legislature, and obtain approval from
17 the governor prior to hiring."

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

20 "(b) The purposes of the research corporation shall
21 [~~include, but not be limited to,~~] be the promotion of [~~all~~]



1 educational, scientific, and literary pursuits [~~by:~~] through
2 the:

3 (1) [~~Encouraging, initiating, aiding, developing, and~~
4 ~~conducting training,~~] Conduct of research[~~, and study~~]
5 in the physical, biological, and social sciences[~~;~~];
6 humanities[~~;~~]; and all other branches of learning;

7 (2) Encouraging and aiding in the education [~~and~~] or
8 training of persons [~~for the~~] in the conduct of [~~the~~]
9 training, investigations, research, and study;
10 provided that the persons being educated or trained
11 shall be engaged in the conduct of research;

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 and



- 1 ~~[(5) Engaging in other means of making the benefits of~~
- 2 ~~training, investigations, research, and study~~
- 3 ~~available to the public; and~~
- 4 ~~(6) Taking any and all other actions reasonably designed~~
- 5 ~~to promote these purposes in the interest of promoting~~
- 6 ~~the general welfare of the people of the State.]~~
- 7 (4) Dissemination of knowledge by the publication of
- 8 research findings."

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

11 "~~[+]§304A-3003[+]~~ **Powers of the research corporation.** (a)

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

- 14 (1) To adopt, amend, and repeal bylaws governing the
- 15 conduct of its business and the exercise of the powers
- 16 and performance of duties granted to or imposed upon
- 17 it by law;
- 18 (2) To sell, lease, rent, hold, maintain, use, and operate
- 19 any property, real, personal, or mixed, tangible or
- 20 intangible, in accordance with the conditions under
- 21 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 of
9 research, training of research personnel, and
10 publication of research findings, and only on [~~such~~]
11 terms [~~as it may deem~~] that the board of directors
12 deems reasonable and appropriate; provided that the
13 research corporation shall not obligate any funds of
14 the State except those that have been appropriated to
15 it.

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



1 thereof, for research, training of research personnel,
2 or publication of research findings, whenever the
3 donating or granting agency or instrumentality
4 determines and documents that the university or any
5 other agency of the State cannot [~~as effectively and~~
6 ~~efficiently~~] accomplish the purposes for which [~~such~~]
7 the contracts, leases, cooperative agreements, or
8 other transactions are being entered into; provided
9 that the research corporation shall not obligate any
10 funds of the State except those that have been
11 appropriated to it;

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



1 business of research, training of research personnel,
2 and publication of research findings.

3 Notwithstanding the foregoing, the research
4 corporation may receive gifts, grants, or awards from
5 any agency or instrumentality of the United States, a
6 foreign nation, a state, a territory, or a possession,
7 or from any political subdivision thereof, whenever
8 the donating or granting agency or instrumentality
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 made [~~, except~~];
13 provided that no gift to the research corporation
14 shall be accepted unless approved [~~or confirmed~~] by
15 the board of directors[~~;~~] as a gift that is beneficial
16 to the research corporation's business of research,
17 training of research personnel, and publication of
18 research findings;

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

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



1 (c) All internal service orders and revolving accounts of
2 the research corporation that involve the use of university of
3 Hawaii intramural funds shall be limited to projects relating
4 directly to research and training, including projects in which:
5 (1) Much of the operation will lie outside the State; or
6 (2) There is a substantial amount of ship operations,
7 technical shop-type operations, computer services, or
8 involvement with other research corporation projects;
9 and shall be reported no later than June 30 and December 31 of
10 each year to the legislature for financial and mission
11 compliance according to university of Hawaii and research
12 corporation policies. The university of Hawaii and the research
13 corporation shall review and approve all revolving accounts on
14 an annual basis."

15 SECTION 7. If any provision of this Act, or the
16 application thereof to any person or circumstance, is held
17 invalid, the invalidity does not affect other provisions or
18 applications of the Act that can be given effect without the
19 invalid provision or application, and to this end the provisions
20 of this Act are severable.



1 SECTION 8. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 9. This Act shall take effect on July 1, 2050;
4 provided that the amendments made to section 304A-3003, Hawaii
5 Revised Statutes, by section 4 of this Act shall apply only to
6 contracts entered into by the research corporation of the
7 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. Effective 7/1/2050. (HD1)

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

