



**UNIVERSITY OF HAWAII SYSTEM**

**‘ŌNAEHANA KULANUI O HAWAII**

Legislative Testimony

Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

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Testimony Presented to the  
House Committee on Finance  
Wednesday, April 3, 2024 at 2:15 p.m.

by

Vassilis L. Syrmos  
Vice President for Research and Innovation  
University of Hawai'i System

SB 1511 SD2 HD1 – RELATING TO THE RESEARCH CORPORATION OF THE  
UNIVERSITY OF HAWAII

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee:

The University of Hawai'i (UH) appreciates the Hawai'i State Legislature's intent to provide more clarity to the purpose and scope of the Research Corporation of the University of Hawai'i (RCUH) via SB 1511 SD2 HD1.

Over the last three years, a task force/working group of UH and RCUH representatives have diligently examined RCUH's entire operation and have implemented the necessary changes to Board of Regents, executive and administrative procedures that clarifies its purpose and relationship to UH. With these steps already implemented, UH feels this proposed legislation is not necessary.

Thank you for the opportunity to offer comment.

TESTIMONY PRESENTED BEFORE THE  
HOUSE COMMITTEE ON FINANCE  
April 3, 2024, 2:15 p.m.

**SB1511 – RELATING TO THE RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII**

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee:

The Research Corporation of the University of Hawai'i (RCUH) respectfully opposes Senate Bill 1511 as we do not feel that the proposed changes are necessary and/or appropriate at this time.

As Representative Perruso and Senator Kim are aware, RCUH has been working with the Senate Committee on Higher Education (HRE) on their concerns for approximately three years. RCUH is committed to supporting UH and the State of Hawai'i, to the best of our abilities, while ensuring our work is in line with our mission and statute.

We respect the Legislature's viewpoints and the intention of this Act, but the suggested changes are concerning as we strongly believe these changes to the statute would create unintended consequences and hardship for our research community, which is bringing in record-breaking extramural awards (over the past three years) that boost our state's economy. We must remember that RCUH was created to enhance research by hiring personnel and procuring goods for research projects in an expeditious and efficient manner, not create more administrative burdens and barriers that are typical with many state agencies. We therefore ask that you allow RCUH to continue to work with UH and the respective bargaining units to determine the most appropriate path forward to support Hawai'i's research community.

On a related note, and as I have stated in many submitted testimonies over the past three years relating to this issue, if any changes to the RCUH statute are deemed necessary by the Legislature, I respectfully submit that this must be accomplished through a transparent and collaborative effort with all interested parties at the table. There is too much at risk to make hasty changes without first giving these issues the time and careful evaluation it needs in order to be a positive change for our research community.

Thank you for the opportunity to offer written testimony on this measure. I will be available for any questions or concerns that anyone may have.

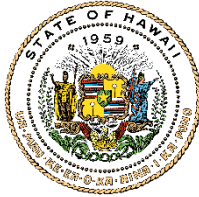
Sincerely,



Leonard R. Gouveia, Jr.  
Executive Director

JOSH GREEN, M.D.  
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE  
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
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Testimony of  
DAWN N. S. CHANG  
Chairperson

Before the House Committee on  
FINANCE

Wednesday, April 3, 2024  
2:15 PM  
State Capitol, Conference Room 308

In consideration of  
SENATE BILL 1511 SENATE DRAFT 2 HOUSE DRAFT 1  
RELATING TO THE RESEARCH CORPORATION OF THE UNIVERSITY OF  
HAWAII

Senate Bill 1511 Senate Draft 2 House Draft 1 clarifies the purpose of the Research Corporation of the University of Hawai'i and that its undertakings shall be limited to acts reasonably necessary to carry out its purpose. This bill repeals the requirement that the University of Hawai'i 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; authorizes the Research Corporation to conduct certain minor renovation projects at costs of \$2,000,000 or less; requires revolving accounts to follow Corporation policies; and requires biannual reports to the Legislature regarding internal service orders and revolving accounts of the Research Corporation that utilize University of Hawai'i intramural funds. **The Department of Land and Natural Resources (Department) offers comments on this measure.**

The Department recognizes that this bill intends to provide clarity to the purpose of the Research Corporation of the University of Hawai'i (RCUH), but the Department has concerns about the impact on grant timelines and deliverables if each State project or program involving the RCUH and each project or program involving the RCUH and a State employee be required to consult with an exclusive representative of the appropriate bargaining unit to review conformance of the position or program. The Department applies for and receives numerous competitive federal grants that require completion within a limited time. The bill's requirement will significantly delay the project initiation and hiring process using federal grants because

these grant periods do not provide enough time for procurement procedures to hire staff, consultation with bargaining unit representatives, and grant deliverables to be completed. This means the Department will be unable to meet the grant requirements and will have to return considerable federal funding unused. Since the Department relies heavily on federal grants to implement its protection of natural and cultural resources, this bill language will cripple our ability to fulfill our mission.

The Department therefore suggests striking the language at page 4, lines 6-17, as follows:

SECTION 2. Section 304A-112, Hawaii Revised Statutes, is amended to read as follows: "~~{} §304A-112-{}~~ **Contracts for services provided by the research corporation of the University of Hawaii**

~~(c) For each state project or program involving the research corporation and each project or program involving the research corporation and a state employee, the university shall consult with the exclusive representative of the appropriate bargaining unit to review conformance of positions with exceptions to collective bargaining. The corporation shall not supplant civil service employees, and if any civil service employees or programs actively employ civil service employees, the corporation shall provide justification to the governor for each civil service position accepted, list the program affected in its next report to the legislature, and obtain approval from the governor prior to hiring."~~

Mahalo for the opportunity to comment on this measure.



## HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Thirty-Second Legislature, State of Hawaii  
The House of Representatives  
Committee on Finance

Testimony by  
Hawaii Government Employees Association

April 3, 2024

S.B. 1511, S.D.2, H.D. 1 — RELATING TO THE RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the intent of S.B. 1511, S.D. 2, H.D. 1, Section 2(c) which clarifies the purpose of the Research Corporation of the University of Hawaii and limits its activities to acts that are reasonably necessary to carry out its purpose.

The Research Corporation of the University of Hawaii (RCUH) was founded to promote, encourage, develop, and conduct scientific research and investigations in all branches of learning with the intent to disseminate that information to the public. To accomplish this, RCUH was exempted from a variety of state laws regarding reimbursement of funds and granted flexibility in hiring personnel. Since its creation in 1965, RCUH has expanded its scope beyond the original intent and, at times, abused the hiring process of personnel that should be included in a respective bargaining unit. Reports indicate that RCUH employes several thousand employees that are excluded from collective bargaining, and we suspect that some of those positions should be included in a collective bargaining unit. We find it necessary that the Corporation's actions are properly aligned with its purpose and applaud the House Committee on Higher Education and Technology for establishing a consultative process, which provides a 'fair check' on the hiring activity at RCUH.

Additionally, we represent Administrative, Professional, and Technical employees of the University, organized into Bargaining Unit 8 (BU8). Employees organized into BU8 are exempt from civil service law and aren't considered civil service employees. Therefore, part of Section 2(c) would not apply to exempt positions within any bargaining unit, specifically BU8. **We respectfully request an amendment to specifically replace the term 'Civil Service' with 'Bargaining Unit' in Section 2(c), page four, lines 11 to 17. Please see proposed amendment:**

"The corporation shall not supplant bargaining unit employees, and if any bargaining unit employees or programs actively employ

bargaining unit employees, the corporation shall provide justification to the governor for each bargaining unit position accepted, list the program affected in its next report to the legislature, and obtain approval from the governor prior to hiring."

This amendment will provide a fair check to not only civil service employees, but all employees covered under an applicable bargaining unit under Chapter 89, Hawaii Revised Statutes. We look forward to working with the University on this new process to ensure work, that is customarily and historically performed by the public sector, is returned to the public sector.

Thank you for the opportunity to testify in support of S.B. 1511, S.D. 2, H.D. 1.

Respectfully submitted,



Randy Perreira  
Executive Director

**SB-1511-HD-1**

Submitted on: 4/1/2024 10:13:54 PM

Testimony for FIN on 4/3/2024 2:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Jill L Nunokawa	Individual	Support	Written Testimony Only

Comments:

Good Afternoon Chair and Members of the House Committee on Finance,

This is my third attempt to submit written testimony in strong support of the bill. I will shorten my words since they have been deleted twice. Suffice to say, I am in total support of both the intent and purpose of the bill. It is a statewide concern and during this historical moment of attempting to provide more disclosure, transparency and accountability in our beloved State, this bill would rein in RCUH from its current practices and operations to properly align them with the original intent of the legislature in 1965. RCUH has lost its way and ignores its responsibility regarding its creation and status as a PUBLIC instrumentality, which is addressed in this bill.

I thank you for your support of this bill and your service to our PUBLIC communities, to ensure the public isn't sold out to private interests and enterprises.

Jill Nunokawa