

ACT 288

S.B. NO. 1388

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:*

SECTION 1. The legislature finds that concerns have been raised that the research corporation of the University of Hawaii and its board of directors' current authority and flexibility are other than originally intended.

Accordingly, the purpose of this Act is to clarify:

- (1) The composition of the membership of the board of directors of the research corporation of the University of Hawaii;
- (2) The role of the research corporation of the University of Hawaii and its board of directors;
- (3) The relationship between the board of directors and the University of Hawaii system; and
- (4) The authorization of the board of directors with respect to the employment of an executive director and construction contracts.

SECTION 2. Section 304A-3002, Hawaii Revised Statutes, is amended to read as follows:

**“~~[[§304A-3002]]~~ Board of directors; composition.** The affairs of the research corporation shall be under the general management and control of the board of directors. The board of directors shall consist of ~~[ten]~~ eight members~~[-Five]~~ as follows:

- (1) Two members of the board of regents of the University of Hawaii, selected by the board of regents~~[-shall be members of the board of directors]~~ for terms to be determined by the board of regents; provided that no term shall extend beyond the term as a member of the board of regents~~[-The remaining five]~~;
- (2) Three members ~~[shall]~~ to be appointed by the governor pursuant to section 26-34[-]; provided that:
  - (A) One member shall be a University of Hawaii system research faculty member;

- (B) One member shall be from the business sector; and  
 (C) One member shall be a representative of a non-University of Hawaii research organization;  
 (3) One member to be appointed by the president of the senate;  
 (4) One member to be appointed by the speaker of the house of representatives; and  
 (5) The vice president for research of the University of Hawaii system, who shall be a nonvoting ex officio member of the board of directors.

All the members appointed by the governor, president of the senate, and speaker of the house of representatives shall serve for a term of four years, except that the governor may reduce the terms of those initially appointed [~~so as~~] to provide, as nearly as can be, for the expiration of an equal number of terms at intervals of one year, each term commencing on July 1 and expiring on June 30. All members of the board of directors shall serve without pay, but shall be entitled to reimbursement for necessary expenses while attending meetings and while in the discharge of duties and responsibilities.

The members of the board of directors shall elect the chairperson of the board.”

SECTION 3. Section 304A-3005, Hawaii Revised Statutes, is amended to read as follows:

**“~~[[§304A-3005]]~~ Research corporation excepted from certain state laws.** To carry out the purposes and objectives of the research corporation, including the conduct of research and training projects, the research corporation shall be granted flexibility in hiring its personnel and in handling and disbursing moneys by being excepted from the following state laws:

- (1) Sections 36-27 and 36-30, relating to special fund reimbursements to the state general fund;
- (2) Chapter 103D, relating to advertising for bids and purchases to be made in Hawaii whenever public moneys are expended;
- (3) Chapter 103D with respect to construction contracts; provided that the exception shall not apply where state funds are used and compliance with chapter 103D is required by a bill enacted by the legislature;
- ~~(3)~~ (4) Chapter 76, relating to civil service; and
- ~~(4)~~ (5) Section 78-1, relating to public employment.”

SECTION 4. Section 304A-3006, Hawaii Revised Statutes, is amended to read as follows:

**“~~[[§304A-3006]]~~ Officers and employees of the research corporation.** ~~[The president of the university shall be the president of the research corporation.]~~ The board of directors shall employ an executive director of the research corporation who shall serve at the pleasure of the board of directors. The executive director's salary shall not be more than two times the salary of the highest paid head of a department within the executive branch. The board of directors may also appoint [~~such~~] other officers and employees as may be necessary in administering the affairs of the research corporation. The board of directors shall set the employees' duties, responsibilities, salaries, holidays, vacations, leaves, hours of work, and working conditions. The board of directors may grant [~~such~~] other benefits to its employees as it deems necessary. Employees of the research corporation shall not be entitled to any benefits conferred under chapter 76 relating to

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civil service, chapter 78 relating to public service, chapter 88 relating to pension and retirement systems, and the appropriate collective bargaining agreement, executive order, executive directive, or rule.”

**SECTION 5.** Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

**SECTION 6.** This Act shall take effect upon its approval.

(Became law on July 9, 2013, without the governor’s signature, pursuant to Art. III, §16, State Constitution.)