



JAN 22 2014

The Honorable Judith T. Won Pat  
Speaker  
*I Mina' Trentai Dos Na Liheslaturan Guåhan*  
32nd Guam Legislature  
155 Hesler Place  
Hagåtña, Guam 96910

VIA: The Honorable Rory J Respicio  
Chairperson, Committee on Rules *RJR*

RE: **Committee Report on Bill No. 190-32 (COR)**

2014 JAN 27 PM 3:38  
*JTP*

Dear Speaker Won Pat:

Transmitted herewith is the Report of Committee on General Government Operations and Cultural Affairs on Bill No. 190-32 (COR) - B.J.F. Cruz / J.T. Won Pat, Ed.D / A.A. Yamashita, Ph.D - An act to add a new Chapter 28 to Division 2 of Title 17 Guam Code Annotated relative to the establishment of the Research Corporation, University of Guam (RCUOG)

Committee votes are as follows:

- 6 TO DO PASS
- \_\_\_\_\_ TO NOT PASS
- 2 TO REPORT OUT ONLY
- \_\_\_\_\_ TO ABSTAIN
- \_\_\_\_\_ TO PLACE IN INACTIVE FILE

Sincerely,

*Benjamin J.F. Cruz*  
BENJAMIN J.F. CRUZ  
Chairperson



## **COMMITTEE REPORT**

### **Bill No. 190-32 (COR)**

**An act to add a new Chapter 28 to  
Division 2 of Title 17 Guam Code  
Annotated relative to the establishment of  
the Research Corporation, University of  
Guam (RCUOG)**



**JAN 24 2014**

**MEMORANDUM**

**TO: All Members**

**FROM: Vice Speaker Benjamin J.F. Cruz  
Committee on General Government Operations and Cultural Affairs**

**SUBJECT: Committee Report on Bill No. 190-32 (COR)**

Transmitted herewith is the Report of Committee on General Government Operations and Cultural Affairs on Bill No. 190-32 (COR) - B.J.F. Cruz / J.T. Won Pat, Ed.D / A.A. Yamashita, Ph.D - "An act to add a new Chapter 28 to Division 2 of Title 17 Guam Code Annotated relative to the establishment of the Research Corporation, University of Guam (RCUOG)"

This report includes the following:

- Committee Vote Sheet
- Committee Report Digest
- Bill No. 190-32 (COR)
- Public Hearing Sign-in Sheet
- Copies of Submitted Testimony & Supporting Documents
- COR Referral of Bill No. 190-32 (COR)
- Fiscal Note Requirement
- Notices of Public Hearing
- Public Hearing Agenda
- Related News Reports

Please take the appropriate action on the attached voting sheet. Your attention to this matter is greatly appreciated. Should you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

  
BENJAMIN J.F. CRUZ



**COMMITTEE VOTING SHEET**

Transmitted herewith is the Report of Committee on General Government Operations and Cultural Affairs on Bill No. 190-32 (COR) - B.J.F. Cruz / J.T. Won Pat, Ed.D / A.A. Yamashita, Ph.D. - An act to add a new Chapter 28 to Division 2 of Title 17 Guam Code Annotated relative to the establishment of the Research Corporation, University of Guam (RCUOG)

COMMITTEE MEMBERS	SIGNATURE	TO DO PASS	TO NOT PASS	TO REPORT OUT ONLY	TO ABSTAIN	TO PLACE IN INACTIVE FILE
CRUZ, BENJAMIN J.F. Chairperson		✓				
MUNA BARNES, TINA ROSE Vice-Chairperson		✓				
WON PAT, JUDITH T. Speaker and Ex-Officio Member		✓				
ADA, THOMAS C. Member		✓				
PANGELINAN, C. VICENTE Member						
RESPICIO, RORY J. Member		✓				
RODRIGUEZ, DENNIS G. JR. Member						
SAN NICOLAS, MICHAEL, F.Q. Member	 1/20/14			✓		
AGUON, Jr., FRANK B. Member	 2/12/14	✓				
ADA, V. ANTHONY Member						
Morrison, Thomas Member				✓		
McCreadie, Brant Member						
YAMASHITA, ALINE Member						



## **COMMITTEE REPORT DIGEST**

### **I. OVERVIEW**

The Committee on General Government Operations and Cultural Affairs convened a public hearing on Thursday November 14, 2013 at 10:00 a.m. in the Public Hearing Room of *I Liheslatura*. Among the items on the agenda was the consideration was Bill No. 190-32 (COR) - B.J.F. Cruz / J.T. Won Pat, Ed.D / A.A. Yamashita, Ph.D. - An act to add a new Chapter 28 to Division 2 of Title 17 Guam Code Annotated relative to the establishment of the Research Corporation, University of Guam (RCUOG)

#### **Public Notice Requirements**

All legal requirements for public notices were met, with requests for publication sent to all media and all Senators on November 6, 2013. Copies of the hearing notices are appended to the report.

#### **Senators Present**

Vice Speaker Benjamin J.F. Cruz  
Senator Thomas C. Ada  
Senator Tina Rose Muña Barnes  
Senator Vicente C. Pangelinan  
Senator V. Anthony Ada  
Senator Michael Limtiaco  
Senator Thomas Morrison  
Senator Aline A. Yamashita, Ph.D.  
Senator Brant McCreadie

The public hearing was called to order at 10:05 a.m.

### **II. TESTIMONY & DISCUSSION**

**Vice Speaker Benjamin J.F. Cruz** announced Bill No. 190-32 (COR). The Vice Speaker then goes on to provide the background and the intent of the bill.

The Vice Speaker starts by describing an experience of his at the University of Guam where students asked him what he would do to spur growth in the economy. He went on by stating that he thought that startups and research would be a successful method to achieve this.

Vice Speaker Cruz continued on to describe the proposal of Bill 190-32 (COR). Vice Speaker Cruz stated that President Underwood of the University of Guam and his team requested to speak with himself, Senator Yamashita, Senator Won Pat, and Senator Pangelinan to discuss the



University of Guam's desire to establish a Research Corporation for the University of Guam. The Vice Speaker stated that President Underwood requested for a bill to be proposed to establish the Research Corporation of the University of Guam.

**Robert Underwood, President of the University of Guam**, provided an oral testimony in support of Bill No. 190-32 (COR). President Underwood stated that the University of Guam is in need of a Research Corporation, to grow and expand research at the University of Guam.

President Underwood introduces his team which was comprised of SVP Dave O'Brien, SVP Dr. Anita Enriquez, and Dr. John Peterson. President Underwood stated that RCUOG (the Research Corporation of the University of Guam) would "allow the economy to grow, research to occur, and service to expand." President Underwood states that the University of Guam has a Good to Great initiative that has RCUOG at its core. President Underwood then introduces UOG's RCUOG presentation for the public hearing that he begins to read from.

"Moving from Good to Great

UOG is involved in G2G process to evaluate all programs in terms of mission, sustainability, quality and demand. UOG is at crossroads to identify what it can be great at, find its passion and develop the resources to carry it out. We understand the link between program, passion and resources.

UOG's Mission Statement is as stated:

- INA, DESKUBRE, SETBE
- Regional purpose
- Resource engine of UOG requires a mixture of sources
- Future growth of UOG requires new and flexible administrative/financial infrastructure

Future UOG growth and service to Guam and Region requires a new design to increase flexibility and be responsive to funding cycles and sources. Of the funding that UOG receives 22% comes from Tuition and Fees, 34% comes from Grants and Contracts, 34% comes from GovGuam Appropriations, and % comes from Investments and Other Sources.

RCUOG in Operation

- RCUOG allows growth and contraction for startup and completion of projects



- RCUOG will ensure compliance with federal and sponsoring agencies regulations and highest standards of grant administration
  - RCUOG will be a model of adhering to ethical and professional values
- RCUOG Potential
- RCUOG will allow UOG to develop an innovation ecosystem for new economic activities combined with research activities
  - RCUOG will allow UOG to add research topics without being limited by existing infrastructure
  - RCUOG will facilitate partnerships with private sector and other universities

#### RCUOG is Part of UOG Plans Now

- UOG is currently being considered for EPSCOR funding of \$12.9 million for 5 years
  - UOG has plans to expand institutional partnerships for the hatchery
  - UOG is considering new relationships with major universities in health research
  - UOG is considering major energy sustainability projects
- RCUOG as a part of UOG
- UOG Board of Regents and UOG President will be fiscally responsible for RCUOG through the appointed board.
  - Bylaws will restrict activities to the core mission of research and education.
  - RCUOG will be included in annual UOG audit and oversight.
  - Federal law, regulations, and OMB policy will govern fiscal management practice.

#### RCUOG: A Strategic Link for Developing our Communities

- RCUOG supports UOG's mission by providing new opportunities for dynamic social, environmental, economic and intellectual growth.
- RCUOG allows the University to strategically position itself for competitive proposals for research funding that require responsive grants administration (i.e. RCUOG is a key component of a BUILD planning grant of \$125K and of an EPSCOR proposal for 5 years, \$12.9 million)
- Through the creation of a new Graduate Assistance Programs for Scholars (GAPS) - graduate students will be enrolled in programs that engage them in research activities and will be eligible for tuition benefits.
- RCUOG will contribute to an innovation eco-system for Guam.



- RCUOG will collaborate with industry throughout the region to grow and sustain a viable economic work force. “

President Underwood goes on to state that the University of Guam plans to make research partnerships with Universities like the University of California Davis (who was present at the hearing), and needs RCUOG to generate entrepreneurship and Research University partnerships.

**Vice Speaker Benjamin J.F. Cruz**

“As Co-Sponsor I’d like to open things up with Senator Yamashita”

**Senator Yamashita** stated that she had concerns that there would be both a board for RCUOG when there already is a Board of Regents.

**President Underwood** states that the RCUOG board is more focused on the research activities of the University and their projects, and that all though there is overlap between RCUOG and UOG, their boards have different objectives and scope.

**Senator Yamashita** stated that she is concerned that the UOG Board of Regents and the RCUOG Board might have conflicting decisions on the same topics.

**President Underwood** states that he does not see that ever happening, since RCUOG is defining new functions for UOG, and has more of a focus on Research Projects.

**Senator Pangelinan** stated that he was concerned about what is included on page 3 of the bill which he quotes

“The purposes of the research corporation shall include, but not be limited to, the promotion of assigned educational, scientific, and literary pursuits of the University of Guam’s Grants and Contracts”

He states how he was confused to how they would determine what would be assigned to RCUOG from UOG and wouldn’t. He goes on to quote the remaining contents of the section, and states that he finds it redundant to what UOG is supposed to be doing or is doing.

**President Underwood** states that the section is intended to communicate that the section implies that the RCUOG will stay consistent with the core mission of the University, and that the intent is not to transfer the core mission to RCUOG from UOG.

**Senator Pangelinan Quotes** a section from page 5 of the bill.





“RCUOG will follow all the requirements applicable to each major grant program and on internal control over compliance in accordance with OMB Circulars A-133 and A-21, and appropriate Federal Acquisition Requirements.”

He asks if that is a defacto exemption from the GovGuam procurement code.

**President Underwood**, States that the projects will be in compliance with their funding sources and contracts. He continues by stating that it is the intent to have that flexibility.

**Senator Pangelinan** states that the local procurement code should apply if the procurement code is not in conflict of the grant requirements.

Senator Pangelinan states that he recognized that RCUOG would also be exempt to the personnel policies and benefits of employees of the Government of Guam. He expresses his concern due to his understanding that some grants include funding to pay for the unfunded liability carried by the retirement fund.

**President Underwood** states that many of the grants and contracts do not cover those types of costs. President Underwood refers to SVP Dave O’Brien to better address Senator Pangelinan’s concern.

**Dave O’Brien, SVP at UOG** states that RCUOG will mostly employ short-term employees. He goes on to state that UOG will work with GGRF to address the concern of retirement of RCUOG employees it could apply to.

**Senator Pangelinan** states that he is confused to whether RCUOG is critical for UOG to achieve its growth mission. Senator Pangelinan asks if they need RCUOG to achieve its goals.

**Dr John Peterson** states that he has been involved with an organization of Research Corporations comprised of 200 Universities. He goes on to clarify that the 200 did not represent all of the universities that had research corporations or foundations. He states that research foundations have proved successful for universities in their growth of their research programs and projects.

**Dave O’Brien** states that the University of the District of Columbia is currently trying to charter a research corporation and that it had many similar attributes to the University of Guam, in size and size of grants it goes after. He states that it is indicative of the need that even small public schools have for research corporations/foundations, since they provide the flexibility and the research infrastructure to go after grants and establish partnerships.



**Senator Lintiaco** asks President Underwood if RCUOG is a prerequisite or necessary for the EPSCOR grant.

**President Underwood** states that it RCUOG would optimize the use of that grant. He states that the EPSCOR grant is for small universities that are not within research corridors like Silicon Valley to develop infrastructure for research. He states that a research corporation will help to facilitate that infrastructure. He states once the University is able to develop a more mature infrastructure they can build partnerships like between the school of engineering and school of business with other businesses or schools like the UC Berkeley to develop programs. The research corporation would allow the University to commercialize its research and build its partnerships. He states that that is the point of the RCUOG.

He states that UOG currently has a drop off situation, where they drop students into the job market or research into the public, but they do not recycle it, nor do they commercialize it. He goes on to state that RCUOG would allow UOG to commercialize their research and their programs, and cultivate entrepreneurship on Guam and with its students. He states that RCUOG would allow UOG to take in startup money and provide its services like a business, and have business partnerships where the university can be a major stakeholder and have a vested interest.

**Senator Cruz** invites Dr McNich to testify.

**Dr McNich** of the University of Guam, provided oral testimony in support of RCUOG but states concerns regarding the powers of the RCUOG board. He states that there needs to be a process documented to handle its personnel policies since the board essentially replaces the Civil Service Commission. He states that there is a significant need for a structure and foundation to properly staff and manage this corporation.

**Senator Cruz** asks if anyone had questions for Dr McNich, and no one responds.

### III. FINDINGS AND RECOMMENDATIONS




The Committee on General Government Operations and Cultural Affairs to which was referred Bill No. 190-32 (COR) - B.J.F. Cruz / J.T. Won Pat, Ed.D / A.A. Yamashita, Ph.D. – “An act to add a new Chapter 28 to Division 2 of Title 17 Guam Code Annotated relative to the establishment of the Research Corporation, University of Guam (RCUOG)” hereby submits these findings to *I Mina' Trentai Unu na Liheslaturan Guahan* and reports out Bill No. 190-32 (COR) with a recommendation to Pass.

**I MINA' TRENTAI DOS NA LIHESLATURAN GUÁHAN**

**2013 (FIRST) Regular Session**

**Bill No. 190-32 (COR)**

Introduced by:

B.J.F. Cruz   
Judith T. Won Pat, Ed. D.   
A.A. Yamashita, Ph.D. 

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2013 SEP 20 PM 4:31 

1        **AN ACT TO ADD A NEW CHAPTER 28 TO DIVISION 2 OF TITLE**  
2        **17 GUAM CODE ANNOTATED RELATIVE TO THE**  
3        **ESTABLISHMENT OF THE RESEARCH CORPORATION,**  
4        **UNIVERSITY OF GUAM (RCUOG).**

5  
6        **BE IT ENACTED BY THE PEOPLE OF GUAM:**

7        **Section 1. Legislative Intent and Findings.** *I Liheslaturan Guahan* finds  
8        that the University of Guam has the capacity to grow and expand its economic,  
9        social and environmental benefits to the people of Guam and the region, while  
10       fulfilling its mission as the premier institution of higher education in the region, by  
11       engaging more in research and educational programs funded by private and federal  
12       sponsors, to include business development through commercialization of research  
13       and public-private partnerships. These private contracts and federal grants  
14       complement the government of Guam's appropriation to the University by adding  
15       new revenues that assist in sustaining the University and enabling it to grow.

1            *I Liheslaturan Guahan* further finds that in 2011 University of Guam  
2 revenues from grants and contracts amounted to \$49 million, growing \$11 million  
3 (29%) over the prior year. Since 2004 the University has more than doubled the  
4 value of federal grants and contracts. This rate of increase has led to challenges in  
5 managing such remarkable growth and puts at risk the University's ability to seek  
6 and achieve further grant and contract growth.

7            *I Liheslaturan Guahan* further finds that states and jurisdictions have  
8 implemented over 200 research corporations at or affiliated with universities that  
9 have led to dramatic growth in grant and contract awards through infrastructure,  
10 regulations and systems that are tailored to the research environment. These states  
11 have crafted legislation that provides best practice; the flexibility required for  
12 grants management while remaining compliant with rules and regulations such as  
13 federal OMB Circulars A-21 and A-133; and the agility needed to grow grants and  
14 contracts to the benefit of their jurisdictions and constituents.

15            THEREFORE, it is the intent of *I Liheslaturan Guahan* to create a new  
16 entity, to be called the Research Corporation of the University of Guam (RCUOG).

17            **Section 2. A new Chapter 28 is hereby added to Division 3 of Title 17**  
18 **Guam Code Annotated to read as follows:**

19

20

**“Chapter 28.**

21

**RESEARCH CORPORATION OF THE UNIVERSITY OF GUAM**

22

**(RCUOG)**

23

24            **§2801.            Establishment of the Research Corporation.**

25            **§2802.            Purpose.**

26            **§2803.            Administration.**

- 1           **§2804.       Officers and Employees of the Research Corporation.**
- 2           **§2805.       Authorized Activities.**
- 3           **§2806.       Procurement.**
- 4           **§2807.       Annual Report.**
- 5           **§2808.       Dissolution.**
- 6           **§2809.       Special Account.**
- 7           **§2810.       Severability.**
- 8           **§2811.       RCUOG Excepted from certain Guam Laws.**

9

10           **§2801. Establishment of the Research Corporation.** There is established  
11 as a body corporate, the Research Corporation of the University of Guam  
12 (“RCUOG”, “Corporation”). The Corporation shall be a 501(c)(3) public  
13 corporation incorporated on Guam and shall operate as an integral part of the  
14 University of Guam (“University”, “UOG”).

15           **§2802. Purpose.** The purposes of the Corporation shall include, but not be  
16 limited to, the promotion of assigned educational, scientific, and literary pursuits of  
17 the University of Guam’s Grants and Contracts by:

18           (a.) encouraging, initiating, aiding, developing, and conducting training,  
19 research, and study in the physical, biological, and social sciences, humanities and  
20 all other branches of learning;

21           (b.) encouraging and aiding in the education and training of persons for the  
22 conduct of the training, investigations, research, and study;

23           (c.) furnishing the means, methods, and agencies by which the training,  
24 investigation, research, and study may be conducted, in support of the mission and  
25 best practices of the University of Guam;

1 (d.) assisting in the dissemination of knowledge by establishing, aiding, and  
2 maintaining professorships or other staff positions, fellowships, scholarships,  
3 publications, and lectures;

4 (e.) engaging in other means of making the benefits of training,  
5 investigations, research, and study available to the public; and

6 (f.) taking any and all other actions reasonably designed to promote these  
7 purposes in the interest of promoting the general welfare of the people of the  
8 Guam.

9 **§2803. Administration.** The affairs of the Corporation shall be under the  
10 general management and control of the RCUOG Board of Directors.

11 (a.) Composition of Board of Directors. The Board of Directors shall consist  
12 of up to ten members, as follows:

13 (1) Ex Officio Chief Executive Officer – University of Guam  
14 President;

15 (2) Ex Officio Member – Senior Vice President of Academic and  
16 Student Affairs;

17 (3) Ex Officio Member – Vice President of Administration and  
18 Finance;

19 (4) UOG President Appointee of up to four (4) Members (minimum  
20 of two representing the community at large);

21 (5) UOG Research Council Appointee of one Member;

22 (6) UOG Faculty Senate Appointee of one Member; and

23 (7) UOG Board of Regents Appointees of two UOG Regent  
24 Members.

25

1 (b.) All members of the Board of Directors shall serve without pay, but  
2 shall be entitled to reimbursement for necessary expenses while attending meetings  
3 and while in the discharge of duties and responsibilities.

4 (c.) The Chairperson of the Board of Directors shall be the President,  
5 University of Guam. The Senior Vice President and Vice President for  
6 Administration and Finance shall serve as ex-officio members of the Board.

7 **§2804. Officers and Employees of the Research Corporation.**

8 (a.) RCUOG will follow all the requirements applicable to each major grant  
9 program and maintain internal control over compliance in accordance with OMB  
10 Circulars A-133 and A-21, and appropriate Federal Acquisition Requirements.

11 (b.) RCUOG employees shall be governed by the RCUOG Board of  
12 Directors. Rules and regulations governing the selection, compensation,  
13 promotion, performance evaluation, disciplinary action and other terms and  
14 conditions of employment, affecting RCUOG personnel shall be adopted by the  
15 Board. The Board may establish or abolish positions as necessary for the purposes  
16 herein.

17 (c.) The Board of Directors shall appoint the Executive Director of RCUOG.

18 (d.) The RCUOG Board of Directors shall establish an employment policy  
19 for the Research Corporation as necessary in administering the affairs of the  
20 RCUOG.

21 (e.) Notwithstanding any other provision of law, rule, or regulation,  
22 employees of the Research Corporation shall be unclassified public employees.  
23 The Board of Directors shall set the employees' duties, responsibilities, salaries,  
24 holidays, leaves, hours of work, and working conditions. The Board of Directors  
25 may grant such other benefits to its employees as it deems necessary and in  
26 accordance with RCUOG's employment policy and federal employment laws.

1 (f.) The RCUOG Board of Directors shall promulgate rules and regulations  
2 for hiring, employment, procurement and property set forth by RCUOG Policy and  
3 the requirements applicable to each major grant program and on internal control  
4 over compliance in accordance with OMB Circulars A-133 and A-21, and Federal  
5 Acquisition Requirements.

6 (g.) Employees of the research corporation shall not be entitled to any  
7 benefits conferred under 4GCA PUBLIC OFFICERS AND EMPLOYEES  
8 CHAPTER 4 PERSONNEL POLICY AND THE CIVIL SERVICE  
9 COMMISSION relating to civil service, 4GCA PUBLIC OFFICERS AND  
10 EMPLOYEES CHAPTER 4 PERSONNEL POLICY AND THE CIVIL SERVICE  
11 COMMISSION relating to public service, 4GCA PUBLIC OFFICERS AND  
12 EMPLOYEES CHAPTER 8 RETIREMENT OF PUBLIC EMPLOYEES relating  
13 to pension and retirement systems, and the appropriate collective bargaining  
14 agreement, executive order, executive directive, or rule.

15 **§2805. Authorized Activities.** Notwithstanding any other provision of law,  
16 rule, or regulation, the RCUOG is authorized to conduct the following activities:

17 (a.) to create, adopt, amend, and repeal bylaws governing the conduct of its  
18 business and the exercise of the powers and performance of duties granted to it or  
19 imposed upon it by law;

20 (b.) to enter into and perform such contracts, leases, cooperative agreements,  
21 grants or other transactions on behalf of the University as it may be necessary to  
22 facilitate the conduct of the authorized activities described in sections herein;

23 (c.) to buy sell, lease, rent, hold, maintain, use and operate any property,  
24 real, personal, or mixed, tangible or intangible, in accordance with the conditions  
25 under which it was received and under the purposes of the RCUOG;

26 (d.) to submit each year for the approval of the board of directors an annual  
27 budget; such budget will include projected income, including indirect/Facilities



1 and Administrative revenue and a cost of operating expenses of the Corporation as  
2 well as the distribution plan of the net proceeds for the University's use, which  
3 shall include a reasonable corporate reserve; the allocation of indirect/Facilities  
4 and Administrative cost will be determined by the Board of Directors and  
5 following UOG-BOR Resolution 08-40;

6 (e.) to receive through University policies and procedures by gifts, grants,  
7 devises, bequests, or otherwise from private or public sources, any property, real  
8 personal, or mixed, intangible or tangible, absolutely or in trust, to be used and  
9 disposed of, either the principal or the income therefrom, in accordance with the  
10 conditions under which it was received; except that no gift to the Corporation shall  
11 be accepted unless approved or confirmed by the RCUOG Board of Directors;

12 (f.) to facilitate multi-year contracts;

13 (g.) to have a corporate seal;

14 (h.) to sue and to be sued in its own name and to indemnify the University  
15 against losses incurred specific to that activity;

16 (i.) to serve as trustee or beneficiary under terms of any gift, indenture, or  
17 will;

18 (j.) to apply for, take out, receive by purchase or gift, hold, administer, and  
19 dispose of copyrights, patent rights, licenses, assignments of inventions,  
20 discoveries, processes, and other property, rights or interests therein, the income  
21 thereof, absolutely or subject to such conditions or trusts as may be attached  
22 thereto or be imposed thereon, and to obligate itself to perform and execute any  
23 and all such conditions or trusts in coordination with UOG's Intellectual Property  
24 Policy;

25 (k.) to conduct research, studies, experiments, investigations, and tests in all  
26 fields of knowledge; to promote and develop the scientific and commercial value

1 of inventions, discoveries, and processes; and to make published, and distribute the  
2 results thereof;

3 (l.) to do any and all other acts reasonably necessary to carry out the objects  
4 and purposes of the Corporation and the University, as approved by the University  
5 and the RCUOG Board of Directors;

6 (m.) to coordinate and correlate activities and projects of the Corporation  
7 with the work of Guam agencies for the purpose of relating research work to the  
8 economic development of Guam whenever practical or desirable;

9 (n.) to stimulate and promote cooperative research projects and activities;

10 (o.) to establish and maintain, or to assist in establishing and maintaining,  
11 scholarships, fellowships, and professorships, and other staff positions for the  
12 purpose of aiding in the acquisition and dissemination of knowledge and to enter  
13 into agreements or contracts with other corporations, organizations, institutions, or  
14 persons for this purpose and to pay the necessary and appropriate expenses  
15 therefor;

16 (p.) to prepare, print, or publish any manuscript, research article, report,  
17 study, discussion, reference, collection, or any pictorial or schematic representation  
18 or group or collection thereof, whether it belongs to or is the work of any Guam  
19 agency or its employees, or the University or one of its faculty members or  
20 employees, or the Corporation or its employees, or a contractor of RCUOG. The  
21 printing or publication may be accomplished through whatever person, company,  
22 or agency is deemed most appropriate by the board of directors.

23 **§2806. Procurement.** RCUOG shall adopt a procurement policy approved  
24 by RCUOG Board aligned with sound business practices and consistent with  
25 federal program rules and regulations as applicable to grants, and contracts, such as  
26 but not limited to OMB Circular A-21.

1           **§2807. Annual Report.** The Corporation shall submit an annual report to  
2 the University Of Guam Board of Regents, the Governor of Guam, and the Guam  
3 Legislature.

4           The report shall include but not be limited to the Corporation's audited  
5 financial statements including its balance sheet, statement of income and expense,  
6 and statement of cash flows and progress and accomplishments during the year.

7           **§2808. Dissolution.** In the event of the dissolution of the Corporation, all  
8 of its property, real, personal, and mixed and wheresoever situated, shall vest  
9 immediately and absolutely in the University of Guam.

10          **§2809. Special Account.** The Corporation shall be authorized to set up a  
11 special account for depositing moneys received from either public or private  
12 contracts, or from private or public grants, awards, or gifts. All disbursements  
13 shall be drawn on the special account upon checks prepared and signed, as  
14 approved by the Executive Director of the RCUOG and at least one other RCUOG  
15 officer or employee authorized by the RCUOG Board of Directors.

16          **§2810. RCUOG Excepted from certain Guam Laws.** Unless otherwise  
17 specifically stated in law, RCUOG is excepted from the following Guam laws:

18          (a.) 5GCA GOVERNMENT OPERATIONS CH. 22 GENERAL FISCAL  
19 POLICIES AND CONTROLS relating to the management and regulation of  
20 expenditures with the use of public funds;

21          (b.) 4GCA PUBLIC OFFICERS AND EMPLOYEES CHAPTER 4  
22 PERSONNEL POLICY AND THE CIVIL SERVICE COMMISSION relating to  
23 public employment and the Civil Service Commission;

24          (c.) [4GCA PUBLIC OFFICERS & EMPLOYEES CH 8 RETIREMENT  
25 OF PUBLIC EMPLOYEES] relating to pension and retirement systems;

1 (d.) 5 GCA GOVERNMENT OPERATIONS CH. 5 GUAM  
2 PROCUREMENT LAW, relating to the procurement of good and services with  
3 public funds.  
4 **§2811. Severability.** If any provision of this Act, or the application thereof  
5 to any person or circumstances is held invalid, the invalidity does not affect other  
6 provisions or applications of the Act that can be given effect without the invalid  
7 provisions or application, and to this end the provisions of this Act are severable.

2  
3

SENATOR BENJAMIN J.F. CRUZ, VICE SPEAKER  
 Chairman, Committee on General Government Operations  
 and Cultural Affairs  
 Web Address: www.senatorbjcruz.com



I MINA'TRENTAI DOS NA LIHESLATURAN GUAHAN  
 The 32nd Guam Legislature • senator@senatorbjcruz.com  
 155 Hesler Place, Hagatña, Guam 96910  
 Telephone: (671) 477-2520/1 • Fax: (671) 477-2522

**PUBLIC HEARING SIGN-IN SHEET**  
 Thursday, November 14, 2013 - 10:00AM  
 I Liheslatura • Public Hearing Room • Hagatña, Guam

Bill No. 190-32 (COR) - B.J.F. Cruz / J.T. Won Pat, Ed.D. / A.A. Yamashita, Ph.D. - An act to a new Chapter 28 to Division 2 of Title 17 Guam Code Annotated relative to the establishment of the Research Corporation, University of Guam (RCUOG).

NAME	AGENCY OR ORGANIZATION	POSITION		TESTIMONY		PHONE NO.	EMAIL ADDRESS
		SUPPORT	OPPOSE	WRITTEN	ORAL		
Heidi San Nicolas	VOG - CEDDERS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	735-2481	heidi.sannicolas@guamaddes.org
ROW McNINCH	VOG	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	488 8889	gov of u g m do gmail . com
JOHN PETERSON	VOG	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	735-2169	jpeter@uog.edu
Robert Underwood	VOG	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	7277715	uogam.uog.edu
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
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		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		



## Fwd: Bill 190 Input Final Input

Benjamin Cruz <senadotbjcruz@gmail.com>

Fri, Nov 22, 2013 at 2:14 PM

To: Matthew Santos <matthew.santos@senatorbjcruz.com>, Carlo Branch <carlo.branch@senatorbjcruz.com>, Tessa Weidenbacher <tessa@senatorbjcruz.com>, Charissa Tenorio <charissa.tenorio@senatorbjcruz.com>, orleen@senatorbjcruz.com

Sent from my iPad

Begin forwarded message:

**From:** Ron McNinch <govguam@gmail.com>  
**Date:** November 22, 2013, 2:06:05 PM GMT+10:00  
**To:** "B.J.F. Cruz" <senadotbjcruz@gmail.com>  
**Subject:** Bill 190 Input Final Input

Ron McNinch PhD, SPHR

12 November 2013

SBPA-PALS

University of Guam

Input for Bill 190, Related to a University of Guam Research Corporation

Dear Vice Speaker Cruz and Senators,

As a faculty leader (division chair and SBPA Delegate to the Faculty Senate), I appreciate the opportunity to provide input to the legislation for the UOG Research Corporation. In general, I support the concept of a university research corporation and believe there are some advantages to this type of construct.

The University of Guam is a public higher education institution and as such must comply with all Guam laws, and various federal laws. This bill would exempt the university from a number of local laws applicable to public agencies and provide some flexibility in hiring and related areas.

The following is a summary of input points related to this bill:

1. Academic Freedom Concerns: In the university charter, WASC requirements and other areas, academic freedom is a fundamental principle of university life. Academic freedom is not even whispered in this bill. Specific researcher academic freedom protections should be identified and noted in this legislation. My larger point here is a more basic academic freedom concern. Under the current university charter, the university administration has a duty to protect academic freedom in all areas. This is why including academic freedom protections is so important in this research corporation bill.
2. University Mission Contrasts: Under section 2802 of this bill, a number of primary university mission areas are cited as research corporation areas. In effect, this seems to duplicate areas within the university. If this is indeed the case, the legislature should

create a university system and place this corporation as a unit entity under the system along with GCC. This would allow all higher education institutions to readily share core services (library, student services, registrar, financial aid, etc...) without duplication. This would involve upgrading the UOG President to Chancellor of the system.

3. Personnel and Employment Rules: Following PL 23-26 in 1995, UOG has experienced a significant process gap in academic employment. In effect, all major functions of the civil service and other areas such as EEO for academic employees were placed within the university. UOG failed to address some of these gaps. Before this bill is passed, the Guam Legislature should require UOG to demonstrate that it has filled these existing employment gaps for faculty at UOG and will mirror basic employment processes in this new organization.
4. In effect, there is a potential duality in employment. Faculty paid by this corporation could engage in things on behalf of the corporation that are contrary to core university mission areas. This should be reconciled within the university via internal policy.
5. 2803 Concerns: At 2803.a.6, the university faculty senate is allowed to appoint a member to this corporation board. In general, the Guam Legislature should not grant the faculty senate this power but should rather allow the entire UOG fulltime faculty to elect a person to this position. The term should be fixed for one to two years and the members should be limited to one term of service as the faculty elected member.
6. In general, this bill may provide needed flexibility within the university and a normal evaluation period of three to five years might be added to this legislation to provide for a policy cycle or transition process. For example, the university may want to expand, decrease, sustain or end this corporation depending on the outcomes.

Sincerely, /s/ Ron McNinch

---

Ron McNinch, PhD, SPHR, CFE  
671- 488-8889

*Ridentem dicere verum quid vetat.* - Horace

University of Guam's President  
Underwood's Presentation Materials for  
Oral Testimony on November 14, 2013





*Our Business is Research*  
**Research Corporation of the  
University of Guam**

## MOVING FROM GOOD TO GREAT

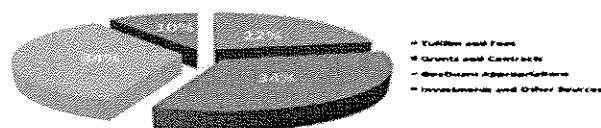
- UOG involved in G2G process to evaluate all programs in terms of mission, sustainability, quality and demand
- UOG is at crossroads to identify what it can be great at, find its passion and develop the resources to carry it out
- We understand the link between program, passion and resources

## UOG MISSION STATEMENT

- INA, DESKUBRE, SETBE
- Regional purpose
- Resource engine of UOG requires a mixture of sources
- Future growth of UOG requires new and flexible administrative/financial infrastructure

## GOVERNANCE AND FUNDING

Future UOG growth and service to Guam and Region requires a new design to increase flexibility and be responsive to funding cycles and sources



## RCUOG IN OPERATION

- RCUOG allows growth and contraction for start up and completion of projects
- RCUOG will ensure compliance with federal and sponsoring agencies regulations and highest standards of grant administration
- RCUOG will be a model of adhering to ethical and professional values

## RCUOG POTENTIAL

- RCUOG will allow UOG to develop a innovation ecosystem for new economic activities combined with research activities
- RCUOG will allow UOG to add research topics without being limited by existing infrastructure
- RCUOG will facilitate partnerships with private sector and other universities



# COMMITTEE ON RULES

*I Mina'trentai Dos na Liheslaturan Guåhan* • The 32nd Guam Legislature  
155 Hesler Place, Hagåtña, Guam 96910 • [www.guamlegislature.com](http://www.guamlegislature.com)  
E-mail: [roryforguam@gmail.com](mailto:roryforguam@gmail.com) • Tel: (671)472-7679 • Fax: (671)472-3547

Senator  
Rory J. Respicio  
CHAIRPERSON  
MAJORITY LEADER

Senator  
Thomas C. Ada  
VICE CHAIRPERSON  
ASSISTANT MAJORITY LEADER

Senator  
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Member

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Judith T.P. Won Pat, Ed.D.  
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Vice-Speaker  
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Legislative Secretary  
Tina Rose Muña Barnes  
Member

Senator  
Frank Blas Aguon, Jr.  
Member

Senator  
Michael F.Q. San Nicolas  
Member

Senator  
V. Anthony Ada  
Member  
MINORITY LEADER

Senator  
Aline Yamashita  
Member


## Certification of Waiver of

### Fiscal Note Requirement

This is to certify that the Committee on Rules submitted to the Bureau of Budget and Management Research (BBMR) a request for a fiscal note, or applicable waiver, on **BILL NO. 190-32 (COR)**, "AN ACT TO ADD A NEW CHAPTER 28 TO DIVISION 2 OF TITLE 17 GUAM CODE ANNOTATED RELATIVE TO THE ESTABLISHMENT OF THE RESEARCH CORPORATION, UNIVERSITY OF GUAM (RCUOG)." – on September 24, 2013. COR hereby certifies that BBMR confirmed receipt of this request September 24, 2013 at 12:57 PM.

COR further certifies that a response to this request was not received. **Therefore, pursuant to 2 GCA §9105, the requirement for a fiscal note, or waiver thereof, on Bill 190-32 to be included in the committee report on said bill, is hereby waived.**

Certified by:

  
\_\_\_\_\_  
**Senator Rory J. Respicio**

Chairperson, Committee on Rules

January 27, 2014

Date



# COMMITTEE ON RULES

*I Mina'trentai Dos na Liheslaturan Guåhan* • The 32nd Guam Legislature  
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E-mail: [roryforguam@gmail.com](mailto:roryforguam@gmail.com) • Tel: (671)472-7679 • Fax: (671)472-3547

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Member

Senator  
Michael E.Q. San Nicolas  
Member

Senator  
V. Anthony Ada  
Member  
MINORITY LEADER

Senator  
Aime Yamashita  
Member

September 24, 2013

VIA E-MAIL  
[john.rios@bbmr.guam.gov](mailto:john.rios@bbmr.guam.gov)

John A. Rios  
Director  
Bureau of Budget & Management Research  
P.O. Box 2950  
Hagåtña, Guam 96910

RE: Request for Fiscal Notes— Bill Nos. 177-32(COR) through 180-32(COR);  
184-32(COR) through 186-32(COR); and 188-  
32(COR) through 193-32(COR)

*Hafa Adai* Mr. Rios:

Transmitted herewith is a listing of *I Mina'trentai Dos na Liheslaturan Guåhan's* most recently introduced bills. Pursuant to 2 GCA §9103, I respectfully request the preparation of fiscal notes for the referenced bills.

*Si Yu'os ma'åse'* for your attention to this matter.

Very Truly Yours,

Senator Rory J. Respicio  
*Chairperson, Committee on Rules*

Attachments (1)

Cc: Clerk of the Legislature

2013 SEP 24 PM 10:45 AM

Bill Nos.	Sponsor	Title
177-32 (COR)	Vicente (ben) C. Pangelinan, Michael F.Q. San Nicolas, Judith T. Won Pat, Ed.D., T. R. Muña Barnes, Frank B. Aguon, Jr., B.J.F. Cruz, R.J. Respicio	AN ACT MAKING APPROPRIATIONS FOR THE OPERATIONS OF THE EXECUTIVE, LEGISLATIVE, AND JUDICIAL BRANCHES OF THE GOVERNMENT OF GUAM FOR FISCAL YEAR ENDING SEPTEMBER 30, 2014; MAKING OTHER APPROPRIATIONS; AND ESTABLISHING MISCELLANEOUS AND ADMINISTRATIVE PROVISIONS.
178-32 (COR)	Judith T. Won Pat, Ed.D. Tina R. Muna Barnes D.G. Rodriguez, Jr., Rory J. Respicio, Michael F.Q. San Nicolas Frank B. Aguon, Jr. Tommy Morrison	AN ACT TO APPROPRIATE THE REMAINING FUNDS ESCHEATED TO THE GENERAL FUND PRIOR TO END OF FISCAL YEAR 2013, PURSUANT TO §21116 OF CHAPTER 21, DIVISION 2, TITLE 5, GUAM CODE ANNOTATED, TO THE DEPARTMENT OF PUBLIC HEALTH & SOCIAL SERVICES AND AUTHORIZED TO USE AS A LOCAL REQUIREMENT FOR THE MEDICAID PROGRAM.
179-32 (COR)	B.J.F. Cruz T.R. Muña-Barnes J.T. Won Pat, Ed.D	AN ACT TO AMEND P.L. 30-83 RELATIVE TO THE COORDINATING COMMITTEE OF THE 12TH FESTIVAL OF PACIFIC ARTS OF 2016.
180-32 (COR)	B.J.F. Cruz T. C. Ada	AN ACT TO AMEND SECTION 30102(a) OF CHAPTER 30, TITLE 5 GUAM CODE ANNOTATED, TO REQUIRE AGENCIES PERMITTED TO RETAIN COUNSEL OTHER THAN THE ATTORNEY GENERAL, TO HIRE UNCLASSIFIED, IN-HOUSE COUNSEL.
184-32 (COR)	Aline A. Yamashita, Ph.D., V. Anthony Ada, Brant T. McCreadie, Tommy Morrison, Michael T. Lintiacó, Chris M. Dueñas	AN ACT TO APPROPRIATE THE SUM OF THREE MILLION DOLLARS (\$3,000,000) FROM SECTION 30 TAX REVENUES TO THE DEPARTMENT OF EDUCATION FOR THE IMPLEMENTATION OF PROVISIONS OF PUBLIC LAW NO. 31-29.
185-32 (COR)	Michael T. Lintiacó, Brant T. McCreadie, V. Anthony Ada, Chris M. Dueñas, Tommy Morrison, Aline A. Yamashita, Ph.D.,	AN ACT TO APPROPRIATE THE SUM OF FOUR HUNDRED FORTY NINE THOUSAND, ONE HUNDRED NINETEEN DOLLARS (\$449,119) FROM SECTION 30 TAX REVENUES TO PURCHASE VEHICLES FOR THE GUAM POLICE DEPARTMENT.
186-32 (COR)	Tommy Morrison, Brant T. McCreadie, V. Anthony Ada, Chris M. Dueñas, Michael T. Lintiacó, Aline A. Yamashita, Ph.D.,	AN ACT TO APPROPRIATE THE SUM OF THREE MILLION DOLLARS (\$3,000,000) FROM SECTION 30 TAX REVENUES TO THE GUAM POLICE DEPARTMENT, THE GUAM FIRE DEPARTMENT, AND THE DEPARTMENT OF CORRECTIONS.

188-32 (COR)	T.R. MUÑA Barnes, B. J.F. Cruz	AN ACT TO ADD A NEW § 80.50 TO ARTICLE 2, CHAPTER 80, TITLE 9 GUAM CODE ANNOTATED KNOWN AS THE JUSTICE SAFETY VALVE ACT OF 2013 RELATIVE TO EMPOWERING THE COURTS OF GUAM TO DEPART FROM APPLICABLE MANDATORY MINIMUM SENTENCES UNDER SPECIFIC CONDITIONS, AND FOR OTHER PURPOSES.
189-32 (COR)	Dennis G. Rodriguez, Jr.	AN ACT TO FACILITATE THE RECRUITMENT OF HARD-TO-FILL ALLIED HEALTH PROFESSIONAL POSITIONS, BY AMENDING §6229.14 OF CHAPTER 6, 4 GCA, AND SUBSECTION (a) OF § 12805, ARTICLE B, CHAPTER 12, PART 1, 10 GCA.
190-32 (COR)	B J.F. Cruz, Judith T. Won Pat, Ed.D., Aline A. Yamashita, Ph.D.	AN ACT TO ADD A NEW CHAPTER 28 TO DIVISION 2 OF TITLE 17 GUAM CODE ANNOTATED RELATIVE TO THE ESTABLISHMENT OF THE RESEARCH CORPORATION, UNIVERSITY OF GUAM (RCUOG).
191-32 (COR)	Frank B. Aguon, Jr.	AN ACT TO AMEND PUBLIC LAW 31-235, RELATIVE TO THE WOMEN'S REPRODUCTIVE HEALTH INFORMATION ACT OF 2012.
192-32 (COR)	B J.F. Cruz	AN ACT TO ADD A NEW § 64.15, § 64.16, AND § 64.17 TO CHAPTER 64 OF TITLE 9 OF THE GUAM CODE ANNOTATED; RELATIVE TO THE PROHIBITION AND FORFEITURE OF ELECTRONIC MACHINES OR DEVICES TO CONDUCT SWEEPSTAKES GAMBLING.
193-32 (COR)	Dennis G. Rodriguez, Jr.	AN ACT TO AMEND SECTION 4 OF PUBLIC LAW 31-235 TO DELETE THE PROVISION REQUIRING THE "PRINTED MATERIALS" AND THE "CHECKLIST CERTIFICATION" TO UNDERGO THE RULE MAKING PROCESS PURSUANT TO THE ADMINISTRATIVE ADJUDICATION LAW.



## COMMITTEE ON RULES

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Member

Senator  
Michael F.Q. San Nicolas  
Member

Senator  
V. Anthony Ada  
Member  
MINORITY LEADER

Senator  
Aline Yamashita  
Member

September 26, 2013

### MEMORANDUM

To: **Rennae Meno**  
*Clerk of the Legislature*

**Attorney Therese M. Terlaje**  
*Legislative Legal Counsel*

From: **Senator Rory J. Respicio**  
*Majority Leader & Rules Chair*

Subject: **Referral of Bill No. 190-32(COR)**

As the Chairperson of the Committee on Rules, I am forwarding my referral of **Bill No. 190-32(COR)**.

Please ensure that the subject bill is referred, in my name, to the respective committee, as shown on the attachment. I also request that the same be forwarded to all members of *I Mina'trentai Dos na Liheslaturan Guåhan*.

Should you have any questions, please feel free to contact our office at 472-7679.

*Si Yu'os Ma'åse!*

Attachment



*I Mina'Trentai Dos Na Liheslaturan Guahan*

**Bill Log Sheet**

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES
<b>190-32 (COR)</b>	B J.F. Cruz, Judith T. Won Pat, Ed.D., Aline A. Yamashita, Ph.D.	AN ACT TO ADD A NEW CHAPTER 28 TO DIVISION 2 OF TITLE 17 GUAM CODE ANNOTATED RELATIVE TO THE ESTABLISHMENT OF THE RESEARCH CORPORATION, UNIVERSITY OF GUAM (RCUOG) .	09/20/13 4:31 p.m.	09/23/13	Committee on General Governmental operations and Cultural Affairs			

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**FIRST NOTICE of Public Hearing - November 14, 2013**

---

**Tessa Weidenbacher** <tessa@senatorbjcruz.com>  
To: phnotice@guamlegislature.org  
Cc: cor@guamlegislature.org, mis <mis@guamlegislature.org>  
Bcc: "Judith S. Flores" <judyflores@guam.net>, mlbasquiat@hotmail.com

Wed, Nov 6, 2013 at 4:25 PM

November 6, 2013

**MEMORANDUM**

To: All Members / All Senators

From: Vice Speaker Benjamin J.F. Cruz, Chairman

Re: FIRST NOTICE of Public Hearing – November 14, 2013

*Håfa Adai!* The Committee on General Government Operations and Cultural Affairs will conduct a Public Hearing of Bills beginning at 10:00AM and a Confirmation Hearing beginning at 2:00PM on **Thursday, November 14, 2013**, in the *Liheslatura* Public Hearing Room with the following agenda:

**10:00AM - Public Hearing of Bills**

- **Bill No. 190-32 (COR)** – B.J.F. Cruz / J.T. Won Pat, Ed.D. / A.A. Yamashita, Ph.D. – An act to a new Chapter 28 to Division 2 of Title 17 Guam Code Annotated relative to the establishment of the Research Corporation, University of Guam (RCUOG).
- **Bill No. 201-32 (COR)** – B.J.F. Cruz – An act to add a new §5141 to Chapter 5 of Title 5 of the Guam Code Annotated; relative to establishing system of training, continuing education, and certification for government of Guam procurement personnel.
- **Bill No. 212-32 (COR)** – T.R. Muña Barnes / J.T. Won Pat, Ed.D. – An act to add a new Chapter 59A to Title 5 of the Guam Code Annotated, relative to the procuring, installing, operating, leasing, maintaining, refurbishing, and replacing of energy-efficient streetlights for the entire island of Guam also known as the "Island-Wide Energy Efficient Street Light Act of 2013".
- **Bill No. 214-32 (COR)** – M.F.Q. San Nicolas – An act to allow employees of government of Guam agencies and instrumentalities to apply payroll deductions to registered non-profits, by amending §20111 of Article 1, Chapter 20, Title 5, Guam Code Annotated.

**2:00PM - Confirmation Hearing**

- The Executive Appointment of **Dr. Judith S. Flores** to **Member** of the **Council on the Arts and Humanities Agency**.
- The Executive Appointment of **Dr. Michael L. Bevacqua** to **Literature Arts Member** of the **Council on the Arts and Humanities Agency**.

Testimonies may be submitted via hand delivery to the Office of the Vice Speaker Benjamin J.F Cruz at the Guam Legislature; via postal mail to 155 Hesler Street, Hagåtña Guam 96910; via facsimile to 477-2522; or via e-mail to [senator@senatorbjcruz.com](mailto:senator@senatorbjcruz.com). Please submit testimonies at least one day prior to the date of the hearing.

All government activities, programs, and services are accessible for people with disabilities in compliance with Title II of the Americans with Disabilities Act (ADA). Should you or interested parties require assistance or special accommodations to fully participate in this public hearing, please contact Mr. Carlo J. Branch at the Office of the Vice Speaker Benjamin J.F Cruz at 477-2521 or via e-mail at [carlo.branch@senatorbjcruz.com](mailto:carlo.branch@senatorbjcruz.com).

We look forward to your attendance and participation.

–  
**Tessa Weidenbacher**  
Senior Research Analyst


Office of the Vice Speaker  
Senator Benjamin J.F. Cruz  
*Chairman, Committee on General Government  
Operations and Cultural Affairs*

155 Hesler Place, Suite 107  
Hagåtña, Guam 96910

Phone: (671) 477-2520/1 | Fax: (671) 477-2522  
<http://www.senatorbjcruz.com>

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**2 attachments**

 **1st Notice Memo PH 11142013.pdf**  
112K

 **1st Notice PR PH 11142013.pdf**  
110K



November 6, 2013

**MEMORANDUM**

To: All Members/ All Senators

From: Vice Speaker Benjamin J.F. Cruz, Chairman

Re: FIRST NOTICE of Public Hearing - November 14, 2013

*Håfa Adai!* The Committee on General Government Operations and Cultural Affairs will conduct a Public Hearing of Bills beginning at 10:00AM and a Confirmation Hearing beginning at 2:00PM on **Thursday, November 14, 2013**, in the *I Liheslatura Public Hearing Room* with the following agenda:

**10:00AM - Public Hearing of Bills**

- **Bill No. 190-32 (COR)** - B.J.F. Cruz / J.T. Won Pat, Ed.D. / A.A. Yamashita, Ph.D. - An act to a new Chapter 28 to Division 2 of Title 17 Guam Code Annotated relative to the establishment of the Research Corporation, University of Guam (RCUOG).
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- **Bill No. 214-32 (COR)** - M.F.Q. San Nicolas - An act to allow employees of government of Guam agencies and instrumentalities to apply payroll deductions to registered non-profits, by amending §20111 of Article 1, Chapter 20, Title 5, Guam Code Annotated.

**2:00PM - Confirmation Hearing**

- The Executive Appointment of **Dr. Judith S. Flores** as Member of the Council on the Arts and Humanities Agency.
- The Executive Appointment of **Dr. Michael L. Bevacqua** as Literature Arts Member of the Council on the Arts and Humanities Agency.

Testimonies may be submitted via hand delivery to the Office of the Vice Speaker Benjamin J.F Cruz at the Guam Legislature; via postal mail to 155 Hesler Street, Hagåtña Guam 96910; via facsimile to 477-2522; or via e-mail to senator@senatorbjcruz.com. Please submit testimonies at least one day prior to the date of the hearing.

All government activities, programs, and services are accessible for people with disabilities in compliance with Title II of the Americans with Disabilities Act (ADA). Should you or interested parties require assistance or special accommodations to fully participate in this public hearing, please contact Mr. Carlo J. Branch at the Office of the Vice Speaker Benjamin J.F Cruz at 477-2521 or via e-mail at carlo.branch@senatorbjcruz.com.

We look forward to your attendance and participation.

---

## SECOND NOTICE of Public Hearing – November 14, 2013 (AMENDED)

---

**Tessa Weidenbacher** <tessa@senatorbjcruz.com>  
To: phnotice@guamlegislature.org  
Cc: mis <mis@guamlegislature.org>, cor@guamlegislature.org

Tue, Nov 12, 2013 at 9:30 AM

November 12, 2013

### MEMORANDUM

To: All Members/All Senators  
From: Vice Speaker Benjamin J.F. Cruz, Chairman  
Re: SECOND NOTICE of Public Hearing – November 14, 2013 (AMENDED)

*Håfa Adai!* The Committee on General Government Operations and Cultural Affairs will conduct a Public Hearing of Bills beginning at **10:00AM** and a Confirmation Hearing beginning at 2:00PM on **Thursday, November 14, 2013**, in the *I Liheslatura* **Public Hearing Room** with the following agenda:

#### 10:00AM - Public Hearing of Bills

- **Bill No. 190-32 (COR)** – B.J.F. Cruz / J.T. Won Pat, Ed.D. / A.A. Yamashita, Ph.D. – An act to a new Chapter 28 to Division 2 of Title 17 Guam Code Annotated relative to the establishment of the Research Corporation, University of Guam (RCUOG).
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- At the request of the author, **Bill No. 214-32 (COR)** [M.F.Q. San Nicolas – An act to allow employees of government of Guam agencies and instrumentalities to apply payroll deductions to registered non-profits, by amending §20111 of Article 1, Chapter 20, Title 5, Guam Code Annotated.] has been tabled until further notice.

#### 2:00PM - Confirmation Hearing

- The Executive Appointment of **Dr. Judith S. Flores** as **Member of the Council on the Arts and Humanities Agency**.
- The Executive Appointment of **Dr. Michael L. Bevacqua** as **Literature Arts Member of the Council on the Arts and Humanities Agency**.

Testimonies may be submitted via hand delivery to the Office of the Vice Speaker Benjamin J.F Cruz at the Guam Legislature; via postal mail to 155 Hesler Street, Hagåtña Guam 96910; via facsimile to 477-2522; or via e-mail to [senator@senatorbjcruz.com](mailto:senator@senatorbjcruz.com). Please submit testimonies at least one day prior to the date of the hearing.

All government activities, programs, and services are accessible for people with disabilities in compliance with Title II of the Americans with Disabilities Act (ADA). Should you or interested parties require assistance or special accommodations to fully participate in this public hearing, please contact Mr. Carlo J. Branch at the Office of the Vice Speaker Benjamin J.F Cruz at 477-2521 or via e-mail at [carlo.branch@senatorbjcruz.com](mailto:carlo.branch@senatorbjcruz.com).


We look forward to your attendance and participation.

–  
**Tessa Weidenbacher**  
/senior research analyst/

Vice Speaker Benjamin J.F. Cruz  
*I Mina'trentai Dos Na Liheslaturan Guåhan*  
Phone: (671) 477-2520/1 | Fax: (671) 477-2522  
<http://www.senatorbjcruz.com>

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#### 2 attachments

 **2nd Notice Memo PH 11142013.pdf**  
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November 4, 2013

**Sent via Electronic Mail**  
[jpeterson@ugam.uog.edu](mailto:jpeterson@ugam.uog.edu)

Dr. John Peterson  
Assistant Vice President  
Graduate Studies, Research and Sponsored Programs  
University of Guam  
UOG Station  
Mangilao, Guam 96923

**Re: Invitation for Testimony on Bill No. 190-32 (COR)**

Dear Dr. Peterson :

*Håfa Adai!* The Committee on General Government Operations and Cultural Affairs will conduct a Public Hearing of Bills beginning at 10:00AM on **Thursday, November 14, 2013**, in the *I Liheslatura* Public Hearing Room, 155 Hesler St., Hagåtña, Guam.

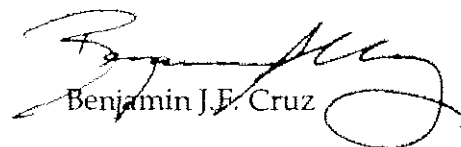
With respect to your experience and perspective, the Committee invites you to provide testimony on the following important matter:

**Bill No. 190-32 (COR)** – B.J.F. Cruz / J.T. Won Pat, Ed.D. / A.A. Yamashita, Ph.D. – An act to a new Chapter 28 to Division 2 of Title 17 Guam Code Annotated relative to the establishment of the Research Corporation, University of Guam (RCUOG).

If you wish to provide written testimony, please transmit it at least one day prior to the hearing. Please send testimony to the Office of Vice Speaker Benjamin J.F Cruz, 155 Hesler Place, Hagåtña, Guam 96910. It may also be sent via facsimile to 477-2522, or via email to [senator@senatorbjcruz.com](mailto:senator@senatorbjcruz.com).

We comply with Title II of the Americans with Disabilities Act (ADA). Should you require assistance or special accommodations, please contact Mr. Carlo Branch at 477-2521 or via email at [carlo.branch@senatorbjcruz.com](mailto:carlo.branch@senatorbjcruz.com).

Respectfully,

  
Benjamin J.F. Cruz





November 4, 2013

**Sent via Electronic Mail**

[raunderwood@ugam.uog.edu](mailto:raunderwood@ugam.uog.edu)

Dr. Robert A. Underwood  
President  
University of Guam  
UOG Station  
Mangilao, Guam 96923

**Re: Invitation for Testimony on Bill No. 190-32 (COR)**

Dear Dr. Underwood:

*Håfa Adai!* The Committee on General Government Operations and Cultural Affairs will conduct a Public Hearing of Bills beginning at 10:00AM on **Thursday, November 14, 2013**, in the *I Liheslatura* Public Hearing Room, 155 Hesler St., Hagåtña, Guam.

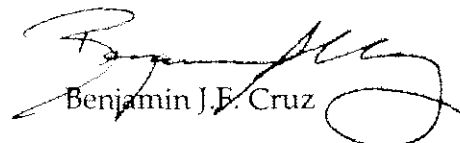
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Respectfully,

  
Benjamin J.F. Cruz



## **PUBLIC HEARING AGENDA**

Thursday, November 14, 2013

*I Liheslatura* • Public Hearing Room • Hagåtña, Guam

### **Public Hearing of Bills - 10:00AM**

Bill No. 190-32 (COR) – B.J.F. Cruz / J.T. Won Pat, Ed.D. / A.A. Yamashita, Ph.D. – An act to a new Chapter 28 to Division 2 of Title 17 Guam Code Annotated relative to the establishment of the Research Corporation, University of Guam (RCUOG).

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### **Confirmation Hearing - 2:00PM**

The Executive Appointment of Dr. Judith S. Flores as Member of the Council on the Arts and Humanities Agency.

The Executive Appointment of Dr. Michael L. Bevacqua as Literature Arts Member of the Council on the Arts and Humanities Agency.

# Cruz Introduces Legislation to Help Bring University's Research Ideas to Market

Last Updated on Tuesday, 24 September 2013 09:43

Written by Kevin Kerrigan

Monday, 23 September 2013 08:04



Guam News - Guam News

Guam - Senator B.J. Cruz has introduced a measure that would establish a Research Corporation at the University of Guam to promote "the monetization of research through public-private partnerships."

The Senator explains that his Bill #190 would create a public 501(c)(3) corporation, separate from the University but under the management of its Board of Directors. The bill was drafted with UOG's input and introduced at the request of the University.

READ Bill #190 HERE

Senator Cruz says that the "Research Corporation of UOG" [RCUOG] would be "self-subsistent and spend only the money it earns through applied research."

The Senator says in his release that "UOG research has private sector value that can put Guam in the 'future' business. But in order to drive business, UOG must be ready to do business."

**READ Senator Cruz's release below:**

*Cruz Introduces Legislation to Help Bring University's Research Ideas to Market*

(September 22, 2013 – Hagåtña) Vice Speaker Benjamin J.F. Cruz has introduced legislation that establishes the Research Corporation of the University of Guam (RCUOG), an initiative that will enable improved management of federal grants and contracts and the monetization of research through public-private partnerships. With UOG President Dr. Robert Underwood at its helm, the corporation will be endowed to add new revenues to the University, improve commercialization of UOG research, and diversify the Guam's economy.

"Research is driving the 21st century economy and without RCUOG, Guam will be left behind," said Cruz, who introduced Bill 190-32 (COR) with co-sponsors Speaker Judith T. Won Pat and Senator Aline A. Yamashita last Friday. "Every day universities lose federal and private sector money because they lack the speed and flexibility of a business corporation; this bill solves this problem for UOG."

Cruz's measure, which was drafted with UOG and introduced at its request, will create a public 501(c)(3) corporation that operates separate and apart from the University. Under the management and control of its Board of Directors and in compliance with regulations set by the Bureau of Budget and Management Research and appropriate federal acquisition requirements, RCUOG will be self-subsistent, spending only the money it earns through applied research.

The new legislation will help the University translate annual research funding into increased revenues from commercial products and services. While UOG has seen revenues from grants and contracts amount to \$49 million in 2011—a 29% increase from prior year figures—and the value of its federal grants and contracts double since 2004, the flexibility required for grants management and the agility necessary to grow grants and contracts to benefit the university and island as a whole are left to be desired.

"UOG research has private sector value that can put Guam in the 'future' business," stated Cruz. "But in order to drive business, UOG must be ready to do business."

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# Bringing UOG research ideas to market

MONDAY, 23 SEP 2013 03:30AM BY LOUELLA LOSINIO | VARIETY NEWS STAFF HITS: 326



SHARE   

EMPHASIZING that "research is driving the 21st century economy," Vice Speaker Benjamin J.F. Cruz has introduced Bill 190, a measure that establishes the Research Corporation of the University of Guam (RCUOG).

"Without RCUOG, Guam will be left behind," Cruz said on the proposed legislation which he drafted and introduced at the request of the university.

With UOG President Dr. Robert Underwood at its helm, the "corporation will be endowed to add new revenues to the University, improve commercialization of UOG research, and diversify the Guam's economy," the bill stated.

Cruz's measure creates a public 501(c)(3) corporation that operates separate and apart from the university and will enable improved management of federal grants and contracts as well as monetize research through public-private partnerships.

In addition, Bill 190 is expected to help the university translate annual research funding into increased revenues from commercial products and services.

"UOG research has private sector value that can put Guam in the 'future' business," Cruz stated. "But in order to drive business, UOG must be ready to do business," he added.

Cruz introduced Bill 190 last Friday, with co-sponsors Speaker Judith T. Won Pat and Sen. Aline A. Yamashita.

## **Self-subsistent**

According to the bill, there are now more than 200 research corporations established by other states and jurisdictions or affiliated with universities which have resulted in a growth in grant and contract awards via "infrastructure, regulations and systems that are tailored to the research environment."

These states and jurisdiction drafted legislation that provided flexibility for grants management while at the same time, remaining in compliance with federal rules and regulations.

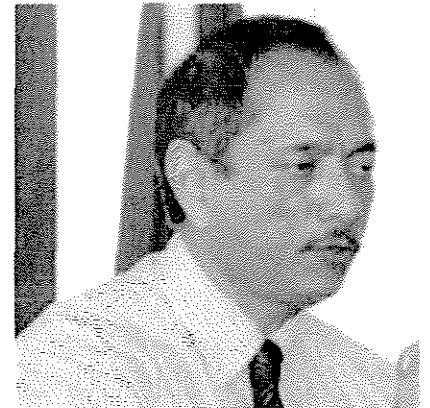
Since 2004, UOG has seen a doubling in value of its federal grants and contracts. In 2011, the bill noted, university revenues from grants and contracts amounted to \$49 million – a 29 percent increase from 2010 figures.

Despite achieving these figures, Cruz said the flexibility required for grants management and the agility necessary to grow grants and contracts to benefit the university and the island as a whole are left to be desired.

"Every day, universities lose federal and private sector money because they lack the speed and flexibility of a business corporation. This bill solves this problem for UOG," the Vice Speaker said.

The proposed RCUOG will have a set of board of directors comprising of the UOG president, senior vice president of academic and student affairs, vice president of administration and finance, and several appointees.

According to the Vice Speaker's office, "under the management and control of its board of directors and in compliance with regulations set by the Office of Management and Budget and appropriate federal acquisition requirements, RCUOG will be self-subsistent, spending only the money it earns through applied research."







Vice Speaker Benjamin J.F. Cruz has introduced Bill 190, a measure that establishes the Research Corporation of the University of Guam. Variety file photo

# The commercialization of UOG?

FRIDAY, 27 SEP 2013 03:00AM BY GERRY PARTIDO HITS: 1072



SHARE    

ONE of the more intriguing bills that have been introduced lately came via Vice Speaker Benjamin J.F. Cruz who sponsored Bill 190, a measure that establishes the Research Corporation of the University of Guam (RCUOG).

The aim of the bill is pretty self-evident – to bring UOG research ideas to market and improve the commercialization of UOG research. In short, the idea is to monetize the university's research with the end in view of increasing revenue to help UOG expand and fund the university's other programs.

As the Vice Speaker pointed out, "research is driving the 21st century economy" and what institution is more qualified to lead research here than the center of higher learning in our island?

This concept of enabling universities and tapping their research for commercial and ultimately national economic ends is not really new. In the United States, in particular, the university has become a major asset in America's battle for global competitiveness. U.S. universities have often come up with the technological breakthroughs that helped make America's economy competitive, thanks to the incentive of big commercial payoffs. Examples of this include the fabled Palo Alto Research Center (PARC) which inspired the original Apple Macintosh or the symbiotic relationship between Silicon Valley and Stanford University. The billionaires of Silicon Valley often endow Stanford with the funding it needs to expand and improve its operations. In return, Stanford provides the steady stream of talent fueling Silicon Valley's continued growth.

## **Duty**

Derek Bok, the great former president of Harvard University, once wrote that the university had a civic duty, even perhaps a patriotic duty, to ally itself more closely with private industry in order to counteract foreign competition and improve a nation's economy. Shortly after Bok's article came out, numerous new university-industry connections were made which made breakthroughs in the vital fields of computers and biotechnology. Major universities and Fortune 500 corporations were regularly signing multi-year and multimillion-dollar research contracts to keep America in the cutting edge of research and development.

Many universities, facing cutbacks in federal research funding, not only welcomed corporate largesse but became increasingly aggressive in their efforts to get it. There is nothing wrong with this as university fundraising has long been an acceptable means of generating financing for university expansion.

Here on Guam, UOG President Robert Underwood has been very successful in raising funds for the university's expansion, especially for the planned engineering school that has been deemed so vital to Guam's progress. All over the world, universities of every stripe are doing the same thing in order to better serve the needs of its students and help out the economy of their respective states. Indeed, as Cruz was introducing his bill, Harvard, already the richest university in America, embarked on the biggest and most ambitious fundraising effort ever undertaken by a university, eyeing to raise a whopping \$6.5 billion in donations to fund new academic initiatives and bolster its financial aid program. This surpasses the fundraising completed only last year by Stanford University, which raised a total of \$6.2 billion in funds.

As Cruz's Bill 190 points out, there are now more than 200 research corporations established by other states and jurisdictions or affiliated with universities which have resulted in a growth in grant and contract awards via "infrastructure, regulations, and systems that are tailored to the research environment."

These states and jurisdictions drafted legislation that provided flexibility for grants management while remaining in compliance with federal rules and regulations.

UOG itself has seen a doubling in the value of its federal grants and contracts since 2004. In 2011 alone, UOG revenues from grants and contracts amounted to \$49 million – a 29 percent increase from 2010 figures.

### ***Sequestration***

Despite these commendable figures, the continuing budget sequestration in the U.S. could lead to a drastic reduction in the federal grants that UOG receives. For this reason, UOG needs a mechanism in place that would facilitate the monetization of its research through public-private partnerships that would make it less dependent on federal grants.

This is where Cruz's proposed Research Corporation of the University of Guam comes in. "Without RCUOG, Guam will be left behind," Cruz said on the proposed legislation which he drafted and introduced at the request of UOG.

Under the bill, the "corporation will be endowed to add new revenues to the University, improve commercialization of UOG research, and diversify the Guam's economy."

The measure also creates a public 501(c)(3) corporation that operates separate and apart from the university and will enable improved management of federal grants and contracts as well as help the university translate annual research funding into increased revenues from commercial products and services.

"UOG research has private sector value that can put Guam in the 'future' business," Cruz stated. "But in order to drive business, UOG must be ready to do business," the Vice Speaker stressed.

Ready indeed! So far, Bill 190 has already drawn support from Cruz's fellow lawmakers, among them co-sponsors Speaker Judith T. Won Pat and Sen. Aline A. Yamashita, who are themselves prominent educators.

A word of warning, though. This planned partnership with the private sector is commendable, however, UOG must not lose sight of its primary focus which is to serve the needs of the island and its people. With the profit motive of private enterprise and the big payoffs involved, there is a temptation to limit research and the university's other academic initiatives to serve narrowly commercial ends. This is a mistake that UOG should try hard to avoid because it has the far more important mission of educating the future generations of youths on Guam.