



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Judiciary and Labor
Tuesday, February 24, 2015 at 9:15 am

by
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SB 1144 SD1 – RELATING TO TECHNOLOGY TRANSFER AT THE UNIVERSITY OF HAWAII

Chair Keith-Agaran, Vice Chair Shimabukuro, and members of the committee:

The University of Hawai'i supports this measure to facilitate UH's ability to structure complex arrangements with private sector organizations, including various types of joint ventures where UH faculty may have overlapping responsibilities, to promote the commercialization of research ideas generated on its campuses.

This commercialization (often called "technology transfer") is designed to strengthen economies by getting new ideas, inventions and processes developed in universities -- most often with encouragement and funding support by the federal government -- to the private sector as quickly as possible.

Technology transfer occurs throughout the nation at other universities. It is a vital component to the UH's efforts in the Hawai'i Innovation Initiative, a partnership with local businesses to diversify the state's economy.

A "per se" application of certain principles of the State Ethics Code, such as post-employment restrictions, or the prohibition use of public resources for business purposes, may undermine the State and University initiatives.

The University of Hawai'i believes that in determining whether specific technology transfer arrangements are permissible under the State Ethics Code, the State Ethics Commission must weigh in balance whether the arrangement is likely to produce specific benefits to the public, will promote articulated state policy, and whether the arrangements otherwise satisfy UH's internal policy and regulations on research compliance. The University research compliance program, to a large degree, reflects federal requirements. To this end, the University has submitted this measure clarifying the application of the State Ethics Code to UH technology transfer arrangements for your consideration.

The University of Hawai'i believes that the substantive portion of the bill, as currently drafted:

- Serves the public and promotes the state's policy to diversify our economy,
- Can be understood and implemented, and is appropriately flexible to handle the range of innovative means and methods to accomplish technology transfer.
- Is consistent with the approaches used by UH's counterpart public research universities and is thus necessary to keep Hawai'i competitive for research funding and attract talented faculty.
- Is consistent with the legal parameters of State Ethics Code as laid out in Hawai'i's Constitution and statutory Chapter 84, and acknowledges the administrative role to be played by the State Ethics Commission.

The University of Hawai'i acknowledges the implementation concerns raised by the State Ethics Commission in prior committee hearings in having to implement a "balancing" test. Representatives from UH have met with the commission staff and will continue to do so to develop possible alternative language.

The University of Hawai'i asks that the committee pass this bill to allow the discussion on this important topic to continue.



Chamber of Commerce HAWAII
The Voice of Business

**Testimony to the Senate Committee on Judiciary and Labor
Tuesday, February 24, 2015 at 9:15 A.M.
Conference Room 016, State Capitol**

**RE: SENATE BILL 1144 SD1 RELATING TO TECHNOLOGY TRANSFER AT THE
UNIVERSITY OF HAWAII**

Chair Keith-Agaran, Vice Chair Shimabukuro, and Members of the Committee:

The Chamber of Commerce of Hawaii ("The Chamber") **supports** SB 1144 SD1, which clarifies application of State Ethics Code to technology transfer arrangements supported by the University of Hawaii.

The Chamber is the largest business organization in Hawaii, representing about 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

The Chamber supports SB 1144 SD1 as it would help expedite the commercialization of research from the University of Hawaii to provide information that would strengthen the local economy. This bill helps remedy many obstacles that currently exist from broad conflict of interest, fair treatment, and employment restrictions. Clarifying the State Ethics Code would prevent the deterrence of an efficient technology transfer.

Thank you for the opportunity to testify.

From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc:
Subject: Submitted testimony for SB1144 on Feb 24, 2015 09:15AM
Date: Monday, February 23, 2015 9:16:24 AM

SB1144

Submitted on: 2/23/2015

Testimony for JDL on Feb 24, 2015 09:15AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Helen Nielsen	Individual	Support	No

Comments: Please support this bill. The supposed intention of this bill is to clarify the application of the State Ethics Code relating to Tech Transfers, but instead begins to cripple our potential for future research in this State, something that is currently bringing in hundreds of millions of dollars in research funding annually. I suggest the staff at the Ethics Commission staff work closely with UH to work out their concerns. I encourage you to support this bill to protect the future of research at UH. Thank you.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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