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March 24, 2021

Representative Gregg Takayama, Chair
Representative Lynn DeCoite, Vice Chair
Members of the House Committee on Higher Education & Technology

RE: SB589 SD2 HD1 Relating to the University of Hawaii. – OPPOSE

The Hawaii Society of Clinical Oncology (HSCO) is a local community of oncologists, nurse practitioners, physician assistants, and other allied health professionals who provide a voice for multidisciplinary cancer care teams and the patients they serve. Founded in 1996, HSCO is the largest oncology professional organization in the state. We respectfully oppose SB 589 SD2 HD1.

The UH Cancer Center has a critical role in serving the needs of our community. The UHCC is one of only 71 National Cancer Institute (NCI) designated cancer centers in the nation. Achieving, and maintaining, NCI designation reflects all of the hard work and research excellence that is required to obtain this recognition.

While the SD1 was amended acknowledging the concerns the NCI funding and designation, we are still unsure if passage of this measure would threaten the P30 grant from the NCI of the National Institutes of Health (NIH). Therefore, we recommend that we don't take that risk, especially when there seems to be little overall benefit.

Moreover, we are concerned that the inextricable tying of together of UHCC to the John A. Burns School of Medicine for organizational and cost reduction purposes will unintentionally affect the UHCC's designation as an NCI. This also would create confusion and difficulties in determining who has the authority required for NIH grant funding under the P30 core grants, the UHCC Director or the dean of the medical school.

Should the UHCC lose its designation as an NCI designated cancer center it would no longer remain eligible for NIH grant funding and support grants. As the only NCI designated cancer center in the pacific region, the UHCC works with partners such as the University of Guam to address cancer issues specific to the Asian and Pacific Islander populations. While cancer mortality has fallen nationally, specific populations in Hawaii continue to face a higher burden of cancer and benefit from the research conducted at the UHCC on these specific racial and ethnic groups.

Thank you for your consideration of our testimony.



ASCO State/Regional
Affiliate Program



Written Statement of
Len Higashi
Acting Executive Director
Hawaii Technology Development Corporation
before the
House Committee On Higher Education & Technology
Wednesday, March 24, 2021
2:15 p.m.
Videoconference

In consideration of
SB589, SD2, HD1
RELATING TO THE UNIVERSITY OF HAWAII.

Chair Takayama, Vice Chair DeCoite, and Members of the Committee.

The Hawaii Technology Development Corporation (HTDC) offers **comments** on SB589, SD2, HD1 that establishes the cancer research center of Hawaii as an organized research unit of the University of Hawaii that conducts cancer research and that shall be administered by a director appointed by the board of regents. Requires the cancer research center of Hawaii to be affiliated with the John A. Burns school of medicine with a direct line of reporting to the provost of University of Hawaii at Manoa. Requires funds expended from the tuition and fees special fund or research and training revolving fund for the John A. Burns school of medicine or cancer research center of Hawaii to be used for research and research-related purposes only. Repeals the sunset provision in Act 38, Session Laws of Hawaii 2017, to make permanent certain provisions relating to technology transfer by the University of Hawaii. Makes the innovation and commercialization initiative program permanent by repealing the sunset provision in Act 39, Session Laws of Hawaii 2017.

HTDC supports parts II and III of the bill related to repealing the sunset provisions of Acts 38 and 39. The University of Hawai'i is a critical partner for HTDC on many current innovation initiatives and hope we can continue to build on the momentum created since passage of these laws. HTDC does not have a position on part I of the bill but would like to comment that Dr. Holcombe has been a great collaborative neighbor for HTDC at the Entrepreneurs Sandbox and we have written letters of support for each others federal grant applications.

Thank you for the opportunity to offer these comments.

Written Statement of
Ani Menon
Director of Government & Community Affairs

HOUSE COMMITTEE ON HIGHER EDUCATION & TECHNOLOGY

March 24, 2021 2:15PM
State Capitol, Conference Room 309, Videoconference

COMMENTS FOR:

S.B. NO. 589 SD2 HD1 RELATING TO THE UNIVERSITY OF HAWAII

To: Chair Takayama, Vice-Chair DeCoite, and Members of the Committee
Re: **Testimony providing comments for SB 589 SD2 HD1**

Aloha Honorable Chair, Vice-Chair, and Committee Members:

Thank you for this opportunity to submit comments on Senate Bill 589 SD2 HD1.

Our comments pertain only to Parts 2 and 3 (Parts II & III) of this bill that: 1) repeal the sunset provision in Act 38 to make permanent certain provisions relating to technology transfer by the University of Hawaii; and 2) make the innovation and commercialization program permanent by repealing the sunset provision in Act 39.

Hawaiian Telcom supports repealing the sunset provisions of Acts 38 and 39, captured in Parts II and III of this bill.

Hawaiian Telcom collaborates closely with the University of Hawaii on a number of important innovation initiatives for our state. We are currently a sponsor and participant of the Innovation Impact Challenge to solve real-world challenges by bringing together a diverse group of students, faculty, and staff system-wide. For this year, University of Hawaii students and faculty are working on three different challenges. This group includes students completing a Mechanical Engineering capstone course, students working toward a MBA, UH faculty, and a Hawaiian Telcom team devoted to providing mentorship and financial support.

The solutions developed from this year's Innovation Impact Challenge will not only solve real issues we face here in Hawaii but will be applicable nationwide, contributing to the economic diversification of our state. We hope to continue this important work and more into the future.

Thank you for the opportunity to submit these comments and share our support for Parts II and III of Senate Bill 589 SD2 HD1.

SB-589-HD-1

Submitted on: 3/23/2021 11:35:59 AM

Testimony for HET on 3/24/2021 2:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Edward Ontai	DataHouse Consulting, Inc	Support	No

Comments:

Chair Takayama, Vice Chair DeCoite and Members of the Committee:

TESTIMONY FOR PART II AND PART III ONLY.

DataHouse Consulting, Inc, a long-time kama`aina technology company serving Hawaii's businesses and government organizations for over 45 years, supports Part II and Part III of SB 589 SD2 HD1, which seeks to make permanent the Legislature's initiative in 2017 to support UH's efforts to promote the commercialization of inventions and discoveries generated by its faculty, students and alumni.

DataHouse understands the fluidity of technology and innovation, and the need for empowerment and flexibility in order to discover and monetize the next innovative invention. Since our inception in 1975, we've always believed in the vision that technology and innovation would lead to the development of new economies and higher value jobs for our community. As such, we strongly believe the University of Hawaii is well positioned to be the catalyst for this new wave of innovation.

Individual Testimony **AGAINST SB589 SD2 HD1**

Submitted to the House Committee on Higher Education & Technology (HET)

March 24, 2021

Dear HET Committee Chair Takayama, Vice Chair DeCoite, and Members,
Representatives Belatti, Ohno, Ganaden, Quinlan, Gates, Woodson, Hashimoto,
Yamane, Kapela and Okimoto:

We, the faculty and staff of the UH Cancer Center, are submitting this testimony to document our **strong OPPOSITION to SB 589 (SD2) HD1, PART I**, which proposes to administratively reorganize the currently freestanding Organized Research Unit of UH Manoa for cancer research (UH Cancer Center) within the UH John A Burns School of Medicine (JABSOM).

We provide our item-by-item responses to the bill in the following pages.

Unhee Lim

Lenora Loo

Kevin Cassel

Pallav Pokhrel

Adrian Franke

Muller Fabbri

Yurii Shvetsov

Tad Herzog

Gertraud Maskarinec

Erin Bantum

Joe Ramos

Brenda Hernandez

Lani Park

Song-Yi Park

Namrata Gurung

Michelle Matter

Maarit Tiirikainen

Crissy Terawaki Kawamoto

Lynne Wilkens

Carol Boushey

Christine Farrar

Melissa Merritt

Lang Wu

Loïc Le Marchand

Peiwen Fei

Elizabeth Kuioka

Annette Lum-Jones

John Shepherd

Rachel Taketa

Jami Fukui

Sharon Shigemasa
Kornelia Szauter
Phillip Lau
Lisa Toguchi
Kami White
Kim Yonemori
Hui-Hsing Chua-Chiaco
Stacy Mercado
Eugene Okiyama
Paula Higuchi
Christian Caberto
Lani Vasquez

Cliff Martin
Gail Ichida
Wileen Mau
Anne Tome
En Liu
Michelle Kau
Kathleen Plaza
Patti Corrales
Hazel Rems
Yun Oh Jung
Brandon Quon

First of all, we thank the House members of the legislature, specifically of the HHH Committee, who recognize the importance of our NCI designation for the people of Hawaii and the importance of assuring UH Cancer Center Director's direct reporting line to the UH Manoa Administration, as an equal to other Deans, for our successful renewal of our NCI designation.

This amended bill, however, still includes forced administrative integration of the UH Cancer Center under JABSOM, which all the same will jeopardize our chance to successfully renew our NCI designation. We have highlighted problematic parts of the bill, in particular PART I, with suggestions for removal with specific responses and the rationale.

PART I

SECTION 1. The legislature finds that the University of Hawaii cancer center reduces the burden of cancer through research, education, patient care, and community outreach. The University of Hawaii cancer center is the only National Cancer Institute-designated cancer center in Hawaii and the Pacific region. The University of Hawaii cancer center is a member of the Hawaii Cancer Consortium along with five hospital groups and the University of Hawaii's John A. Burns school of medicine.

The University of Hawaii's John A. Burns school of medicine educates and trains health care professionals,...

...

It is in the public's interest that State resources be efficiently and effectively managed to optimize the public benefits. ~~Just as co-locating the physical facilities for the John A. Burns school of medicine and University of Hawaii cancer center on adjoining sites in Kakaako promotes synergistic efforts, the legislature determines that it is a statewide~~

concern to ensure that the management of public resources provided to the John A. Burns school of medicine and University of Hawaii cancer center be integrated, coordinated, and focused on common priorities to avoid unnecessary duplication of administrative expenses or conflicting priorities.

The legislature additionally finds that placing resources devoted to training and educating physicians and conducting cancer research in an integrated university organizational structure, as opposed to stand-alone and duplicative organizations, will foster a uniform strategic vision. Unified leadership will also allow better coordination with the University of Hawaii's private partners in the hospital community and with other state agencies.

- **Such administrative reorganization or integration will critically jeopardize our chance to renew the NCI designation** as we have testified to the House HHH Committee. This point is elaborated in the following pages.
- The above sentences came with the Senate bill as a justification to force reorganization and administrative integration. But they are not factual. For example:
 - *“unnecessary duplication of administrative expenses”*: In 2016, under the direction of then UH Manoa Interim Chancellor Robert Bley-Vroman, the Cancer Center Task Force reviewed areas of overlapping operations of the two units where costs could be saved without a detrimental merger. UH Cancer Center and JABSOM have since streamlined the overlapping operations and improved efficiency as recommended by the Task Force. As included in President Lassner and Provost Bruno’s testimonies (to HRE, WAM, HHH), the list includes, but is

not limited to: joint grants, joint class instruction and mentoring, joint graduate student assistantships, joint faculty recruitments and appointments, joint genomics core, cost sharing for the vivarium, combined telecom, coordinated security and building maintenance, and coordinated parking.

- *“conflicting priorities”*: As stated in the bill above, “The UH Cancer Center reduces the burden of cancer through research, education, patient care and community outreach” as its core mission. This core mission should and has set the strategic priorities of the UH Cancer Center. JABSOM similarly sets its strategic priorities according to its educational/training core mission for its operation. The notion of “conflicting priorities” is misleading.

The legislature also finds that as a matter of statewide concern, ~~the University of Hawaii cancer center should be more closely affiliated with the John A. Burns school of medicine and be administered as an organized research unit of the John A. Burns school of medicine. Merging the John A. Burns school of medicine and University of Hawaii cancer center's administrative services and infrastructure teams will offer efficiency by eliminating redundancy and sharing administrative expertise and experience to reduce processing delays.~~

- We have the strongest opposition on this point. This restructuring will critically jeopardize our ability to renew our NCI designation. Being moved “administratively” under JABSOM means losing the director’s sole and independent authority on the Cancer Center’s budget, faculty lines and space. It also means a decrease of UH's institutional commitment to the Cancer Center. e.g., who will the integrated administrative services report to and how will the expected conflicts be resolved? This is not a solution to anything but creating a non-existing problem.

The proposed changes in administrative structure will translate into down grading of

- the Cancer Center's status and a worsened score for our renewal application that will be evaluated on six essential characteristics criteria, one of which is the director's independent and complete authority over finances, personnel and space.
- The NCI designation grant (P30) is highly competitive and reserved for the top 4% of all cancer centers in the country. As one of smallest of the ~70 NCI-designated cancer centers, the UH Cancer Center faces especially steep competition against other mainland cancer centers that have much more extensive infrastructure based on much greater financial resources. Every advantage that the UH Cancer Center has counts toward renewing the NCI designation successfully. In the latest review in 2018, the UH Cancer Center could renew the NCI designation because of the high scores received on the State and UH Administration support and on the Cancer Center Director's authority and performance. (Please see Dr. Ramos' testimony for more details.)
 - ***"Institutional Commitment is rated outstanding.* ...The University of Hawai'i and the State are fully committed to ensuring the success of the UHCC as the only cancer education and clinical research center. The UHCC receives strong institutional commitments in space and faculty tenure slots, and benefits from a wide array of financial streams at significant levels. State commitments are notable."**
 - ***"Center Director is rated as outstanding merit. Dr. Randall Holcombe is a strong Cancer Center Director who has had a transformative impact on the culture and direction of the UHCC. The scientific qualifications, administrative qualifications, and experience of Dr. Holcombe are valuable that [sic] provide a firm foundation for his service as cancer center director."* "Under Dr. Holcombe's outstanding leadership, the center has reinvigorated its focus on the study of cancer in diverse racial and ethnic populations, especially addressing cancer problems in Hawai'i and the Pacific. Many structural, organizational, and cultural changes**

needed attention upon Dr. Holcombe's appointment as Director, and in a relatively short period of time Dr. Holcombe has made substantive progress to establish a vision for the center and advance scientific objectives." "Dr. Holcombe in his role as Director, ... has authority equivalent to a Dean, and has used this authority to successfully recruit new faculty in a short period of time."

- For cancer patients in Hawaii, not having an NCI designation will mean losing access to novel investigational cancer treatments that are only available through clinical trials at NCI-designated cancer center.
- Not having an NCI designation will exclude the UH Cancer Center faculty from applying for many grants offered only to researchers at NCI-designated cancer centers, such as the U54-PIPCHE grant, and lead to annual revenue losses in millions of dollars.
 - The partnership grant (U54-PIPCHE) between the UH Cancer Center and the University of Guam has been successfully renewed uninterrupted since 2008, was renewed in 2020 for >\$14M over 5 years, and is a hallmark of the UH Cancer Center's accomplishments in reducing cancer health disparities in the Pacific, a key component of the mission of the UH Cancer Center that sets it apart from all other NCI-designated cancer centers.
 - Another stellar example of the UH Cancer Center's unique contribution is the Multiethnic Cohort Study, an epidemiologic (population) study of cancer risks and survival by following up >215,000 people of five racial/ethnic groups for almost 30 years since the early 1990's. This study is highly valued by the NCI and the international cancer research community, and it is the only population study addressing the racial/ethnic cancer disparities in our uniquely diverse populations that are not addressed by any institutions on the mainland. The NCI designation of the UH Cancer Center has been essential to the success of the Multiethnic Cohort Study.

- The NCI and NCI-appointed reviewers are keenly aware of the undue external influences that the UH Cancer Center has received in the past.
 - In 1983, NCI denied awarding the designation to the UH Cancer Center and cited “the lack of support from the UH, state and community”. After that negative decision, it was not until 1996 that the UH Cancer Center regained its NCI designation.
 - In 2018, NCI renewed the UH Cancer Center’s NCI designation but again expressed concerns about the undue external influences on the Cancer Center and consequent instability in the prior years.
- The belief that mergers lead to financial and operational efficiency often does not materialize, let alone when a merger involves highly specialized services for two units with very different primary missions as the UH Cancer Center and JABSOM. Forced merging of key operations did not work out well and led to significant financial losses in 2015-2016 under then Acting Director Hedges’ management. Between December 2014 and summer of 2016, Dr. Hedges served both as the Dean of the Medical School and the Acting Director for the Cancer Center, during which time he attempted to fold the Cancer Center’s fiscal office under JABSOM operations. This caused conflicts between the fiscal office staff who were specialized in completely different and complicated operations of research vs. instructional support and led to several skilled staffers’ departure. Due to the fiscal dysfunction, some of our faculty members were unable to get reconciliations in a timely manner on their grant accounts and carried a substantial unobligated balance in error. NCI refused to award competitively scored grants to the UH Cancer Center totaling >\$2 million that year even after we provided explanations and corrections.
- There is not one testimony in support of the bill from the UH Cancer Center’s scientific, clinical or community partners, whereas a number of testimonies, all in strong opposition, have been submitted to HRE, WAM and HHH.

The legislature notes that several outstanding medical schools at other universities integrate their cancer research programs closely with their medical schools. For example, the Washington University School of Medicine in Saint Louis is the parent institution to the Siteman Cancer Center. The Siteman Cancer Center is designated as a comprehensive cancer center and holds an "exceptional" rating from the National Cancer Institute. The MD Anderson Cancer Center in Houston, Texas is a comprehensive cancer center and operates in close affiliation with the McGovern Medical School as part of the University of Texas Health Science Center at Houston.

- [The UH Cancer Center is vastly different from the anecdotal examples of NCI-designated cancer centers under their medical school. As listed in the White Paper, produced by the Cancer Center Task Force Committee in 2016 under then UH Manoa Interim Chancellor's direction, the majority of NCI-designated cancer centers are independent from their medical school/center in organization, allowing for the director's independent authority. A few centers within their medical school have a historical background of having evolved around the hospitals of their respective medical schools. JABSOM does not have a hospital.](#) From the beginning, the UH Cancer Center has been a freestanding research institute and has flourished under this organizational structure.
 - The Washington University Siteman Cancer Center (WUSCC) is an example of a cancer care component of a well-established medical school-owned hospital (established in 1891) that has grown into a cancer center (in 1999) and into an NCI-designated cancer center (relatively recently in 2005, considering that the UH Cancer Center received its first NCI designation in 1980's and has maintained the designation since 1996). WUSCC growth within the Washington University

School of Medicine was not only historically organic but no doubt has benefited substantially from the medical school's \$1.1B patient care revenue (out of the total \$2B revenue).

- The MD Anderson Cancer Center (MDACC) was established in 1941 with the Texas State legislature support that created a cancer care hospital. MDACC President, like the presidents of all other University of Texas Health Institutions (medical schools), report directly to the UT System Chancellor. MDACC's annual revenue from patient care (i.e., its own hospital-based income) in a recent year was \$3.5B out of the total revenue of \$5.9B. MDACC has received \$1B in endowments and \$240M in annual donations.
- Thank you for the excellent examples of other medical institutions, which demonstrates how much typical medical or cancer centers financially rely on patient care revenues: 55% for the Washington University School of Medicine and 59% for the MD Anderson Cancer Center. This also underscores how irrelevant these examples are to the case of the UH Cancer Center and JABSOM that do not own a hospital.

~~The legislature also notes that from 2014 to 2016, the University of Hawaii developed business plans, hired consultants, and made presentations to its board of regents on the University's plans to integrate the University of Hawaii Kakaako health science campus and eliminate operational redundancies between the John A. Burns school of medicine and University of Hawaii cancer center. Further, the University of Hawaii frequently groups different organized research units within a larger administrative structure. For example, the school of ocean and earth science and technology encompasses several outstanding research units, including the center for~~

~~microbial oceanography: research and education and Hawaii
institute of marine biology.~~

- As we have repeatedly provided facts in our previous testimonies to HRE, WAM and HHH, the UH Administration did not hire the external consultant (Warbird) that Senator Kim refers to in this paragraph. In clear conflict of interest, JABSOM Dean Jerris Hedges directed the Warbird review and completed the second part of the review himself, while serving as Acting Director of the UH Cancer Center and actively promoting the reorganization of the Cancer Center under JABSOM.
- The UH Administration directed two **other** reviews of the Cancer Center, headed by then UH Manoa Interim Chancellor Robert Bley-Vroman. First by a campus-wide Task Force and second by an internal Task Force at the Cancer Center. Neither of these reviews recommended reorganization of the Cancer Center under JABSOM. These reviews recommended streamlining the overlapping operations of the two units where the costs can be saved without jeopardizing their core missions.
 - The first review by the campus-wide Task Force also strongly recommended a return to faculty shared governance at the UH Cancer Center.
 - The second review concluded a merger would not lead to cost savings or increased efficiency and recommended specific ways to achieve efficiency in overlapping operations without detrimental organizational restructuring. Most of the recommended integrations has been accomplished since then.
- After considering all the internal and external reviews and many interviews of stakeholders (at the Cancer Center, its clinical and community partners, its NCI-appointed scientific advisors from other NCI-designated cancer centers), the UH Administration and Board of Regents resolved in 2016 to retain the Cancer Center as an independent Organized Research Unit under the UH Manoa Provost's supervision and hired Dr. Holcombe, who received overwhelming support of all stakeholders in/outside the Cancer Center.

- It is now circa 2021, not 2016. One thing the Senate bill completely fails to acknowledge is the hiring of the UH Cancer Center's current Director, Dr. Randall Holcombe, and his outstanding accomplishments since 2016. Dr. Holcombe has obtained funding to begin construction of the new clinic for Phase 1 clinical trials this summer. Under Dr. Holcombe's leadership, our research, teaching, clinical trials and community outreach have recovered and greatly improved, according to the External Advisory Committee that annually reviews our performance on behalf of the NCI. Our faculty and staff morale is higher than ever, and the UH Administration, the Hawai'i Cancer Consortium partner hospitals, and our community advocates and collaborators all rally behind Dr. Holcombe's leadership in unity to submit the renewal application in 2022 and successfully renew the NCI designation in 2023. The unwarranted annual attacks by the legislature on the UH Cancer Center and Dr. Holcombe's leadership are a distraction from our work and, if continued, could lead to a loss of excellent researchers.
- The example of the UH Center for Microbial Oceanography (C-MORE) under SOEST is irrelevant. C-MORE does not have a center designation grant that is contingent on a specific federal evaluation criterion, grading all applicants based on the director's sole and independent authority over financial, personnel and space decisions.

To maintain the National Cancer Institute designation as a cancer center consistent with National Cancer Institute guidelines, the director of the University of Hawaii cancer center shall continue to have a direct line of reporting and accountability to the provost of the University of Hawaii at Manoa.

- We thank you for removing the dual reporting proposed by the Senate, on behalf of all cancer patients who require investigational treatments, their clinical providers who tirelessly collaborate with the UH Cancer Center to deliver clinical trials, and our

deeply caring community partners and cancer research advocates, as well as our faculty and staff members who take great effort and pride in their cancer research, education and community outreach.

Accordingly, the purpose of this part is to:

(1) Require the director of the University of Hawaii cancer center to be appointed by University of Hawaii's board of regents upon recommendation from the provost of the University of Hawaii at Manoa ~~instead of the dean of the University of Hawaii's John A. Burns school of medicine;~~

~~(2) Require the University of Hawaii cancer center to be administratively affiliated with the John A. Burns school of medicine;~~

➤ As stated above (pages 5-8), **such administrative restructuring will critically jeopardize our ability to renew our NCI designation.** In addition to the devastating impact expected on our NCI designation renewal, there will be no cost savings from it even in short term.

(3) Require the director of the University of Hawaii cancer center to report to the provost of the University of Hawaii at Manoa and coordinate with the president of the University;

➤ Thank you!

(4) Require funds expended from or originating from the University of Hawaii tuition and fees special fund for the John A. Burns school of medicine or University of Hawaii cancer center to be used for educational purposes only; and

➤ As the UH Administration has repeatedly addressed this point, there are many other units, including JABSOM, that receive fungible resource allocations from the UH Administration to make up for the decreased General fund support from the legislature over the years.

(5) Require funds expended from or originating from the research and training revolving fund for the John A. Burns school of medicine or University of Hawaii cancer center to be used for research and research-related purposes only.

- This statement does not differentiate the research and training revolving fund generated from the UH Cancer Center vs. JABSOM. These (indirect) funds come with an expectation and stipulation that they will be used to strengthen the infrastructure required for the granted project and should be used for that purpose. Consistently, the research and training revolving fund generated by all UH units has been in part used to support the common infrastructure of the UH/UH Manoa, and the rest returned to the specific unit.

SECTION 2. Chapter 304A, part IV, Hawaii Revised Statutes, is amended by adding a new subpart to be appropriately designated and to read as follows:

" . **Cancer Research Center of Hawaii**

§304A- Cancer research center of Hawaii. (a) There is established an organized research unit, hereinafter known as the cancer research center of Hawaii, to conduct cancer research. The cancer research center of Hawaii shall be administered by a director to be appointed by the board of regents upon recommendation by the provost of the University of Hawaii at Manoa with the concurrence by the president of the university. ~~The cancer research center of Hawaii shall be affiliated with the John A. Burns school of medicine;~~ provided that the director of the cancer research center of Hawaii shall report to the provost of the University of Hawaii at Manoa and coordinate with the president of the university.

(b) The cancer research center of Hawaii's research agenda shall focus on research, education, patient care, and community outreach and reflect an understanding of the ethnic, cultural, and environmental characteristics of the State and the Pacific region.

(c) The cancer research center of Hawaii may:

- (1) Engage in international research collaborations;
- (2) Undertake research studies, **and** clinical trials, **education, and community outreach**; and
- (3) Participate in projects and programs related to cancer and related health conditions **of the National Cancer Institute."**

- We the faculty members of the UH Cancer Center provide a substantial amount of student training, as well as delivering classroom instructions and seminars to our affiliated UH Manoa units for their education of students in cancer and molecular biology, public health and epidemiology, and nutritional sciences.
- Our education and community outreach activities are also an essential part of the UH Cancer Center's core mission. There are no other experts who can do a better job to educate our next generation and inform our community on cancer research, prevention and treatments.
- Researchers at the UH Cancer Center carry out primarily cancer research funded by the National Cancer Institute (NCI, one of many agencies under the parent National Institutes of Health or NIH). But we also investigate broader related health conditions that contribute to cancer risks and treatments or affect cancer survivors, which can be funded more successfully by other federal (NIH agencies other than NCI, as well as DOD, USDA, FDA, CDC) and non-federal agencies/foundations. NCI

encourages us to diversify our grant portfolio with such studies. Also, it is in line with the fundamental academic freedom that we UH faculty members have.

...

PART IV

SECTION 9. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 10. This Act shall take effect on July 1, 2060.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Higher Education & Technology
March 24, 2021 at 2:15 p.m.

by

David Lassner
President
University of Hawai'i

Michael Bruno
Provost
University of Hawai'i at Mānoa

SB 589 HD1 – RELATING TO THE UNIVERSITY OF HAWAII

Chair Takayama, Vice Chair DeCoite, and members of the Committee:

Thank you for the opportunity to present testimony today. The University of Hawai'i (UH) opposes Part I of SB 589 HD1, which proposes to legislate several matters of internal structure and management within the University of Hawai'i (UH) relating to the UH Cancer Center (UHCC) and the John A. Burns School of Medicine (JABSOM). The UH supports Parts II and III of this bill.

Part I would replace the judgment and decision of the Board of Regents, which established the Cancer Center in 1981 as a freestanding Organized Research Unit (ORU) of the University of Hawai'i at Mānoa, by imposing a structure created by the Legislature. And it would further impose new restrictions on the use of certain funds by both the UHCC and JABSOM.

We believe Part I of this legislation to be unnecessary and inappropriate for three reasons:

Under the leadership of Dr. Randy Holcombe, the UH Cancer Center is now an extraordinarily successful unit. The National Cancer Institute (NCI) of the National Institutes of Health has awarded formal cancer center designation to only 71 NCI-designated cancer centers in the nation and the UHCC. This is a critical designation for which we have worked diligently and in which the university and State have invested significant resources. The UHCC is not in need of a management “fix” by the Legislature that would tie the hands of the university from making future changes.

It is also not necessary to the desired synergies to legislatively mandate an “affiliation” or to single out the UH Cancer Center and JABSOM for a new legislative mandate that places new restrictions on these two units’ uses of specific funds.

Third, while the Legislature has reserved to itself the right to legislate matters of statewide concern, it is neither appropriate nor necessary for the legislature to substitute its opinions on specific matters of internal structure and management for the reasoned

views of the UH, which is ultimately responsible to maximize the ability of the Cancer Center to reduce the burden of cancer on the people of Hawai'i.

Success of the UHCC

Each year the University of Hawai'i Cancer Center is assessed by our External Advisory Committee (EAC), which is sometimes referred to as the External Advisory Board or EAB. The EAC is composed of a group of Cancer Center directors and leaders from around the country who visit each year to provide unbiased input and guidance to advance our program and help ensure our compliance with the NCI P30 guidelines.

The EAC could hardly have been more positive over these past years regarding the turnaround at the UH Cancer Center under the leadership of Dr. Randy Holcombe, our esteemed, accomplished and experienced Cancer Center director. I have appended a recent Executive Summary of their report to this testimony so that you can see just how well Dr. Holcombe and his team have addressed what were longstanding and widely recognized challenges. This report is from their 2020 visit.

The primary mission of the UH Cancer is distinct from that of JABSOM. A legislative "fix" proposed in this Bill would embed a legislatively developed structure in statute and might tie the hands of the University and Board of Regents from making future structural changes, which might be even more sweeping than what is proposed in this legislation. There is simply no need for the Legislature to take action regarding the structure and management of the UH Cancer Center.

Achieving Synergies

It is important also to note that modern cancer research reaches across the entire University, including but not limited to our medical school. There are many opportunities for synergies at our Kaka'ako campus, and it is important also to note that modern cancer research reaches across the entire University. Major synergies and efficiencies have already been achieved through collaboration with JABSOM and other critical parts of UH.

It is notable that **26 full and associate members** of the Cancer Center are based in UH units other than the Cancer Center as are **21 collaborating members**.

Some specific academic examples of synergies and efficiencies include:

- Dean of JABSOM participates as a member of the Hawai'i Cancer Consortium which was created by UHCC and includes the CEOs and other representatives of the major hospital systems (Queens, HPH, Adventist Health Castle, Kuakini) and the UH President and UHM Provost to coordinate efforts in Hawai'i to reduce the burden of cancer and enhance the quality of cancer care for our state.
- UHCC moved ownership of the NMR (more than \$1M in value) to Chemistry to better support their work as their NMR was less capable and eventually non-functional. The NMR also remains housed in JABSOM.

- The R25 CREATE grant (\$1.3M) which is designed to give the undergraduate students summer instruction has PIs from both the UH Cancer Center (Maskarinec & Ramos) and the Department of Native Hawaiian Health at JABSOM (Kaholokula).
- UHCC has one of its Faculty (Ramos) working as multi-PI with JABSOM (Kaholokula & Gerschenson) and Engineering (Francis) PIs to submit a large Proposal called 'Akahi which is designed to provide funds to recruit Native Hawaiian and Pacific Islanders into Faculty positions across UH STEM programs and create a culture of Inclusive Excellence at UH Mānoa.
- Support of two First year Graduate students in JABSOM's Cell and Molecular Biology Program.
- Support of two graduate students per year in Public Health (School of Social Work) or Nutrition (CTAHR)
- JABSOM and UH Cancer Center share access and expenses of running the vivarium at Kaka'ako with members from both on its Space Allocation Committee.
- UHCC collaborated with Outreach College to create the highly successful and oversubscribed Clinical Research Professional Certificate Program in Fall 2020. This was an intense program taught by faculty from UHCC to fill the great need in Hawai'i of Clinical Research Associates to help run clinical research in the hospitals. Several have already obtained positions.
- UHCC works with hospitals in the Hawai'i Cancer Consortium to recruit much needed Cancer Specialists to Hawai'i. This includes providing a research/clinical trials outlet for them which is an expectation of these Clinicians.
- UHCC is working with Life Sciences to identify areas where its faculty can work to help teach undergraduates there in lecture formats (they already coordinate to identify students for research training).
- Joint faculty appointment with Nursing (July 1, 2018)
- Participation in the Colleges of Health Sciences which includes not only JABSOM but Nursing & Dental Hygiene, Social Work & Public Health, and Pharmacy (UH Hilo)
- All Cancer Biology faculty provide course direction and teaching in the JABSOM CMB department
- Cancer Center participation in JABSOM-created UHP faculty practice plan
- Support of Kaka'ako wide Genomics and Bioinformatics Shared Resource (joint venture between UH Cancer Center and JABSOM)
- Support of Chemical Biology Core leader, who is Chemistry faculty
- UH Cancer Center NMR facility is housed in JABSOM
- Cancer Center endowed chair awarded to a Chemistry faculty member
- JABSOM faculty member (Palafox) heads Cancer Center effort on a research partnership with Guam
- Cancer Center faculty participate in innumerable graduate committees for programs in other units, particularly Cell and Molecular Biology (JABSOM), Molecular Biosciences & Biotechnology (CTAHR), Public Health (Social Work)

- UH Cancer Center faculty participate as members of the JABSOM recruitment and curriculum committees for Cell and Molecular Biology
- Multiple UH Cancer Center clinically oriented faculty hold joint appointments in JABSOM (Medicine, OBGYN, Pediatrics, Pathology)
- UHCC and JABSOM merged phone systems to improve efficiencies
- UHCC and JABSOM share common area maintenance charges
- UHCC and JABSOM coordinate on achieving parking solutions for Kaka‘ako campus
- Several of the large COBRE grants include UHCC faculty either currently or previously.
- Clinical Faculty at UHCC practice through the University Health Partners of Hawai‘i Practice Plan.
- Cancer Center Director serves as chair of IFA search committee
- Standing meetings between Cancer Center and JABSOM administrative directors
- Cancer Center supports 2 months of salary for a JABSOM researcher
- Significant amount of Cancer Center pilot research funds have been awarded to JABSOM faculty (>\$150,000 over the last 3 years)
- Nomination of JABSOM faculty researchers for grant mechanisms restricted to Cancer Centers
- UHCC Director serves as a Board member of University Health Partners
- UHCC Director serves as a Steering Committee Member Ola Hawai‘i
- UHCC Director serves as a Board member for the Hawai‘i Journal of Health and Social Welfare with JABSOM, Nursing, Social Work, Pharmacy Schools
- UHCC member Morita serves as Contributing editor, Journal of Health and Social Welfare
- UHCC Director serves as Internal Advisory Committee member for Marla Berry-led COBRE project, Pacific Biosciences Research Center
- UHCC member Braun-Inglis holds a secondary appointment in School of Nursing, developing advance practice training program for cancer APPs with Assoc. Dean of Nursing Qureshi.
- UHCC and JABSOM Facilities/Admin collaborated on lease arrangement for Disney for Doogie Kamealoha
- UHCC has established 3 advisory boards to enhance collaborations in the community: Community Advisory Board, Patient Advocacy Committee, Native Hawaiian Cancer Research Advisory Board (Cathy has membership of each).
- UHCC member Shepherd collaborates actively with the Hawai‘i Data Science Institute

We have achieved many synergies already and we also fully realize that our work to create and expand synergies in Kaka‘ako is not complete. But it is clear that an ongoing effort to identify further synergies and efficiencies in the areas of research, education, clinical practice and administration should extend beyond Kaka‘ako to include other health sciences programs and academic units. This does not require the

legislative imposition of a specific structure that might then require further legislation if we are to continue to evolve.

University Governance

Article X, Section 6 of the Constitution of the State of Hawai'i charges the Regents with "exclusive jurisdiction over the internal structure, management, and operation of the university," with the legislature reserving to itself laws of statewide concern. Imposing this change in internal structure and management via statute, with disregard for the university's consultative shared governance and management processes, would overrule the judgments of those who are responsible for the internal structure and management of the university under the Constitution. These are the entities and processes responsible for making decisions that will lessen the burden of cancer on the people of Hawai'i.

At a more detailed level Part I of this bill: (1) creates a new appointment process outside Board of Regents policy that is inconsistent with the Board of Regents policy utilized for all other executive appointments across the UH system; and (2) creates a new organizational construct called "administratively affiliated" that is not defined.

We also believe the Legislature should not create a set of new restrictions on both the UH Cancer Center and JABSOM regarding the allowable use of two specific funds. The University of Hawai'i has worked over the past 25 years to manage itself using multiple sources of funding provided by the state as well as funds generated internally by our own efforts. Some of these types of funding are more fungible than others, but our ability to use funds flexibly under HRS and Executive direction today has helped us cope with the State appropriating a shrinking portion of state general funds to public higher education over the last several decades. Creating new restrictions on two significant sources of funds for two UH Mānoa campus units (only) will create additional administrative burdens as we work to support the vital work of these two units, which are critical to improving the health of the people of Hawai'i.

We urge that the legislature not overstep the spirit of the Constitution to legislate the internal structure and management of the university. It is neither prudent nor necessary.

ATTACHMENT

January 31, 2020

Randall F. Holcombe, MD, MBA
Director, University of Hawaii Cancer Center
701 Ilalo Street
Suite 600
Honolulu, HI 96813
rholcombe@cc.hawaii.edu



Dear Dr. Holcombe

Thank you for hosting the External Advisory Board during our recent visit to the University of Hawaii Cancer Center (UHCC). It was exciting to see the continued progress taking place at UHCC under your leadership. We will be sending you a detailed report on our recommendations concerning the various aspects of your center with a focus on performance and compliance with the NCI P30 guidelines. This letter is an executive summary that focuses on the larger issues that go beyond the details of NCI guidelines. Feel free to share this summary with others as you see fit.

First, and most importantly, we would like to comment on the remarkable progress that you, your colleagues, and University and community leaders have made over the past year. The morale and esprit de corps of UHCC members and staff are stronger than they have been for a very long time. The new faculty you have recruited to the University of Hawaii over the past two years are top tier and are already making significant contributions including obtaining funding, publishing and assuming leadership roles within the UHCC. The presentations they gave during our visit were dynamic and scientifically exciting. Bringing such quality new talent to the UHCC is key to your continued scientific success, will strengthen the base of your research programs, and will contribute economic and educational value to the University, Hawaii, and the people of Hawaii in general.

The development of an early phase clinical trial capability in Hawaii has been a topic of discussion during EAB meetings for over a decade. It is exciting to see the progress you have made over the past year including obtaining a construction grant from the NIH, securing state support, and moving forward with plans for both building the unit physically, and recruiting the talent needed to make it work. In addition, the work that you have done to secure the collaboration of your clinical partners in the Hawaii Cancer Consortium for this endeavor is exceptional. This effort should remain a top priority as it will provide the people of Hawaii with access to Phase 1 clinical trials, that is the newest cancer treatments, at a time when cancer care is advancing at a remarkable rate. It also has great potential to serve as a hub for "medical tourism" for the entire Pacific rim. Given the diversity of your patient population, we are confident big pharma and small biotech will seek out your participation in their most promising early phase trials; the resultant enhanced reputation for clinical research will benefit both the Cancer Center and all of the HCC clinical partners.

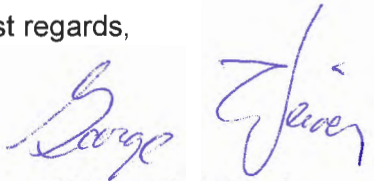
Equally impressive is the progress you and your colleagues have made in strengthening the Hawai'i Cancer Consortium. UHCC's leadership in this consortium will help the participating health systems recruit top flight oncology clinicians who see the value of clinical trials and the research that underpins them. UHCC's oversight over all oncology clinical research activity within the HCC, and the broader clinical trials network, is an outstanding example of the value-added of an NCI-designated cancer center to its home state and the benefits that can accrue to affiliated clinical partners.

UHCC is a national leader in population-based research. Particular strengths include the Multiethnic Cohort (MEC) that has led the way in helping the cancer research community explore the relationship across race and ethnicity of genetics and environment in cancer risk and the NCORP that enrolls patients from across Hawaii on NCI trials. Your basic research scientists are also making major contributions and bringing external research funding to Hawaii at a time when getting such funding at the national level is incredibly competitive.

The unique structure of UHCC, in essence a hybrid of a "matrix" center within a University and a "free-standing" center with defined authority, has been a key to the Cancer Center's success. This has enabled you as Director to expand membership in the HCC, forge new community alliances, and strategically recruit faculty researchers who support your efforts to conduct cancer research with particular relevance to your unique population. This type of authority speaks directly to NCI's expectations of a cancer center director. The structure your institution has put in place, with you reporting to the Provost and working closely with the University President, is vital for your continued success and continued NCI designation.

Once again, congratulations on your ongoing success. We look forward to seeing the future contributions being made by the UHCC to the health and welfare of the people of Hawaii.

Best regards,

A handwritten signature in blue ink that reads "George Weiner". The signature is fluid and cursive, with the first name "George" written in a larger, more prominent script than the last name "Weiner".

George Weiner, MD, Chair
Holden Comprehensive Cancer Center, University of Iowa
On behalf of the External Advisory Board Members



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Written Testimony Presented to the
House Committee on Higher Education & Technology
Wednesday, March 24, 2021 at 2:15 p.m.

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

SB 589 SD2 HD1 – RELATING TO THE UNIVERSITY OF HAWAII

Chair Takayama, Vice Chair DeCoite, and Members of the Committee:

TESTIMONY FOR PART II AND PART III ONLY.

The University of Hawai'i (UH) supports Part II and Part III of SB 589 SD2 HD1, which seeks to make permanent the Legislature's initiative in 2017 to support UH's efforts to promote the commercialization of inventions and discoveries generated by its faculty, students and alumni.

Part II removes the sunset date of Act 38, Session Laws of Hawai'i 2017, that exempts UH-sponsored technology transfer activities from specific sections of the State Ethics Code provided that these activities were subject to ethic policies and a compliance program established by UH specifically adapted to the unique feature of university generated innovations. The University of Hawai'i has issued a Regents Policy, an Executive Policy, and has drafted administrative procedures to require and assure compliance with an "Act 38" management plan -- designed to identify, address, and mitigate conflicts of interest that arise during technology transfer activities. To date, UH has successfully implemented the Act 38 policies and procedures for three faculty startups. This much-needed authority granted to UH sunsets on June 30, 2022.

Part III removes the sunset provision of Act 39, Session Laws of Hawai'i 2017. This law, currently codified in sections 1951 through 1959 of HRS Chapter 304A, provides UH with the express statutory authority to sponsor and directly participate in the transformation of innovations created by its researchers into viable commercial enterprises. This vital authority granted to UH sunsets on June 30, 2021.

The COVID-19 pandemic has once again demonstrated that Hawai'i's economy is heavily dependent on only a few sectors. As the state's only public system of higher education, UH plays a critical role in helping to diversify the state's economy by promoting research, discovery and commercial innovation. To remain competitive, it is imperative for UH to have a strong and comprehensive university level research program with the capacity to support commercial innovation.

The University of Hawai'i respectfully requests that the sunset provisions of Act 38, SLH 2017, and Act 39, SLH 2017, be repealed through the passage of both Part II and Part III of this measure.

Written Statement of
Creighton Liu
Manager, Strategic Planning
Hawaiian Electric Industries
before the
House Committee on Higher Education & Technology
Wednesday, March 24, 2021
2:15 p.m.
Videoconference

In consideration of
SB589, SD2, HD1
RELATING TO THE UNIVERSITY OF HAWAII

Chair Takayama, Vice Chair DeCoite, and Members of the Committee:

My name is Creighton Liu and I am the manager of Strategic Planning at Hawaiian Electric Industries, Inc. I am writing in support of Part II and Part III of SB 589 SD2 HD1, which makes permanent the Legislature's actions to support UH's efforts to promote the commercialization of inventions and discoveries generated by its faculty, students, and alumni.

In 2017, Act 38 and Act 39 were signed into law to facilitate the transfer of the University of Hawaii research into commercially viable businesses to expand workforce opportunities, help diversify the economy and provide beneficial innovation to our community. The UH, with its broad reach throughout the state, plays a key role in Hawaii's economic ecosystem through its continuous research, discovery and commercialization of new technologies and other value-add innovations.

Thank you for the opportunity to offer these comments in support.

Individual Testimony **AGAINST SB589 SD2 HD1**

Submitted to the House Committee on Higher Education & Technology (HET)

March 24, 2021

Dear HET Committee Chair Takayama, Vice Chair DeCoite, and Members,
Representatives Belatti, Ohno, Ganaden, Quinlan, Gates, Woodson, Hashimoto,
Yamane, Kapela and Okimoto:

We, the faculty and staff of the UH Cancer Center, are submitting this testimony to document our **strong OPPOSITION to SB 589 (SD2) HD1, PART I**, which proposes to administratively reorganize the currently freestanding Organized Research Unit of UH Manoa for cancer research (UH Cancer Center) within the UH John A Burns School of Medicine (JABSOM).

We provide our item-by-item responses to the bill in the following pages.

Unhee Lim

Lenora Loo

Kevin Cassel

Pallav Pokhrel

Adrian Franke

Muller Fabbri

Yurii Shvetsov

Tad Herzog

Gertraud Maskarinec

Erin Bantum

Joe Ramos

Brenda Hernandez

Lani Park

Song-Yi Park

Namrata Gurung

Michelle Matter

Maarit Tiirikainen

Crissy Terawaki Kawamoto

Lynne Wilkens

Carol Boushey

Christine Farrar

Melissa Merritt

Lang Wu

Loïc Le Marchand

Peiwen Fei

Elizabeth Kuioka

Annette Lum-Jones

John Shepherd

Rachel Taketa

Jami Fukui

Sharon Shigemasa
Kornelia Szauter
Phillip Lau
Lisa Toguchi
Kami White
Kim Yonemori
Hui-Hsing Chua-Chiaco
Stacy Mercado
Eugene Okiyama
Paula Higuchi
Christian Caberto
Lani Vasquez

Cliff Martin
Gail Ichida
Wileen Mau
Anne Tome
En Liu
Michelle Kau
Kathleen Plaza
Patti Corrales
Hazel Rems
Yun Oh Jung
Brandon Quon
Chad Shibuya

First of all, we thank the House members of the legislature, specifically of the HHH Committee, who recognize the importance of our NCI designation for the people of Hawaii and the importance of assuring UH Cancer Center Director's direct reporting line to the UH Manoa Administration, as an equal to other Deans, for our successful renewal of our NCI designation.

This amended bill, however, still includes forced administrative integration of the UH Cancer Center under JABSOM, which all the same will jeopardize our chance to successfully renew our NCI designation. We have highlighted problematic parts of the bill, in particular PART I, with suggestions for removal with specific responses and the rationale.

PART I

SECTION 1. The legislature finds that the University of Hawaii cancer center reduces the burden of cancer through research, education, patient care, and community outreach. The University of Hawaii cancer center is the only National Cancer Institute-designated cancer center in Hawaii and the Pacific region. The University of Hawaii cancer center is a member of the Hawaii Cancer Consortium along with five hospital groups and the University of Hawaii's John A. Burns school of medicine.

The University of Hawaii's John A. Burns school of medicine educates and trains health care professionals,...

...

It is in the public's interest that State resources be efficiently and effectively managed to optimize the public benefits. ~~Just as co-locating the physical facilities for the John A. Burns school of medicine and University of Hawaii cancer center on adjoining sites in Kakaako promotes synergistic efforts, the legislature determines that it is a statewide~~

concern to ensure that the management of public resources provided to the John A. Burns school of medicine and University of Hawaii cancer center be integrated, coordinated, and focused on common priorities to avoid unnecessary duplication of administrative expenses or conflicting priorities.

The legislature additionally finds that placing resources devoted to training and educating physicians and conducting cancer research in an integrated university organizational structure, as opposed to stand-alone and duplicative organizations, will foster a uniform strategic vision. Unified leadership will also allow better coordination with the University of Hawaii's private partners in the hospital community and with other state agencies.

- **Such administrative reorganization or integration will critically jeopardize our chance to renew the NCI designation** as we have testified to the House HHH Committee. This point is elaborated in the following pages.
- The above sentences came with the Senate bill as a justification to force reorganization and administrative integration. But they are not factual. For example:
 - *“unnecessary duplication of administrative expenses”*: In 2016, under the direction of then UH Manoa Interim Chancellor Robert Bley-Vroman, the Cancer Center Task Force reviewed areas of overlapping operations of the two units where costs could be saved without a detrimental merger. UH Cancer Center and JABSOM have since streamlined the overlapping operations and improved efficiency as recommended by the Task Force. As included in President Lassner and Provost Bruno’s testimonies (to HRE, WAM, HHH), the list includes, but is

not limited to: joint grants, joint class instruction and mentoring, joint graduate student assistantships, joint faculty recruitments and appointments, joint genomics core, cost sharing for the vivarium, combined telecom, coordinated security and building maintenance, and coordinated parking.

- *“conflicting priorities”*: As stated in the bill above, “The UH Cancer Center reduces the burden of cancer through research, education, patient care and community outreach” as its core mission. This core mission should and has set the strategic priorities of the UH Cancer Center. JABSOM similarly sets its strategic priorities according to its educational/training core mission for its operation. The notion of “conflicting priorities” is misleading.

The legislature also finds that as a matter of statewide concern, ~~the University of Hawaii cancer center should be more closely affiliated with the John A. Burns school of medicine and be administered as an organized research unit of the John A. Burns school of medicine. Merging the John A. Burns school of medicine and University of Hawaii cancer center's administrative services and infrastructure teams will offer efficiency by eliminating redundancy and sharing administrative expertise and experience to reduce processing delays.~~

- We have the strongest opposition on this point. This restructuring will critically jeopardize our ability to renew our NCI designation. Being moved "administratively" under JABSOM means losing the director's sole and independent authority on the Cancer Center's budget, faculty lines and space. It also means a decrease of UH's institutional commitment to the Cancer Center. e.g., who will the integrated administrative services report to and how will the expected conflicts be resolved? This is not a solution to anything but creating a non-existing problem.

The proposed changes in administrative structure will translate into down grading of

- the Cancer Center's status and a worsened score for our renewal application that will be evaluated on six essential characteristics criteria, one of which is the director's independent and complete authority over finances, personnel and space.
- The NCI designation grant (P30) is highly competitive and reserved for the top 4% of all cancer centers in the country. As one of smallest of the ~70 NCI-designated cancer centers, the UH Cancer Center faces especially steep competition against other mainland cancer centers that have much more extensive infrastructure based on much greater financial resources. Every advantage that the UH Cancer Center has counts toward renewing the NCI designation successfully. In the latest review in 2018, the UH Cancer Center could renew the NCI designation because of the high scores received on the State and UH Administration support and on the Cancer Center Director's authority and performance. (Please see Dr. Ramos' testimony for more details.)
 - ***"Institutional Commitment is rated outstanding.* ...The University of Hawai'i and the State are fully committed to ensuring the success of the UHCC as the only cancer education and clinical research center. The UHCC receives strong institutional commitments in space and faculty tenure slots, and benefits from a wide array of financial streams at significant levels. State commitments are notable."**
 - ***"Center Director is rated as outstanding merit. Dr. Randall Holcombe is a strong Cancer Center Director who has had a transformative impact on the culture and direction of the UHCC. The scientific qualifications, administrative qualifications, and experience of Dr. Holcombe are valuable that [sic] provide a firm foundation for his service as cancer center director."* "Under Dr. Holcombe's outstanding leadership, the center has reinvigorated its focus on the study of cancer in diverse racial and ethnic populations, especially addressing cancer problems in Hawai'i and the Pacific. Many structural, organizational, and cultural changes**

needed attention upon Dr. Holcombe's appointment as Director, and in a relatively short period of time Dr. Holcombe has made substantive progress to establish a vision for the center and advance scientific objectives." "Dr. Holcombe in his role as Director, ... has authority equivalent to a Dean, and has used this authority to successfully recruit new faculty in a short period of time."

- For cancer patients in Hawaii, not having an NCI designation will mean losing access to novel investigational cancer treatments that are only available through clinical trials at NCI-designated cancer center.
- Not having an NCI designation will exclude the UH Cancer Center faculty from applying for many grants offered only to researchers at NCI-designated cancer centers, such as the U54-PIPCHE grant, and lead to annual revenue losses in millions of dollars.
 - The partnership grant (U54-PIPCHE) between the UH Cancer Center and the University of Guam has been successfully renewed uninterrupted since 2008, was renewed in 2020 for >\$14M over 5 years, and is a hallmark of the UH Cancer Center's accomplishments in reducing cancer health disparities in the Pacific, a key component of the mission of the UH Cancer Center that sets it apart from all other NCI-designated cancer centers.
 - Another stellar example of the UH Cancer Center's unique contribution is the Multiethnic Cohort Study, an epidemiologic (population) study of cancer risks and survival by following up >215,000 people of five racial/ethnic groups for almost 30 years since the early 1990's. This study is highly valued by the NCI and the international cancer research community, and it is the only population study addressing the racial/ethnic cancer disparities in our uniquely diverse populations that are not addressed by any institutions on the mainland. The NCI designation of the UH Cancer Center has been essential to the success of the Multiethnic Cohort Study.

- The NCI and NCI-appointed reviewers are keenly aware of the undue external influences that the UH Cancer Center has received in the past.
 - In 1983, NCI denied awarding the designation to the UH Cancer Center and cited “the lack of support from the UH, state and community”. After that negative decision, it was not until 1996 that the UH Cancer Center regained its NCI designation.
 - In 2018, NCI renewed the UH Cancer Center’s NCI designation but again expressed concerns about the undue external influences on the Cancer Center and consequent instability in the prior years.
- The belief that mergers lead to financial and operational efficiency often does not materialize, let alone when a merger involves highly specialized services for two units with very different primary missions as the UH Cancer Center and JABSOM. Forced merging of key operations did not work out well and led to significant financial losses in 2015-2016 under then Acting Director Hedges’ management. Between December 2014 and summer of 2016, Dr. Hedges served both as the Dean of the Medical School and the Acting Director for the Cancer Center, during which time he attempted to fold the Cancer Center’s fiscal office under JABSOM operations. This caused conflicts between the fiscal office staff who were specialized in completely different and complicated operations of research vs. instructional support and led to several skilled staffers’ departure. Due to the fiscal dysfunction, some of our faculty members were unable to get reconciliations in a timely manner on their grant accounts and carried a substantial unobligated balance in error. NCI refused to award competitively scored grants to the UH Cancer Center totaling >\$2 million that year even after we provided explanations and corrections.
- There is not one testimony in support of the bill from the UH Cancer Center’s scientific, clinical or community partners, whereas a number of testimonies, all in strong opposition, have been submitted to HRE, WAM and HHH.

The legislature notes that several outstanding medical schools at other universities integrate their cancer research programs closely with their medical schools. For example, the Washington University School of Medicine in Saint Louis is the parent institution to the Siteman Cancer Center. The Siteman Cancer Center is designated as a comprehensive cancer center and holds an "exceptional" rating from the National Cancer Institute. The MD Anderson Cancer Center in Houston, Texas is a comprehensive cancer center and operates in close affiliation with the McGovern Medical School as part of the University of Texas Health Science Center at Houston.

- [The UH Cancer Center is vastly different from the anecdotal examples of NCI-designated cancer centers under their medical school. As listed in the White Paper, produced by the Cancer Center Task Force Committee in 2016 under then UH Manoa Interim Chancellor's direction, the majority of NCI-designated cancer centers are independent from their medical school/center in organization, allowing for the director's independent authority. A few centers within their medical school have a historical background of having evolved around the hospitals of their respective medical schools. JABSOM does not have a hospital.](#) From the beginning, the UH Cancer Center has been a freestanding research institute and has flourished under this organizational structure.
 - The Washington University Siteman Cancer Center (WUSCC) is an example of a cancer care component of a well-established medical school-owned hospital (established in 1891) that has grown into a cancer center (in 1999) and into an NCI-designated cancer center (relatively recently in 2005, considering that the UH Cancer Center received its first NCI designation in 1980's and has maintained the designation since 1996). WUSCC growth within the Washington University

School of Medicine was not only historically organic but no doubt has benefited substantially from the medical school's \$1.1B patient care revenue (out of the total \$2B revenue).

- The MD Anderson Cancer Center (MDACC) was established in 1941 with the Texas State legislature support that created a cancer care hospital. MDACC President, like the presidents of all other University of Texas Health Institutions (medical schools), report directly to the UT System Chancellor. MDACC's annual revenue from patient care (i.e., its own hospital-based income) in a recent year was \$3.5B out of the total revenue of \$5.9B. MDACC has received \$1B in endowments and \$240M in annual donations.
- Thank you for the excellent examples of other medical institutions, which demonstrates how much typical medical or cancer centers financially rely on patient care revenues: 55% for the Washington University School of Medicine and 59% for the MD Anderson Cancer Center. This also underscores how irrelevant these examples are to the case of the UH Cancer Center and JABSOM that do not own a hospital.

~~The legislature also notes that from 2014 to 2016, the University of Hawaii developed business plans, hired consultants, and made presentations to its board of regents on the University's plans to integrate the University of Hawaii Kakaako health science campus and eliminate operational redundancies between the John A. Burns school of medicine and University of Hawaii cancer center. Further, the University of Hawaii frequently groups different organized research units within a larger administrative structure. For example, the school of ocean and earth science and technology encompasses several outstanding research units, including the center for~~

~~microbial oceanography: research and education and Hawaii
institute of marine biology.~~

- As we have repeatedly provided facts in our previous testimonies to HRE, WAM and HHH, the UH Administration did not hire the external consultant (Warbird) that Senator Kim refers to in this paragraph. In clear conflict of interest, JABSOM Dean Jerris Hedges directed the Warbird review and completed the second part of the review himself, while serving as Acting Director of the UH Cancer Center and actively promoting the reorganization of the Cancer Center under JABSOM.
- The UH Administration directed two **other** reviews of the Cancer Center, headed by then UH Manoa Interim Chancellor Robert Bley-Vroman. First by a campus-wide Task Force and second by an internal Task Force at the Cancer Center. Neither of these reviews recommended reorganization of the Cancer Center under JABSOM. These reviews recommended streamlining the overlapping operations of the two units where the costs can be saved without jeopardizing their core missions.
 - The first review by the campus-wide Task Force also strongly recommended a return to faculty shared governance at the UH Cancer Center.
 - The second review concluded a merger would not lead to cost savings or increased efficiency and recommended specific ways to achieve efficiency in overlapping operations without detrimental organizational restructuring. Most of the recommended integrations has been accomplished since then.
- After considering all the internal and external reviews and many interviews of stakeholders (at the Cancer Center, its clinical and community partners, its NCI-appointed scientific advisors from other NCI-designated cancer centers), the UH Administration and Board of Regents resolved in 2016 to retain the Cancer Center as an independent Organized Research Unit under the UH Manoa Provost's supervision and hired Dr. Holcombe, who received overwhelming support of all stakeholders in/outside the Cancer Center.

- It is now circa 2021, not 2016. One thing the Senate bill completely fails to acknowledge is the hiring of the UH Cancer Center's current Director, Dr. Randall Holcombe, and his outstanding accomplishments since 2016. Dr. Holcombe has obtained funding to begin construction of the new clinic for Phase 1 clinical trials this summer. Under Dr. Holcombe's leadership, our research, teaching, clinical trials and community outreach have recovered and greatly improved, according to the External Advisory Committee that annually reviews our performance on behalf of the NCI. Our faculty and staff morale is higher than ever, and the UH Administration, the Hawai'i Cancer Consortium partner hospitals, and our community advocates and collaborators all rally behind Dr. Holcombe's leadership in unity to submit the renewal application in 2022 and successfully renew the NCI designation in 2023. The unwarranted annual attacks by the legislature on the UH Cancer Center and Dr. Holcombe's leadership are a distraction from our work and, if continued, could lead to a loss of excellent researchers.
- The example of the UH Center for Microbial Oceanography (C-MORE) under SOEST is irrelevant. C-MORE does not have a center designation grant that is contingent on a specific federal evaluation criterion, grading all applicants based on the director's sole and independent authority over financial, personnel and space decisions.

To maintain the National Cancer Institute designation as a cancer center consistent with National Cancer Institute guidelines, the director of the University of Hawaii cancer center shall continue to have a direct line of reporting and accountability to the provost of the University of Hawaii at Manoa.

- We thank you for removing the dual reporting proposed by the Senate, on behalf of all cancer patients who require investigational treatments, their clinical providers who tirelessly collaborate with the UH Cancer Center to deliver clinical trials, and our

deeply caring community partners and cancer research advocates, as well as our faculty and staff members who take great effort and pride in their cancer research, education and community outreach.

Accordingly, the purpose of this part is to:

(1) Require the director of the University of Hawaii cancer center to be appointed by University of Hawaii's board of regents upon recommendation from the provost of the University of Hawaii at Manoa ~~instead of the dean of the University of Hawaii's John A. Burns school of medicine;~~

~~(2) Require the University of Hawaii cancer center to be administratively affiliated with the John A. Burns school of medicine;~~

➤ As stated above (pages 5-8), **such administrative restructuring will critically jeopardize our ability to renew our NCI designation.** In addition to the devastating impact expected on our NCI designation renewal, there will be no cost savings from it even in short term.

(3) Require the director of the University of Hawaii cancer center to report to the provost of the University of Hawaii at Manoa and coordinate with the president of the University;

➤ Thank you!

(4) Require funds expended from or originating from the University of Hawaii tuition and fees special fund for the John A. Burns school of medicine or University of Hawaii cancer center to be used for educational purposes only; and

➤ As the UH Administration has repeatedly addressed this point, there are many other units, including JABSOM, that receive fungible resource allocations from the UH Administration to make up for the decreased General fund support from the legislature over the years.

(5) Require funds expended from or originating from the research and training revolving fund for the John A. Burns school of medicine or University of Hawaii cancer center to be used for research and research-related purposes only.

- This statement does not differentiate the research and training revolving fund generated from the UH Cancer Center vs. JABSOM. These (indirect) funds come with an expectation and stipulation that they will be used to strengthen the infrastructure required for the granted project and should be used for that purpose. Consistently, the research and training revolving fund generated by all UH units has been in part used to support the common infrastructure of the UH/UH Manoa, and the rest returned to the specific unit.

SECTION 2. Chapter 304A, part IV, Hawaii Revised Statutes, is amended by adding a new subpart to be appropriately designated and to read as follows:

" . **Cancer Research Center of Hawaii**

§304A- Cancer research center of Hawaii. (a) There is established an organized research unit, hereinafter known as the cancer research center of Hawaii, to conduct cancer research. The cancer research center of Hawaii shall be administered by a director to be appointed by the board of regents upon recommendation by the provost of the University of Hawaii at Manoa with the concurrence by the president of the university. ~~The cancer research center of Hawaii shall be affiliated with the John A. Burns school of medicine;~~ provided that the director of the cancer research center of Hawaii shall report to the provost of the University of Hawaii at Manoa and coordinate with the president of the university.

(b) The cancer research center of Hawaii's research agenda shall focus on research, education, patient care, and community outreach and reflect an understanding of the ethnic, cultural, and environmental characteristics of the State and the Pacific region.

(c) The cancer research center of Hawaii may:

- (1) Engage in international research collaborations;
- (2) Undertake research studies, **and** clinical trials, **education, and community outreach**; and
- (3) Participate in projects and programs related to cancer and related health conditions **of the National Cancer Institute."**

- We the faculty members of the UH Cancer Center provide a substantial amount of student training, as well as delivering classroom instructions and seminars to our affiliated UH Manoa units for their education of students in cancer and molecular biology, public health and epidemiology, and nutritional sciences.
- Our education and community outreach activities are also an essential part of the UH Cancer Center's core mission. There are no other experts who can do a better job to educate our next generation and inform our community on cancer research, prevention and treatments.
- Researchers at the UH Cancer Center carry out primarily cancer research funded by the National Cancer Institute (NCI, one of many agencies under the parent National Institutes of Health or NIH). But we also investigate broader related health conditions that contribute to cancer risks and treatments or affect cancer survivors, which can be funded more successfully by other federal (NIH agencies other than NCI, as well as DOD, USDA, FDA, CDC) and non-federal agencies/foundations. NCI

encourages us to diversify our grant portfolio with such studies. Also, it is in line with the fundamental academic freedom that we UH faculty members have.

...

PART IV

SECTION 9. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 10. This Act shall take effect on July 1, 2060.



American Cancer Society
Cancer Action Network
2370 Nuʻuanu Avenue
Honolulu, Hi 96817
808.432.9139
www.fightcancer.org

Committee on Higher Education & Technology
Representative Gregg Takayama, Chair
Representative Lynn DeCoite, Vice Chair

Hearing: Wednesday, March 24, 2021

SB 589 SD2 HD1– RELATING TO THE UNIVERSITY OF HAWAII
Cynthia Au, Interim Government Relations Director – Hawaii Pacific
American Cancer Society Cancer Action Network

Thank you for the opportunity to provide COMMENT on SB 589 SD2 HD1: RELATING TO THE UNIVERSITY OF HAWAII.

The American Cancer Society Cancer Action Network (ACS CAN) is the nonprofit, nonpartisan advocacy affiliate of the American Cancer Society. We support evidence-based policy and legislative solutions designed to eliminate cancer as a major health problem.

Cancer is the second leading cause of death in Hawaii taking 2,500 lives each year. The University of Hawaii (UH) Cancer Center is one of 71 research organizations in the U.S. designated by the National Cancer Institute (NCI) and the only one in the Hawaii Pacific region.¹ NCI Cancer Centers Program was created as part of the National Cancer Act of 1971 and is one of the anchors of the nation’s cancer research effort. Through this program, NCI recognizes centers around the country that meet rigorous standards for transdisciplinary, state-of-the-art research focused on developing new and better approaches to preventing, diagnosing, and treating cancer.²

Maintaining the requirements set by NCI is important for UH Cancer Center to keep its designation to continue to receive \$15 to \$20 million in extramural funding of the P30 Cancer Center Support Grant. This outside funding supports research for more treatments and improve cancer patients’ quality of life for the people of Hawaii.

Thank you for the opportunity to comment on this matter.

¹ University of Hawaii Cancer Center <https://www.uhcancercenter.org/50years>

² NCI <https://www.cancer.gov/research/infrastructure/cancer-centers>



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Written Statement of
Natasa Petrovic, CFO
Adnoviv, Inc.
before the
House Committee On Higher Education and Technology

Wednesday, March 24, 2021 2:15 p.m.
Videoconference

In consideration of
SB589, SD2, HD1
RELATING TO THE UNIVERSITY OF HAWAII

Chair Takayama, Vice Chair DeCoite, and Members of the Committee.

Adnoviv, Inc. supports Part II and Part III of SB 589 SD2 HD1, which seeks to make permanent the Legislature's initiative in 2017 to support UH's efforts to promote the commercialization of inventions and discoveries generated by its faculty, students and alumni.

I am the chief financial officer for Adnoviv, Inc., a Honolulu startup founded in 2013. Our company would not be here today if not for the help and support provided by the University of Hawaii. Our founders, Olga Boric-Lubecke and Victor Lubecke, are both professors of Electrical Engineering at the University of Hawaii Manoa campus, and through the Act 38 management plan implemented by the UH, they were able not only to establish the company but also to transform a mere idea to our current position as the startup with six employees and a fully developed product. Part II removes the sunset date of Act 38 currently set for June 30, 2022, and Adnoviv strongly believes that its removal would benefit much needed innovation in the state of Hawaii and encourage more start-ups to pursue the path we took.

Part III removes the sunset provision of Act 39, currently set for June 30, 2021 and Adnoviv supports removal of this provision. Through University of Hawaii's direct involvement and partnership with Adnoviv, we received tremendous support throughout the last several years. We strongly believe that UH has a crucial role in the state of Hawaii's efforts to diversify its economy and promote innovation through research & development. Our intelligent occupancy sensors have the potential to accelerate Hawaii's energy efficiency efforts and to be a crucial part of our state achieving its net zero energy goal by 2045, and that would not have been possible without the support from the University of Hawaii.

On behalf of Adnoviv, Inc., I respectfully request that the committee repeals the sunset provisions of Act 38, SLH 2017 and Act 39, SLH 2017 through the passage of both Part II and Part III of this measure.

Thank you for the opportunity to offer these comments.

Sincerely,

Natasa Petrovic, CFO
Adnoviv, Inc.

Individual Testimony AGAINST SB589 SD2 HD1

Submitted to the House Committee on Higher Education & Technology (HET)

March 24, 2021

March 23, 2021

Dear HET Committee Chair Takayama, Vice Chair DeCoite, and Members, Representatives Belatti, Ohno, Ganaden, Quinlan, Gates, Woodson, Hashimoto, Yamane, Kapela and Okimoto:

My name is Adrian Franke and I am a Professor directing the Analytical Biochemistry Shared Resource at the University of Hawaii Cancer Center (UHCC) and have worked there since 1989. I am writing this testimony to document my **strong OPPOSITION to SB 589 (SD2) HD1**, which proposes to administratively reorganize the currently freestanding Organized Research Unit of UH Manoa for cancer research (UH Cancer Center; UHCC) within the UH John A Burns School of Medicine (JABSOM).

I co-signed the UHCC's group testimony opposing **SB 589 (SD2) HD1** that I would like to bring to your attention for careful reading and here I wanted to highlight the main points.

First of all, I wanted to thank the House members of the legislature, specifically of the HHH Committee, who recognize the importance of our NCI designation for the people of Hawaii and the importance of assuring UH Cancer Center Director's direct reporting line to the UH Manoa Administration, as an equal to other Deans, for our successful renewal of our NCI designation.

This amended bill, however, still includes forced administrative integration of the UH Cancer Center under JABSOM, which all the same will jeopardize our chance to successfully renew our NCI designation. We have highlighted problematic parts of the bill, in particular PART I, with suggestions for removal with specific responses and the rationale.

The proposed administrative reorganization or integration will critically jeopardize our chance to renew the NCI designation as I and my colleagues have testified to the House HHH Committee. This point is elaborated as follows.

- **“unnecessary duplication of administrative expenses”: In 2016, under the direction of then UH Manoa Interim Chancellor Robert Blev-Vroman, the Cancer Center Task Force reviewed areas of overlapping operations of the two units where costs could be saved without a detrimental merger. UH Cancer Center and JABSOM have since streamlined the overlapping operations and improved efficiency as recommended by the Task Force.** As included in President Lassner and Provost Bruno’s testimonies (to HRE, WAM, HHH), the list includes, but is not limited to: joint grants, joint class instruction and mentoring, joint graduate student assistantships, joint faculty recruitments and appointments, joint genomics core, cost sharing for the vivarium, combined telecom, coordinated security and building maintenance, and coordinated parking.
- **“conflicting priorities”**: As stated in the bill above, “The UH Cancer Center reduces the burden of cancer through research, education, patient care and community outreach” as its core mission. **This core mission should and has set the strategic priorities of the UH Cancer Center.** JABSOM similarly sets its strategic priorities according to its educational/training core mission for its operation. The notion of “conflicting priorities” is misleading.
- **The proposed restructuring will critically jeopardize our ability to renew our NCI designation.** Being moved "administratively" under JABSOM means losing the director’s sole and independent authority on the Cancer Center’s budget, faculty lines and space. It also means a decrease of UH's institutional commitment to the Cancer Center. e.g., who will the integrated administrative services report to and how will the expected conflicts be resolved? This is not a solution to anything but creating a non-existing problem. The proposed changes in administrative structure will translate into down grading of the Cancer

Center's status and a worsened score for our renewal application that will be evaluated on six essential characteristics criteria, one of which is the director's independent and complete authority over finances, personnel and space.

- The NCI designation grant (P30) is highly competitive and reserved for the top 4% of all cancer centers in the country. As one of smallest of the ~70 NCI-designated cancer centers, the UH Cancer Center faces especially steep competition against other mainland cancer centers that have much more extensive infrastructure based on much greater financial resources. Every advantage that the UH Cancer Center has counts toward renewing the NCI designation successfully. In the latest review in 2018, the UH Cancer Center could renew the NCI designation because of the high scores received on the State and UH Administration support and on the Cancer Center Director's authority and performance. (Please see Dr. Ramos' testimony for more details.)
 - *“Institutional Commitment is rated outstanding. ...The University of Hawai'i and the State are fully committed to ensuring the success of the UHCC as the only cancer education and clinical research center. The UHCC receives strong institutional commitments in space and faculty tenure slots, and benefits from a wide array of financial streams at significant levels. State commitments are notable.”*
 - *“Center Director is rated as outstanding merit. Dr. Randall Holcombe is a strong Cancer Center Director who has had a transformative impact on the culture and direction of the UHCC. The scientific qualifications, administrative qualifications, and experience of Dr. Holcombe are valuable that [sic] provide a firm foundation for his service as cancer center director.” “Under Dr. Holcombe's outstanding leadership, the center has reinvigorated its focus on the study of cancer in diverse racial and ethnic populations, especially addressing cancer problems in Hawai'i and the Pacific. Many structural,*

organizational, and cultural changes needed attention upon Dr. Holcombe's appointment as Director, and in a relatively short period of time Dr. Holcombe has made substantive progress to establish a vision for the center and advance scientific objectives. *"Dr. Holcombe in his role as Director, ... has authority equivalent to a Dean, and has used this authority to successfully recruit new faculty in a short period of time."*

- **For cancer patients in Hawaii, not having an NCI designation will mean losing access to novel investigational cancer treatments that are only available through clinical trials at NCI-designated cancer center.**
- **Not having an NCI designation will exclude the UH Cancer Center faculty from applying for many grants offered only to researchers at NCI-designated cancer centers, such as the U54-PIPCHE grant, and lead to annual revenue losses in millions of dollars.**
 - **The partnership grant (U54-PIPCHE) between the UH Cancer Center and the University of Guam has been successfully renewed uninterrupted since 2008, was renewed in 2020 for >\$14M over 5 years, and is a hallmark of the UH Cancer Center's accomplishments in reducing cancer health disparities in the Pacific, a key component of the mission of the UH Cancer Center that sets it apart from all other NCI-designated cancer centers.**
 - **Another stellar example of the UH Cancer Center's unique contribution is the Multiethnic Cohort Study, an epidemiologic (population) study of cancer risks and survival by following up >215,000 people of five racial/ethnic groups for almost 30 years since the early 1990's. This study is highly valued by the NCI and the international cancer research community, and it is the only population study addressing the racial/ethnic cancer disparities in our uniquely diverse populations that are not addressed by any institutions on**

the mainland. The NCI designation of the UH Cancer Center has been essential to the success of the Multiethnic Cohort Study.

- The NCI and NCI-appointed reviewers are keenly aware of the undue external influences that the UH Cancer Center has received in the past.
 - In 1983, NCI denied awarding the designation to the UH Cancer Center and cited “the lack of support from the UH, state and community”. After that negative decision, it was not until 1996 that the UH Cancer Center regained its NCI designation.
 - In 2018, NCI renewed the UH Cancer Center’s NCI designation but again expressed concerns about the undue external influences on the Cancer Center and consequent instability in the prior years.
- A lay person’s belief that mergers would lead to financial and operational efficiency often does not materialize, let alone when a merger involves highly specialized services for two units with very different primary missions as the UH Cancer Center and JABSOM. Forced merging of key operations did not work out well and led to significant financial losses in 2015-2016 under then Acting Director Hedges’ management. Between December 2014 and summer of 2016, Dr. Hedges served both as the Dean of the Medical School and the Acting Director for the Cancer Center, during which time he attempted to fold the Cancer Center’s fiscal office under JABSOM operations. This caused conflicts between the fiscal office staff who were specialized in completely different and complicated operations of research vs. instructional support and led to several skilled staffers’ departure. Due to the fiscal dysfunction, some of our faculty members were unable to get reconciliations in a timely manner on their grant accounts and carried a substantial unobligated balance in error. NCI refused to award competitively scored grants to the UH Cancer Center totaling >\$2 million that year even after we provided explanations and corrections.

- **There is not one testimony in support of the bill from the UH Cancer Center’s scientific, clinical or community partners, whereas a number of testimonies, all in strong opposition, have been submitted to HRE, WAM and HHH.**

- **The UH Cancer Center is vastly different from the anecdotal examples of NCI-designated cancer centers under their medical school. As listed in the White Paper, produced by the Cancer Center Task Force Committee in 2016 under then UH Manoa Interim Chancellor’s direction, the majority of NCI-designated cancer centers are independent from their medical school/center in organization, allowing for the director’s independent authority. A few centers within their medical school have a historical background of having evolved around the hospitals of their respective medical schools. JABSOM does not have a hospital. From the beginning, the UH Cancer Center has been a freestanding research institute and has flourished under this organizational structure.**
 - **The Washington University Siteman Cancer Center (WUSCC) is an example of a cancer care component of a well-established medical school-owned hospital (established in 1891) that has grown into a cancer center (in 1999) and into an NCI-designated cancer center (relatively recently in 2005, considering that the UH Cancer Center received its first NCI designation in 1980’s and has maintained the designation since 1996). WUSCC growth within the Washington University School of Medicine was not only historically organic but no doubt has benefited substantially from the medical school’s \$1.1B patient care revenue (out of the total \$2B revenue).**
 - **The MD Anderson Cancer Center (MDACC) was established in 1941 with the Texas State legislature support that created a cancer care hospital. MDACC President, like the presidents of all other University of Texas Health**

Institutions (medical schools), report directly to the UT System Chancellor.

MDACC's annual revenue from patient care (i.e., its own hospital-based income) in a recent year was \$3.5B out of the total revenue of \$5.9B.

MDACC has received \$1B in endowments and \$240M in annual donations.

- **Thank you for the excellent examples of other medical institutions, which demonstrates how much typical medical or cancer centers financially rely on patient care revenues: 55% for the Washington University School of Medicine and 59% for the MD Anderson Cancer Center. This also underscores how irrelevant these examples are to the case of the UH Cancer Center and JABSOM that do not own a hospital.**

- **As my colleagues and I have repeatedly provided facts in our previous testimonies to HRE, WAM and HHH, the UH Administration did not hire the external consultant (Warbird) that Senator Kim refers to in this paragraph. In clear conflict of interest, JABSOM Dean Jerris Hedges directed the Warbird review and completed the second part of the review himself, while serving as Acting Director of the UH Cancer Center and actively promoting the reorganization of the Cancer Center under JABSOM.**

- **The UH Administration directed two other reviews of the Cancer Center, headed by then UH Manoa Interim Chancellor Robert Blev-Vroman. First by a campus-wide Task Force and second by an internal Task Force at the Cancer Center. Neither of these reviews recommended reorganization of the Cancer Center under JABSOM. These reviews recommended streamlining the overlapping operations of the two units where the costs can be saved without jeopardizing their core missions.**
 - **The first review by the campus-wide Task Force also strongly recommended a return to faculty shared governance at the UH Cancer Center.**

- **The second review concluded a merger would not lead to cost savings or increased efficiency and recommended specific ways to achieve efficiency in overlapping operations without detrimental organizational restructuring. Most of the recommended integrations has been accomplished since then.**
- **After considering all the internal and external reviews and many interviews of stakeholders (at the Cancer Center, its clinical and community partners, its NCI-appointed scientific advisors from other NCI-designated cancer centers), the UH Administration and Board of Regents resolved in 2016 to retain the Cancer Center as an independent Organized Research Unit under the UH Manoa Provost's supervision and hired Dr. Holcombe, who received overwhelming support of all stakeholders in/outside the Cancer Center.**
- **It is now circa 2021, not 2016. One thing the Senate bill completely fails to acknowledge is the hiring of the UH Cancer Center's current Director, Dr. Randall Holcombe, and his outstanding accomplishments since 2016. Dr. Holcombe has obtained funding to begin construction of the new clinic for Phase 1 clinical trials this summer. Under Dr. Holcombe's leadership, our research, teaching, clinical trials and community outreach have recovered and greatly improved, according to the External Advisory Committee that annually reviews our performance on behalf of the NCI. Our faculty and staff morale is higher than ever, and the UH Administration, the Hawai'i Cancer Consortium partner hospitals, and our community advocates and collaborators all rally behind Dr. Holcombe's leadership in unity to submit the renewal application in 2022 and successfully renew the NCI designation in 2023. The unwarranted annual attacks by the legislature on the UH Cancer Center and Dr. Holcombe's leadership are a distraction from our work and, if continued, could lead to a loss of excellent researchers.**

- **The example of the UH Center for Microbial Oceanography (C-MORE) under SOEST is irrelevant. C-MORE does not have a center designation grant that is contingent on a specific federal evaluation criterion, grading all applicants based on the director's sole and independent authority over financial, personnel and space decisions.**

- **Again, the proposed administrative restructuring will critically jeopardize our ability to renew our NCI designation. In addition to the devastating impact expected on our NCI designation renewal, there will be no cost savings from it even in short term.**

- **the faculty members of the UH Cancer Center provide a substantial amount of student training, as well as delivering classroom instructions and seminars to our affiliated UH Manoa units for their education of students in cancer and molecular biology, public health and epidemiology, and nutritional sciences.**

- **Our education and community outreach activities are also an essential part of the UH Cancer Center's core mission. There are no other experts who can do a better job to educate our next generation and inform our community on cancer research, prevention and treatments.**

- **Researchers at the UH Cancer Center carry out primarily cancer research funded by the National Cancer Institute (NCI, one of many agencies under the parent National Institutes of Health or NIH). But we also investigate broader related health conditions that contribute to cancer risks and treatments or affect cancer survivors, which can be funded more successfully by other federal (NIH agencies other than NCI, as well as DOD, USDA, FDA, CDC) and non-federal agencies/foundations. NCI encourages us to diversify our grant portfolio with**

**such studies. Also, it is in line with the fundamental academic freedom that we
UH faculty members have.**



Thank you for your attention.

Sincerely,
Adrian Franke, PhD, Professor at UHCC

Dear Chair Takayama, Vice Chair DeCoite, and HET Members, Representatives Belatti, Ohno, Ganaden, Quinlan, Gates, Woodson, Hashimoto, Yamane, Kapela and Okimoto:

I am Joe Ramos, and I am providing personal testimony in **OPPOSITION to SB589 SD2 HD1**. Specifically, I am opposed to Part I related to the Cancer Center Director authority.

I have been a Professor at the UH Cancer Center for 17 years. In my roles over the years as Cancer Biology Program Leader, Associate Director of Administration and currently as Deputy Director, I have written large sections of our last two NCI Designation renewals. I also sit on site visit teams to review Cancer Centers in other states for NCI Designation. I therefore know the requirements of the NCI Designation thoroughly.

Thanks to prior committee HHH for making substantial positive amendments to the bill to reaffirm the current reporting structure of the UH Cancer Center Director solely to the Provost. Unfortunately, remaining language proposing an ill-defined affiliation with JABSOM as an ORU within it and now irrelevant background information continue to be problematic.

My foremost concern is that the language in this bill **will endanger the renewal of NCI Designation** by affecting the **authority of the Director**. This is one of the most significant review criteria of the NCI Renewal process and is a key differentiator that helps us rise above competitors.

First, I want to thank you for all the support the legislature has provided the UH Cancer Center over the years. Your support continues to be a very important reason we have been able to renew the NCI designation since obtaining it in 1996. As you know, NCI Designation is highly desired and competitive with only 71 Cancer Centers across the US having earned it. States that don't currently have a NCI Designated Center are fighting to get one (see Arkansas for example). Once lost it can be extraordinarily difficult to recover. With the designation comes millions in direct and associated funding for our work for the people of Hawaii to reduce the burden of cancer through research, patient care, education, and community outreach. For example, The NCI review at our last renewal noted the following about your commitment:

*"Institutional Commitment is rated outstanding...The University of Hawai'i **and the State** are fully committed to ensuring the success of the UHCC as the only cancer education and clinical research center." - NCI review Summary Statement 2018*

Thank you! As you see your support matters a lot to our continuing NCI Designation.

Related to SB589 SD2 HD1, The Director currently has authority over administration, finances, hiring/tenure decisions, and space allocation within the Cancer Center. This was essential to our NCI renewal. I quote again from the NCI review:

*"the **Center Director** is rated outstanding. Dr. Holcombe has complete authority over all resources at the Center, which includes research space, faculty recruitment and appointment of members, and all Cancer Center revenue and all financial matters. His direct control and authority over the entire cancer programs at the Center and shared resources as well as clinical trials infrastructure ensures that the **Center remains mission focused**. The impact of the new center director is palpable and there is confidence that under his leadership the Center will continue to address its challenges and create opportunities to reach its strategic goals. Dr. Holcombe is highly qualified for this position." And "Under Dr. Holcombe's outstanding leadership, the center has reinvigorated its focus on the study of cancer in diverse racial and*

ethnic populations, especially addressing cancer problems in Hawai'i and the Pacific. Many structural, organizational, and cultural changes needed attention upon Dr. Holcombe's appointment as Director, and in a relatively short period of time Dr. Holcombe has made substantive progress to establish a vision for the center and advance scientific objectives. The Director's time commitment devoted to managing the scientific and administrative activities is appropriate, with the majority of his effort directed exclusively to cancer center administration. Dr. Holcombe has harnessed resources and authorities to advance the research mission of the center. Dr. Holcombe in his role as Director, Cancer Center reports to the Vice Chancellor of Research and has authority equivalent to a Dean, and has used this authority to successfully recruit new faculty in a short period of time." - NCI review Summary Statement 2018

Note that our score on the last renewal in 2018 was better than what we received on the prior one indicating our progress.

Finally, as noted by NCI above and in other testimony from faculty, center culture and finances have improved significantly in the five years since the reports referenced in this bill. Dr. Holcombe recently (3/18/2021) updated the Board of Regents on the specifics and they are publicly available.

In the **five years since** Dean Hedges' Business plan and the appended Warbird report in 2016 the Cancer Center hired a new Director (Dr. Holcombe) and under his leadership we have accomplished the following:

- Our operational budget is balanced (and we re-budgeted this year for loss of the Governor's funds)
- UH refinanced the revenue bonds last October at an overall savings for the state (details available from Kalbert Young)
- We renewed NCI designation in 2018 with an improved score
- All new faculty are extramurally funded, and all letters of hire include an expectation that new faculty will cover at least 25% of their salary from extramural sources. (Our tenure-track faculty overall currently bring in roughly 25% of their salary from extramural funds)
- We regularly review internal departments and faculty and have released unproductive faculty and reduced administrative and staff positions over the last 4 years.
- There are also many new synergies between JABSOM and UH Cancer Center such as combined telecom, joint grants, joint teaching, coordinated parking, joint genomics core, and others.

The following bullet points explain in more detail why moving the Cancer Center ORU into JABSOM would irretrievably damage it and undermine its mission to serve Hawaii:

- 1) **The proposed changes will jeopardize our NCI Designation.** The current organization with our Director reporting solely to the Provost and having flexibility to control space, faculty hires, and budget is essential to preserve our National Cancer Center Designation. A central criterion by which we are evaluated every five years to renew our designation and the associated funding is the "Authority of the Director". We have received top scores on this measure in each of our renewals. The demotion of our Director to reporting to the Dean rather than the Provost will be viewed as weakening the Cancer Center by our external reviewers and will take away one of our great differentiators. Even with the HHH change to affirm the Director reports to the Provost, the loss of control of budget, hiring, and space will be viewed just as negatively and as a

demotion. Recovering the NCI designation once lost would be tremendously challenging and expensive.

- 2) **There will be no financial savings** from changing the organizational structure. We have previously investigated in great detail whether moving the Cancer Center into JABSOM would provide any financial benefit. No significant savings was identified that could not be gained more easily and affordably through collaboration and coordination of activities. This is recorded in a Whitepaper produced by faculty and staff at that time. Where we saw benefit, we have already enacted agreements with the medical school. We share a phone system, vivarium, and maintain joint research cores (Genetics and Bioinformatics) and instrumentation. UH provides the campus with a single security team. Finally, we coordinate parking, groundskeeping, and other overlapping Kaka'ako campus activities. There is no savings gained from merging fiscal or grants management because the amount of work requires a specific number of personnel and is not reduced by combining. Having our own personnel on site and trained in the areas we require expedites management and quality of these activities and keeps costs in check. To be sure we do not miss opportunities at finding savings, our Associate Director of Administration (Cliff Martin, who is himself an MBA and expert in NCI Designation requirements) meets regularly to coordinate where possible with the Executive Director for Administration at JABSOM.
- 3) **There will be financial losses from reorganizing the UH Cancer Center.** This will come as we lose our NCI Designation and the grant funding and high caliber faculty that come with that. It will come as we waste time and effort on organizational restructuring and training instead of getting grants and doing research, education and outreach. We will lose all the financial investment the state, university, hospitals, and faculty have put into getting and maintaining the NCI Designation and all the significant benefits it brings to cancer care in the islands over the last 25 years.
- 4) The current organization has allowed **Dr. Holcombe** the freedom to carefully and thoughtfully re-budget to reduce costs and set in place a structure going forward that is financially sustainable. He worked closely with our Associate Director of Administration Cliff Martin and the Cancer Center Senior Leadership. Because of our knowledge and expertise in NCI Designated Cancer Centers, we have been able to do this without weakening the core strengths of the Cancer Center. Indeed, by balancing the budget the last three years we have improved our competitiveness and renewed our NCI designation.
- 5) **There is no advantage for faculty, staff, or students.** Faculty already move freely between the two organizations. We have faculty that teach in JABSOM and serve on many JABSOM committees already. Indeed, we provide funding for first year Graduate Students in the Cell and Molecular Biology Program in JABSOM – more than JABSOM itself provides. I teach in three courses there, have a secondary appointment and professorship, and serve on the curriculum committee. Importantly faculty of the Cancer Center teach in programs on the main campus as well. Our undergraduate and graduate students come from throughout related programs across UH. I also have the pleasure of working jointly with many great JABSOM faculty on grants and have federal grants with some of them. The UH Cancer Center is by its very nature a UH-wide and Statewide Center - it thrives on knocking down silos and has the greatest flexibility to do this as an independent ORU in the current organizational structure.

- 6) **The mission of the Cancer Center is different than that of the Medical School.** The Medical School's primary mission is to train medical students. Our Central mission is cancer research that will directly benefit the people of Hawaii. We need to keep our focus on this and build on our recent accomplishments without getting subsumed into a new organization with different goals and a different culture.
- 7) **Dr. Randall Holcombe MD, MBA is an OUTSTANDING Director** and is recognized for his expertise across all the 71 NCI Cancer Centers. Please see our recent external advisory report that was shared with you for a sample and the above quote from our NCI Designation Renewal. Since his arrival the Center has renewed its designation (in just ONE year after his arrival!), stabilized its finances, started increasing by leaps and bounds its donor support, and initiated several new programs aimed at helping the people of Hawaii. Putting the Cancer Center into JABSOM is a demotion for him and will wipe out these hard-won gains in a single move. It will destroy the fantastic positive and collegial culture we currently enjoy that has enabled wonderful new research, millions in new grants, and new Hawai'i and Pacific focused initiatives for the health of the people of Hawai'i.

Please also reference the substantial testimony in opposition to SB589 SD1 and other versions of that bill which has been appended as Part III of HB1297 HD2.

For these reasons I am **OPPOSED to SB589 SD2 HD1**. It is an attempt to solve a problem that does not exist and will instead endanger our NCI Designation and cause many negative consequences to both the UH Cancer Center and JABSOM. It will diminish the ability of the Cancer Center to continue to do the good work it does for cancer patients and the people of Hawai'i.

Thank you.

Joe W. Ramos, PhD
Professor and Deputy Director
UH Cancer Center
B.H. and Alice C. Beams Endowed Professor in Cancer Research
John A. Burns School of Medicine

Dear Chair Takayama, Vice Chair DeCoite, and Members of the Committee on Higher Education & Technology:

I am writing to voice my **STRONG OPPOSITION to S.B. No. 589 (S.D. 2) H.D. 1.**

As I testified previously before the Committee on Health, Human Services, and Homelessness, I have worked under four different directors during my 21 years as a member of the research staff at the UH Cancer Center. No doubt you are familiar with some of the negative press and warnings of impending doom that seemed to hover over everything we did, overshadowing our scientific accomplishments, for several years roughly a decade ago. Needless to say, the progress the Cancer Center has made since those days, under the stewardship of Dr. Randall Holcombe as Director, is truly a breath of fresh air and cause for much optimism regarding our ability to conduct world-class research here in Hawai'i.

I am extremely grateful for the changes that have been made thus far to the original measure, namely in clearly defining the procedures for hiring and confirming the Cancer Center Director, and in specifying the line of direct reporting between the Director and the Provost. These changes support the Cancer Center by maintaining the Director's ability to control the Cancer Center's finances and other aspects of its operation, which the National Cancer Institute has indicated is key to our ability to maintain our highly esteemed NCI designation, awarded to only the top 4% of all cancer centers in the United States.

However, language that remains in this measure *still* binds the Cancer Center administratively to the John A. Burns School of Medicine, specifically in paragraphs 6-8 of H.D. 1. Bringing the Cancer Center administratively under JABSOM is still problematic, because it means that the Cancer Center Director loses that direct control over the operations of the Cancer Center – even though everything else the Legislature has done to this bill so far has indicated that our legislators really get it: You get that NCI designation is vital to the UH Cancer Center's ability to be competitive in terms of hiring and maintaining top tier researchers, as well as to compete for funding that is available only to NCI-designated cancer centers.

While the intent of these paragraphs is to bring about the appearance of efficiency on the Kaka'ako campus, the fact is that the Cancer Center has already worked with JABSOM to streamline operations where possible, including, but not limited to cost-sharing for the vivarium, combined telecommunications services, and coordinated shared security services and parking. Therefore, paragraphs 6-8 are unnecessary, as both the Cancer Center and JABSOM have already accomplished what is being recommended. The remaining operations that are being perceived as "unnecessary duplication of administrative expenses" and "conflicting priorities" are reflective of the fact that the Cancer Center and JABSOM have different core missions – not conflicting, just different. The same could be said for *any* two independent units at the University.

With this in mind, I would ask that you please consider either changing the language of this measure such as to omit the requirement of administrative restructuring and the given reasons behind it, or simply **vote NO on S.B. 589 (S.D. 2) H.D. 1.** Thank you for your thoughtful consideration of my testimony.

Sincerely,
Crissy Terawaki Kawamoto
Research Study Project Manager, University of Hawai'i Cancer Center

SB-589-HD-1

Submitted on: 3/23/2021 2:03:15 PM

Testimony for HET on 3/24/2021 2:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lynn Murakami-Akatsuka	Individual	Oppose	No

Comments:

Dear House Committee on Higher Education & Technology Members,

I am writing as a member of the Hawaii Skin Cancer Coalition to voice my strong opposition to SB 589, SD2, HD1 which proposes to administratively reorganize the currently freestanding Organized Research Unit of UH Manoa for cancer research (UH Cancer Center) within the UH John A. Burns School of Medicine (JABSOM).

Thank you in advance for the House members of the legislature, specifically the House Health Committee on Health, Human Services & Homelessness, for recognizing the importance of the National Cancer Institute's (NCI) designation for the people of Hawaii and the importance of assuring the UH Cancer Center Director's direct reporting line to the UH Manoa Administration, as an equal to other Deans, for the continued renewal of the NCI designation.

However, this amended bill still includes forced administrative integration of the UH Cancer Center (UHCC) under JABSOM, which all the same will jeopardize the UHCC's to successfully renew their NCI designation.

I am bewildered why there have been continued proposed versions for SB 589 and HB 1297 during this session that appears to want to make organizational changes, limitations and sunset dates on the use of the Hawaii Cancer Research Special Fund, the Tuition and Fees Special Fund, and the Research and Training Revolving Fund. Testimonies have been sent each time explaining the negative consequences of the proposed changes in SB 589 and HB 1297.

I would strongly appreciate as a Hawaii resident and advocate for UH Cancer Center that you read the testimonies from UHCC faculty, staff and Center supporters. Most importantly the testimony from the University of Hawaii President David Lassner and Provost Michael Bruno that discusses the negative consequences of any organizational lines of authority changes, financial conditions, and external interferences to UHCC that would lose its NCI designation.

It is not easy to turnaround a large institution, from the UHCC that had earlier years of difficulty prior to 2016; to one that is led with strong leadership by Dr. Randall

Holcombe, strategic implementation, has strong support from the UH administration and within the UHCC faculty and staff, and most of all financial stability. Hawaii residents and our Pacific neighbors benefit that we are able to clinical trial treatments and ethnic specific research cancer studies here in Hawaii at UHCC and its NCI designation.

Therefore, **I strongly oppose SB 589, SD 2, HD 1** for the reasons I stated above and urge that it be deferred.