



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Written Testimony Presented to the
House Committee on Higher Education & Technology
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by
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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.