
A BILL FOR AN ACT

RELATING TO THE UNIVERSITY OF HAWAII.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 PART I

2 SECTION 1. The legislature finds that the University of
3 Hawaii cancer center reduces the burden of cancer through
4 research, education, patient care, and community outreach. The
5 University of Hawaii cancer center is the only National Cancer
6 Institute-designated cancer center in Hawaii and the Pacific
7 region. The University of Hawaii cancer center is a member of
8 the Hawaii Cancer Consortium, which includes five hospital
9 groups and the University of Hawaii John A. Burns school of
10 medicine.

11 The University of Hawaii John A. Burns school of medicine
12 educates and trains health care professionals, including
13 physicians, biomedical scientists, and allied health workers.
14 The John A. Burns school of medicine also conducts fundamental
15 medical research and translates discoveries into delivery
16 practices. Because the John A. Burns school of medicine is a
17 community-based medical school without its own university



1 hospital, it partners with private hospitals in the community to
2 achieve its educational mission.

3 The legislature further finds that public funds and other
4 resources the State has made available to the John A. Burns
5 school of medicine and University of Hawaii cancer center have
6 been substantial. The magnitude of state funds and other
7 resources provided to the University of Hawaii, the distinction
8 of the University being the sole public institution of higher
9 education in the State, and the University of Hawaii cancer
10 center being the only National Cancer Institute-designated
11 cancer center in Hawaii underscore the importance of
12 establishing complementary strategic priorities and coordinating
13 the management and deployment of state resources appropriated to
14 the John A. Burns school of medicine and University of Hawaii
15 cancer center.

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



1 concern to ensure that the management of public resources
2 provided to the John A. Burns school of medicine and University
3 of Hawaii cancer center be integrated, coordinated, and focused
4 on common priorities to avoid unnecessary duplication of
5 administrative expenses or conflicting priorities. Maximized
6 efficiencies will benefit the University of Hawaii cancer
7 center, John A. Burns school of medicine, University of Hawaii
8 at Manoa, and the State by reducing or eliminating unnecessary
9 expenditures and optimizing operations.

10 The director of the University of Hawaii cancer center and
11 dean of the John A. Burns school of medicine shall report and be
12 accountable to the provost of the University of Hawaii at Manoa,
13 who shall have authority to direct and achieve efficiencies at
14 the Kakaako campus that comprises the John A. Burns school of
15 medicine and University of Hawaii cancer center; and shall
16 coordinate with the president of the University of Hawaii.

17 Accordingly, the purpose of this part is to:

18 (1) Establish the University of Hawaii cancer center in
19 statute as the cancer research center of Hawaii;

20 (2) Require the director of the cancer center to be
21 appointed by University of Hawaii's board of regents



1 upon recommendation from the provost of the University
2 of Hawaii at Manoa and with the concurrence of the
3 president of the University of Hawaii;

4 (3) Require the director of the cancer center and dean of
5 the John A. Burns school of medicine to report to the
6 provost of the University of Hawaii at Manoa and
7 coordinate with the president of the University;

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

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

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

19 " . **Cancer Research Center of Hawaii**

20 **§304A- Cancer research center of Hawaii.** (a) There is
21 established an organized research unit, hereinafter known as the



1 cancer research center of Hawaii, to conduct cancer research.
2 The cancer center shall be administered by a director to be
3 appointed by the board of regents upon recommendation by the
4 provost of the University of Hawaii at Manoa with concurrence by
5 the president of the University of Hawaii. The director of the
6 cancer center and dean of the John A. Burns school of medicine
7 shall:

8 (1) Report and be accountable to the provost of the
9 University of Hawaii at Manoa; and

10 (2) Coordinate with the president of the University of
11 Hawaii.

12 (b) The provost of the University of Hawaii shall have
13 authority to direct and achieve efficiencies at the John A.
14 Burns school of medicine and cancer center.

15 (c) The programs of the John A. Burns school of medicine
16 and cancer center, and the University of Hawaii at Manoa shall
17 identify opportunities to:

18 (1) Capitalize on collaboration between the programs; and

19 (2) Maximize operational efficiencies between the John A.
20 Burns school of medicine and cancer center,



1 including but not limited to shared services and personnel
2 whenever feasible and utilization of centralized services
3 available through the University of Hawaii at Manoa whenever
4 appropriate.

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

10 (e) The cancer center may:

- 11 (1) Engage in international research collaborations;
12 (2) Undertake research studies and clinical trials; and
13 (3) Participate in projects and programs of the National
14 Cancer Institute."

15 SECTION 3. Section 304A-2153, Hawaii Revised Statutes, is
16 amended to read as follows:

17 "**§304A-2153 University of Hawaii tuition and fees special**
18 **fund.** (a) There is established the University of Hawaii
19 tuition and fees special fund into which shall be deposited all
20 revenue collected by the university for regular, summer, and
21 continuing education credit tuition, tuition-related course and



1 fee charges, and any other charges to students, except as
2 provided by law. Moneys deposited into the fund shall be
3 expended to maintain or improve the university's programs and
4 operations and shall not be:

5 (1) Used as a justification for reducing any budget
6 request or allotment to the university unless the
7 university requests such a reduction;

8 (2) Transferred unless otherwise authorized by the
9 legislature; and

10 (3) Restricted by the governor or the director of finance
11 without the prior approval of the legislature.

12 Any rule, policy, or action of any agency or individual in
13 contravention of this subsection shall be void as against public
14 policy.

15 (b) Any law to the contrary notwithstanding, the board of
16 regents may authorize expenditures of up to \$3,000,000 annually,
17 excluding in-kind services, from this fund for the purposes of
18 promoting alumni relations and generating private donations for
19 deposit into the University of Hawaii Foundation for the
20 purposes of the university. Any expenditure authorized pursuant
21 to this subsection shall be for a public purpose and shall not



1 be subject to chapters 42F, 103, 103D, and 103F. The university
2 shall submit a comprehensive report to the legislature detailing
3 the use of any funds authorized by the board under this
4 subsection no later than twenty days prior to the convening of
5 each regular session.

6 The report shall:

7 (1) Identify each department of the University of Hawaii
8 Foundation supported by moneys from the fund;

9 (2) Describe the purposes and activities of each
10 department identified in paragraph (1) and how it
11 participates in fundraising activities and benefits
12 the university;

13 (3) Provide the total expenditures of each department
14 identified in paragraph (1) by primary expense
15 categories;

16 (4) Identify all moneys from the fund transferred to any
17 fund of the university and provide a justification of
18 how these moneys are used to benefit the university;

19 (5) Provide a financial summary of the operating
20 activities of the University of Hawaii Foundation,



1 including revenues and expenditures by major reporting
2 categories; and

3 (6) Identify amounts and purposes of all expenditures from
4 the University of Hawaii support fund.

5 (c) Any law to the contrary notwithstanding, the
6 university may transfer funds from the University of Hawaii
7 tuition and fees special fund into the scholarship and
8 assistance special fund established pursuant to
9 section 304A-2159.

10 (d) In estimating its quarterly budget requirements, each
11 campus of the University of Hawaii shall prepare a plan for the
12 fiscal year for the operation of each of the programs that it is
13 responsible for administering. The operations plan shall be:

14 (1) In such form and content as the vice president for
15 budget and finance and chief financial officer of the
16 University of Hawaii may prescribe; and

17 (2) Submitted, together with the estimated quarterly
18 budget requirements, to the vice president for budget
19 and finance and chief financial officer on [~~such~~] a
20 date [~~as~~] that the vice president for budget and
21 finance and chief financial officer may prescribe.



1 (e) The president and vice president for budget and
2 finance and chief financial officer of the University of Hawaii:

3 (1) Shall review the operations plan for each campus to
4 determine if:

5 (A) It is consistent with the policy decisions of the
6 board of regents and appropriations by the
7 legislature;

8 (B) It reflects proper planning and efficient
9 management methods; and

10 (C) Appropriations have been made for the planned
11 purpose and will not be exhausted before the end
12 of the fiscal year;

13 (2) Shall approve the operations plan for each campus if
14 they determine that the operations plan meets the
15 requirements of paragraph (1); and

16 (3) May modify or withhold the planned expenditures of any
17 campus at any time during the appropriations period.

18 (f) At the end of each fiscal year, the moneys in the
19 University of Hawaii tuition and fees special fund for each
20 campus shall lapse to the credit of program identification
21 number UOH900 (University of Hawaii, system wide support).



1 (g) Notwithstanding any other law to the contrary, funds
 2 expended from or originating from the University of Hawaii
 3 tuition and fees fund for the John A. Burns school of medicine
 4 or the cancer research center of Hawaii shall be used by the
 5 John A. Burns school of medicine or the cancer research center
 6 of Hawaii for educational purposes only."

7 SECTION 4. Section 304A-2253, Hawaii Revised Statutes, is
 8 amended to read as follows:

9 **"§304A-2253 Research and training revolving fund. (a)**

10 There is established a University of Hawaii research and
 11 training revolving fund into which shall be deposited one
 12 hundred per cent of the total amount of indirect overhead
 13 revenues generated by the university from research and training
 14 programs. The board of regents is authorized to expend
 15 one hundred per cent of the revenues deposited in the fund for:

- 16 (1) Research and training purposes that may result in
- 17 additional research and training grants and contracts;
- 18 (2) Facilitating research and training at the university;
- 19 and
- 20 (3) Further deposit into the discoveries and inventions
- 21 special fund.



1 (b) The annual report required to be made for this
2 revolving fund shall include but not be limited to a breakdown
3 of travel expenses.

4 (c) Notwithstanding section 304A-107 to the contrary, the
5 board of regents, or its designee, may establish a separate
6 account within the research and training revolving fund for the
7 purpose of providing advance funding to meet reimbursable costs
8 incurred in connection with federally financed research and
9 training projects. Any reimbursement received as a result of
10 providing advance funding shall be deposited into the research
11 and training revolving fund to be used for the purpose of
12 meeting reimbursable costs incurred in connection with federally
13 financed projects.

14 (d) Revenues deposited into the fund shall not be used as
15 a basis for reducing any current or future budget request or
16 allotment to the university unless the university requests such
17 a reduction.

18 (e) Notwithstanding any other law to the contrary, funds
19 expended from or originating from the research and training
20 revolving fund for the John A. Burns school of medicine or the
21 cancer research center of Hawaii shall be used by the John A.



1 Burns school of medicine or the cancer research center of Hawaii
2 for research and research-related purposes only."

3 PART II

4 SECTION 5. The purpose of this part is to allow the
5 University of Hawaii to continue its contribution to research
6 commercialization and economic development by repealing the
7 sunset provision in Act 38, Session Laws of Hawaii 2017.

8 SECTION 6. Act 38, Session Laws of Hawaii 2017, is amended
9 by amending section 5 to read as follows:

10 "SECTION 5. This Act shall take effect upon its approval[~~+~~
11 ~~provided that this Act shall be repealed on June 30, 2022]."~~

12 PART III

13 SECTION 7. The purpose of this part is to make the
14 innovation and commercialization initiative program permanent by
15 repealing the sunset provision in Act 39, Session Laws of
16 Hawaii 2017.

17 SECTION 8. Act 39, Session Laws of Hawaii 2017, is amended
18 by amending section 3 to read as follows:

19 "SECTION 3. This Act shall take effect on July 1, 2017[~~+~~
20 ~~and shall be repealed on June 30, 2021]."~~



1 PART IV

2 SECTION 9. The purpose of this part is to extend the
3 authority of the president of the University of Hawaii to act as
4 the University of Hawaii's chief procurement officer for all
5 procurement contracts under chapter 103D, Hawaii Revised
6 Statutes.

7 SECTION 10. Act 42, Session Laws of Hawaii 2018, is
8 amended by amending section 6 to read as follows:

9 "SECTION 6. This Act shall take effect upon its approval[
10 ~~provided that on June 30, 2021, this Act shall be repealed and~~
11 ~~sections 103D-203(a) and 304A-2672, Hawaii Revised Statutes,~~
12 ~~shall be reenacted in the form in which they read on the day~~
13 ~~prior to the effective date of this Act]."~~

14 PART V

15 SECTION 11. The purpose of this part is to further efforts
16 to ensure the efficient and effective management of public
17 resources provided to the John A. Burns school of medicine and
18 University of Hawaii cancer center to optimize public benefits.

19 SECTION 12. (a) The University of Hawaii shall develop
20 and implement a plan for the John A. Burns school of medicine
21 and University of Hawaii cancer center to achieve greater



1 operational efficiencies, reduce duplication of services, and
2 share administrative functions to the maximum extent
3 practicable.

4 (b) The president of the University of Hawaii shall submit
5 a report on the progress of the plan as provided under this
6 section to the legislature no later than twenty days prior to
7 the convening of the regular session of 2023.

8 PART VI

9 SECTION 13. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 14. This Act shall take effect on July 1, 2060.



Report Title:

UH; Cancer Research Center of Hawaii; John A. Burns School of Medicine; Special Funds; Commercialization; Technology Transfer; Procurement

Description:

Establishes the University of Hawaii cancer center in statute as the cancer research center of Hawaii, an organized research unit to conduct cancer research. Requires the director of the cancer center to be appointed by the board of regents upon recommendation of the provost of UH-Manoa and with the concurrence of the UH president. Requires the director of the cancer center and the dean of the John A. Burns school of medicine to report and be accountable to the provost of UH-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 center to be used for research and research-related purposes only. Repeals the sunset provision in Act 38, SLH 2017, to make permanent certain provisions relating to technology transfer by UH. Makes the innovation and commercialization initiative program permanent by repealing the sunset provision in Act 39, SLH 2017. Extends the authority of the UH president to act as UH's chief procurement officer for procurement contracts under chapter 103D, HRS, by repealing the sunset provision in Act 42, SLH 2018. Requires UH to develop and implement a plan for the John A. Burns school of medicine and cancer center to achieve greater operational efficiencies, reduce duplication of services, and share administrative functions to the maximum degree practicable. Requires the UH president to submit a report on the progress of the plan to the legislature prior to the 2023 regular session. Effective 7/1/2060. (HD2)

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