
A BILL FOR AN ACT

RELATING TO THE UNIVERSITY OF HAWAII.

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

1 SECTION 1. The University of Hawaii cancer center (UH
2 cancer center) reduces the burden of cancer through research,
3 education, patient care, and community outreach. The UH cancer
4 center is the only National Cancer Institute (NCI)-designated
5 cancer center in Hawaii and the Pacific region. UH cancer
6 center is a member of the Hawaii Cancer Consortium along with
7 five hospital groups and the University of Hawaii's John A.
8 Burns school of medicine (JABSOM).

9 JABSOM educates and trains health care professionals,
10 including physicians, biomedical scientists, and allied health
11 workers. JABSOM also conducts fundamental medical research and
12 translates discoveries into delivery practices. Because JABSOM
13 is a community-based medical school without its own university
14 hospital, it partners with private hospitals in the community to
15 achieve its educational mission.

16 The public funds and other resources the State has made
17 available to JABSOM and the UH cancer center have been



1 substantial. The magnitude of state funds and other resources
2 provided to the University of Hawaii, the distinction of the
3 university being the sole public institution of higher education
4 in the State, and the UH cancer center being the only NCI-
5 designated cancer center in Hawaii underscore the importance of
6 establishing complementary strategic priorities and coordinating
7 the management and deployment of state resources appropriated to
8 JABSOM and UH cancer center.

9 It is in the public's interest that State resources be
10 efficiently and effectively managed to optimize the public
11 benefits. Just as co-locating the physical facilities for
12 JABSOM and UH cancer center on adjoining sites in Kakaako
13 promotes synergistic efforts, the legislature determines that it
14 is a statewide concern to ensure that the management of public
15 resources provided to JABSOM and UH cancer center be integrated,
16 coordinated, and focused on common priorities to avoid
17 unnecessary duplication of administrative expenses or
18 conflicting priorities.

19 Placing resources devoted to training and educating
20 physicians and conducting cancer research in an integrated
21 university organizational structure as opposed to stand-alone



1 and duplicative organizations will foster a uniform strategic
2 vision. Unified leadership will also allow better coordination
3 with the University of Hawaii's private partners in the hospital
4 community and with other state agencies.

5 The legislature finds that as a matter of statewide
6 concern, the UH cancer center should be more closely affiliated
7 with JABSOM and be administered as an organized research unit of
8 JABSOM. Merging JABSOM and the UH cancer center's
9 administrative services and infrastructure teams will offer
10 efficiency by eliminating redundancy and sharing administrative
11 expertise and experience to reduce processing delays.

12 The legislature notes that several outstanding medical
13 schools at other universities integrate their cancer research
14 programs closely with their medical schools. For example, the
15 Washington University School of Medicine in St. Louis is the
16 parent institution to the Siteman Cancer Center. The Siteman
17 Cancer Center is designated as a comprehensive cancer center and
18 holds an "exceptional" rating from the NCI. The MD Anderson
19 Cancer Center in Houston, Texas is a comprehensive cancer center
20 and operates in close affiliation with the McGovern Medical



1 School as part of the University of Texas Health Science Center
2 at Houston.

3 The legislature also notes that from 2014 to 2016, the
4 University of Hawaii developed business plans, hired
5 consultants, and made presentations to its board of regents on
6 the university's plans to integrate the University of Hawaii
7 Kakaako health science campus and eliminate operational
8 redundancies between JABSOM and the UH cancer center. Further,
9 the University of Hawaii frequently groups different organized
10 research units within a larger administrative structure. For
11 example, the school of ocean and earth science and technology
12 encompasses several outstanding research units, including the
13 center for microbial oceanography: research and education and
14 Hawaii institute of marine biology.

15 To maintain the NCI designation as a cancer center
16 consistent with NCI guidelines, the director of the UH cancer
17 center shall continue to have a direct line of reporting and
18 accountability to the provost of the University of Hawaii at
19 Manoa and shall also have a dual reporting line to the dean of
20 JABSOM.

21 Accordingly, the purpose of this Act is to require:



- 1 (1) The director of UH cancer center to be appointed by
2 University of Hawaii's board of regents upon
3 recommendation from the provost of the University of
4 Hawaii at Manoa instead of the dean of JABSOM;
- 5 (2) The UH cancer center to be administratively affiliated
6 with JABSOM;
- 7 (3) The director of UH cancer center to report to the
8 provost of the University of Hawaii at Manoa and the
9 dean of the school of medicine and coordinate with the
10 president of the university;
- 11 (4) Funds expended from or originating from the University
12 of Hawaii tuition and fees special fund established by
13 section 304A-2153, Hawaii Revised Statutes, for JABSOM
14 or UH cancer center to be used for educational
15 purposes only; and
- 16 (5) Funds expended from or originating from the research
17 and training revolving fund established by section
18 304A-2253, Hawaii Revised Statutes, for JABSOM or UH
19 cancer center to be used for research and research-
20 related purposes only.



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

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

5 **§304A- Cancer research center of Hawaii.** (a) There is
6 established an organized research unit, hereinafter known as the
7 "cancer research center of Hawaii", to conduct cancer research.
8 The cancer research center of Hawaii shall be administered by a
9 director to be appointed by the board of regents upon
10 recommendation by the provost of the University of Hawaii at
11 Manoa with the concurrence by the president of the university.
12 The cancer research center of Hawaii shall be affiliated with
13 the John A. Burns school of medicine; provided that the director
14 of the cancer research center of Hawaii shall report to the
15 provost of the University of Hawaii at Manoa and the dean of the
16 school of medicine and coordinate with the president of the
17 university.

18 (b) Notwithstanding any other law to the contrary, funds
19 expended from or originating from the University of Hawaii
20 tuition and fees special fund, established under section
21 304A-2153, for the school of medicine or the cancer research



1 center of Hawaii shall be used by the school of medicine or the
2 cancer research center of Hawaii for educational purposes only.

3 (c) Notwithstanding any other law to the contrary, funds
4 expended from or originating from the research and training
5 revolving fund, established under section 304A-2253, for the
6 school of medicine or the cancer research center of Hawaii shall
7 be used by the school of medicine or the cancer research center
8 of Hawaii for research and research-related purposes only.

9 (d) The cancer research center of Hawaii's research agenda
10 shall focus on research, education, patient care, and community
11 outreach and should reflect an understanding of the ethnic,
12 cultural, and environmental characteristics of the State and the
13 Pacific region. The cancer research center of Hawaii may:

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

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

20 "**§304A-2153 University of Hawaii tuition and fees special**
21 **fund.** (a) There is established the University of Hawaii



1 tuition and fees special fund into which shall be deposited all
2 revenue collected by the university for regular, summer, and
3 continuing education credit tuition, tuition-related course and
4 fee charges, and any other charges to students, except as
5 provided by law. Moneys deposited into the fund shall be
6 expended to maintain or improve the university's programs and
7 operations and shall not be:

- 8 (1) Used as a justification for reducing any budget
9 request or allotment to the university unless the
10 university requests such a reduction;
- 11 (2) Transferred unless otherwise authorized by the
12 legislature; and
- 13 (3) Restricted by the governor or the director of finance
14 without the prior approval of the legislature.

15 Any rule, policy, or action of any agency or individual in
16 contravention of this subsection shall be void as against public
17 policy.

18 (b) Any law to the contrary notwithstanding, the board of
19 regents may authorize expenditures of up to \$3,000,000 annually,
20 excluding in-kind services, from this fund for the purposes of
21 promoting alumni relations and generating private donations for



1 deposit into the University of Hawaii Foundation for the
2 purposes of the university. Any expenditure authorized pursuant
3 to this subsection shall be for a public purpose and shall not
4 be subject to chapters 42F, 103, 103D, and 103F. The university
5 shall submit a comprehensive report to the legislature detailing
6 the use of any funds authorized by the board under this
7 subsection no later than twenty days prior to the convening of
8 each regular session.

9 The report shall:

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

12 (2) Describe the purposes and activities of each
13 department identified in paragraph (1) and how it
14 participates in fundraising activities and benefits
15 the university;

16 (3) Provide the total expenditures of each department
17 identified in paragraph (1) by primary expense
18 categories;

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



1 (5) Provide a financial summary of the operating
2 activities of the University of Hawaii Foundation,
3 including revenues and expenditures by major reporting
4 categories; and

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

7 (c) Any law to the contrary notwithstanding, the
8 university may transfer funds from the University of Hawaii
9 tuition and fees special fund into the scholarship and
10 assistance special fund established pursuant to section
11 304A-2159.

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

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

19 (2) Submitted, together with the estimated quarterly
20 budget requirements, to the vice president for budget
21 and finance and chief financial officer on [~~such~~] a



1 date [~~as~~] that the vice president for budget and
2 finance and chief financial officer may prescribe.

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

5 (1) Shall review the operations plan for each campus to
6 determine if:

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

10 (B) It reflects proper planning and efficient
11 management methods; and

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

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

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

20 (f) At the end of each fiscal year, the moneys in the
21 University of Hawaii tuition and fees special fund for each



1 campus shall lapse to the credit of program identification
2 number UOH900 (University of Hawaii, system wide support).

3 (g) Notwithstanding any other law to the contrary, funds
4 expended from or originating from this fund for the University
5 of Hawaii school of medicine or the cancer research center of
6 Hawaii shall be used by the school of medicine or the cancer
7 research center of Hawaii for educational purposes only."

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

10 **"§304A-2253 Research and training revolving fund. (a)**

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

- 17 (1) Research and training purposes that may result in
- 18 additional research and training grants and contracts;
- 19 (2) Facilitating research and training at the university;
- 20 and



1 (3) Further deposit into the discoveries and inventions
2 special fund.

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

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

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

20 (e) Notwithstanding any other law to the contrary, funds
21 expended from or originating from this fund for the University



1 of Hawaii school of medicine or the cancer research center of
2 Hawaii shall be used by the school of medicine or the cancer
3 research center of Hawaii for research and research-related
4 purposes only."

5 SECTION 5. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 6. This Act shall take effect on July 1, 2050.



Report Title:

UH; Cancer Research; Special Funds

Description:

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 direct lines of reporting to the provost of University of Hawaii at Manoa and the dean of John A. Burns school of medicine. Requires funds expended from the tuition and fees special fund for the John A. Burns school of medicine or cancer research center of Hawaii to be used for educational purposes only. Requires funds expended from the research and training revolving fund for the John A. Burns school of medicine and cancer research center of Hawaii to be used for research and research-related purposes only. Effective 7/1/2050. (SD2)

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