



GOV. MSG. NO. 1297

EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

July 6, 2021

The Honorable Ronald D. Kouchi,  
President and Members of the Senate  
Thirty First State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,  
Speaker and Members of the  
House of Representatives  
Thirty First State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

I am transmitting herewith SB589 SD2 HD2 CD1, without my approval and with the statement of objections relating to the measure.

SB589 SD2 HD2 CD1

RELATING TO THE UNIVERSITY OF  
HAWAII.

Sincerely,

DAVID Y. IGE  
Governor, State of Hawai'i

EXECUTIVE CHAMBERS

HONOLULU

July 6, 2021

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 589

Honorable Members  
Thirty-First Legislature  
State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, Senate Bill No. 589, entitled "A Bill for an Act Relating to the University of Hawaii."

This bill includes provisions that impact the University of Hawaii (UH) Cancer Center by: (1) establishing the University of Hawaii (UH) Cancer Center in statute as the "Cancer Research Center of Hawaii" (CRCH); (2) requiring the Director of the CRCH to be appointed by the Board of Regents (BOR) upon recommendation of the Provost of UH-Manoa and with the concurrence of the UH President; (3) requiring the CRCH to be administratively affiliated with the John A. Burns School of Medicine (JABSOM); (4) requiring funds expended from the Tuition and Fees special fund or Research and Training revolving fund for JABSOM or the CRCH to be used for educational or research and research-related purposes only; and (5) requiring UH to develop a plan for JABSOM and the CRCH to achieve greater operational efficiencies. Also, while this bill extends the sunset date of Act 38, Session Laws of Hawaii (SLH) 2017, exempting UH's technology transfer activities from certain provisions of the State Ethics Code, to June 30, 2024, it prohibits technology transfer activities in which UH employees have a conflict of interest. It similarly extends the sunset date of Act 39, SLH 2017, establishing UH's Innovation and Commercialization Initiative Program (ICIP), to June 30, 2024, but prohibits program activities in which UH employees have a conflict of interest.

This bill is objectionable because the prohibitions on certain technology transfer activities and program activities in parts III and IV of the bill may impair existing

STATEMENT OF OBJECTIONS  
SENATE BILL NO. 589  
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UH contracts, in violation of the Contract Clause of the United States Constitution, which prohibits states from passing laws that impair the obligations of contracts. Such prohibitions may also intrude upon the BOR's exclusive jurisdiction over the internal structure, management, and operation of UH because the bill does not identify parts III and IV as statewide concerns, in violation of section 6 of article X of the Hawai'i State Constitution.

In addition, by codifying the UH Cancer Center into law and setting organizational reporting into statute, the bill limits UH's flexibility to make changes to the structure in the future. While there may be cost savings as a result of merging the administrative functions of the Cancer Center and Medical School, such organizational changes should be made in consultation with the leadership of the respective institutions and UH Manoa leadership.

For the foregoing reasons, I am returning Senate Bill No. 589 without my approval.

Respectfully,

A handwritten signature in black ink, appearing to read "David Y. Ige". The signature is fluid and cursive, with a large, sweeping flourish at the end.

DAVID Y. IGE  
Governor of Hawai'i

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# 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 University of Hawaii John A. Burns school of medicine also  
15 conducts fundamental medical research and translates discoveries  
16 into delivery practices. Because the University of Hawaii John  
17 A. Burns school of medicine is a community-based medical school



1 without its own university hospital, it partners with private  
2 hospitals in the community to achieve its educational mission.

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



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

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

19 Accordingly, the purpose of this part is to:

20 (1) Establish the University of Hawaii cancer center in  
21 statute as the cancer research center of Hawaii;



- 1           (2)   Require the director of the cancer research center of  
2           Hawaii to be appointed by University of Hawaii's board  
3           of regents upon recommendation from the provost of the  
4           University of Hawaii at Manoa and with the concurrence  
5           of the president of the University of Hawaii;
- 6           (3)   Require the cancer research center of Hawaii to be  
7           administratively affiliated with the University of  
8           Hawaii John A. Burns school of medicine, and that the  
9           administrative services and infrastructure teams of  
10          both entities be merged to offer efficiency;
- 11          (4)   Require the director of the cancer research center of  
12          Hawaii and dean of the University of Hawaii John A.  
13          Burns school of medicine to report to the provost of  
14          the University of Hawaii at Manoa and coordinate with  
15          the president of the University;
- 16          (5)   Require funds expended from or originating from the  
17          University of Hawaii tuition and fees special fund for  
18          the University of Hawaii John A. Burns school of  
19          medicine or cancer research center of Hawaii to be  
20          used for educational purposes only; and



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

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

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

10           **§304A-**     **Cancer research center of Hawaii.** (a) There is  
11           established an organized research unit, hereinafter known as the  
12           cancer research center of Hawaii, to conduct cancer research.  
13           The cancer research center of Hawaii shall be administered by a  
14           director to be appointed by the board of regents upon  
15           recommendation by the provost of the University of Hawaii at  
16           Manoa with concurrence by the president of the University of  
17           Hawaii.

18           (b) The cancer research center of Hawaii shall be  
19           administratively affiliated with the University of Hawaii John  
20           A. Burns school of medicine. The administrative services and  
21           infrastructure teams of the cancer research center of Hawaii and



1 the University of Hawaii John A. Burns school of medicine shall  
2 be merged for efficiency purposes.

3 (c) The director of the cancer research center of Hawaii  
4 and dean of the University of Hawaii John A. Burns school of  
5 medicine shall:

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

8 (2) Coordinate with the president of the University of  
9 Hawaii.

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

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

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

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



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

10 (g) The cancer research center of Hawaii 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 section  
9 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 University of Hawaii John A. Burns  
 4 school of medicine or the cancer research center of Hawaii shall  
 5 be used by the John A. Burns school of medicine or the cancer  
 6 research center 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 University of Hawaii John A. Burns school  
21 of medicine or the cancer research center of Hawaii shall be



1 used by the University of Hawaii John A. Burns school of  
2 medicine or the cancer research center of Hawaii for research  
3 and research-related purposes only."

4 PART II

5 SECTION 5. The purpose of this part is to further efforts  
6 to ensure the efficient and effective management of public  
7 resources provided to the University of Hawaii John A. Burns  
8 school of medicine and cancer research center of Hawaii to  
9 optimize public benefits.

10 SECTION 6. (a) The University of Hawaii shall develop and  
11 implement a plan for the University of Hawaii John A. Burns  
12 school of medicine and cancer research center of Hawaii to  
13 achieve greater operational efficiencies, reduce duplication of  
14 services, and share administrative functions to the maximum  
15 extent practicable.

16 (b) The president of the University of Hawaii shall submit  
17 a report on the progress of the development and implementation  
18 of the plan as provided under this part to the legislature no  
19 later than twenty days prior to the convening of the regular  
20 session of 2023.

21 PART III



1 SECTION 7. The purpose of this part is to allow the  
2 University of Hawaii to continue its contribution to research  
3 commercialization and economic development by extending the  
4 sunset date of Act 38, Session Laws of Hawaii 2017, for two  
5 years, until June 30, 2024, while promoting accountability and  
6 transparency.

7 SECTION 8. Section 84-10, Hawaii Revised Statutes, is  
8 amended to read as follows:

9 "[+]§84-10[+] University of Hawaii; technology transfer  
10 activities; exemption. (a) Sections 84-12, 84-13, 84-14 to  
11 84-16, and 84-18 shall not apply to technology transfer  
12 activities sponsored by the University of Hawaii; provided that  
13 the technology transfer activities comply with the regulatory  
14 framework and research compliance program and policies approved  
15 by the board of regents of the University of Hawaii [~~board of~~  
16 ~~regents~~].

17 (b) Notwithstanding subsection (a), the University of  
18 Hawaii shall not sponsor, enter into, or continue to engage in  
19 technology transfer activities with a private person in which an  
20 employee of the University of Hawaii has a conflict of interest  
21 as provided in section 84-14, including a financial interest,



1 irrespective of whether the State benefits from the technology  
2 transfer activities; provided that the prohibition under this  
3 subsection shall not apply if:

4       (1) The technology transfer activities with the private  
5           person promote the timely and efficient  
6           commercialization of intellectual property created by  
7           basic and applied research at the University of  
8           Hawaii;

9       (2) The State stands to benefit from the technology  
10           transfer activities with the private person;

11       (3) The technology transfer activities with the private  
12           person is the only means by which the specific  
13           scientific findings by the University of Hawaii or  
14           intellectual property created by the University of  
15           Hawaii may be commercialized;

16       (4) The technology transfer activities with the private  
17           person comply with the regulatory framework and  
18           research compliance program and policies approved by  
19           the board of regents of the University of Hawaii;

20       (5) The employee's conflict of interest is disclosed at  
21           the time of the proposal, and the proposals and



- 1           binding agreements for each of the technology transfer  
2           activities with the private person are reviewed and  
3           approved by the state ethics commission to assure  
4           compliance with ethics laws;
- 5           (6) Any changes to the terms and conditions of the  
6           technology transfer activities are reported to and  
7           approved by the state ethics commission;
- 8           (7) The employee with the conflict of interest does not:  
9           (A) Take official action affecting the technology  
10           transfer activities with the private person; or  
11           (B) Directly or indirectly supervise an employee who  
12           takes official action affecting the technology  
13           transfer activities with the private person; and
- 14           (8) During the term of the technology transfer activities  
15           with the private person, the following employees file  
16           annually with the state ethics commission a disclosure  
17           of financial interests pursuant to section 84-17:
- 18           (A) Employees who have a conflict of interest as  
19           provided in section 84-14, including a financial  
20           interest, in the private person;



1           (B) Employees who take official action affecting the  
2           technology transfer activities with the private  
3           person; and

4           (C) Employees who directly or indirectly supervise an  
5           employee who takes official action affecting the  
6           technology transfer activities with the private  
7           person.

8           (c) Notwithstanding subsection (a), any technology  
9           transfer activities sponsored by, entered into, or engaged in by  
10           the University of Hawaii in violation of subsection (b) is  
11           voidable under section 84-16.

12           (d) The University of Hawaii shall file annually with the  
13           state ethic commission a disclosure, including its conflict of  
14           interest management plan, of any conflict of interest of any  
15           employee relating to its technology transfer activities.

16           ~~[(b)]~~ (e) As used in this section, ["technology]  
17           "Person" means any individual, firm, association,  
18           organization, sole proprietorship, partnership, company,  
19           corporation, joint venture, trust, or any other form of business  
20           or legal entity or group of individuals.



1        "Technology transfer activities" means the process of  
2 transferring scientific findings from the public sector to the  
3 private sector for the purpose of commercial development and  
4 application for personal or financial gain. "Technology  
5 transfer activities" may include creating joint ventures,  
6 limited partnerships, or other corporate forms; allocating  
7 equity shares, partnership interests, or other forms of  
8 participation; identifying new technologies; protecting  
9 technologies through patents and copyrights; forming development  
10 and commercialization strategies, arrangements, or projects; and  
11 other related activities."

12        SECTION 9. Section 304A-121, Hawaii Revised Statutes, is  
13 amended to read as follows:

14        "[~~§~~304A-121~~]~~ **Technology transfer; reporting.** The  
15 board of regents of the University of Hawaii shall submit a  
16 written report to the legislature no later than twenty days  
17 prior to the convening of each regular session regarding:

18        (1) The development [~~and~~], implementation, and enforcement  
19            of its regulatory framework and research compliance  
20            program to reflect ethical research principles and





1 until June 30, 2024, while promoting accountability and  
2 transparency.

3 SECTION 12. Section 304A-1958, Hawaii Revised Statutes, is  
4 amended to read as follows:

5 " ~~[§304A-1958]~~ Construction of subpart. (a) Other  
6 state laws, including without limitation the state code of  
7 ethics, shall be applied and construed on balance in recognition  
8 of the public benefits created and state interests advanced by  
9 the activities conducted by the University of Hawaii pursuant to  
10 this subpart.

11 (b) Notwithstanding subsection (a), the University of  
12 Hawaii shall not sponsor, enter into, or continue to engage in  
13 activities conducted pursuant to this subpart with a private  
14 person in which an employee of the University of Hawaii has a  
15 conflict of interest as provided in section 84-14, including a  
16 financial interest, irrespective of whether the State benefits  
17 from the activities; provided that the prohibition under this  
18 subsection shall not apply if:

19 (1) The activities with the private person transform the  
20 products of the University of Hawaii's research and



- 1           instructional activities into viable economic  
2           enterprises;
- 3           (2) The State stands to benefit from the activities with  
4           the private person;
- 5           (3) The activities with the private person are the only  
6           means by which the specific products of the University  
7           of Hawaii's research and instructional activities may  
8           be transformed into viable economic enterprises;
- 9           (4) The activities with the private person comply with the  
10           regulatory framework and research compliance program  
11           and policies approved by the board of regents of the  
12           University of Hawaii;
- 13           (5) The employee's conflict of interest is disclosed at  
14           the time of the proposal, and the proposals and  
15           binding agreements for each of the activities with the  
16           private person are reviewed and approved by the state  
17           ethics commission to assure compliance with ethics  
18           laws;
- 19           (6) Any changes to the terms and conditions of the  
20           activities are reported to and approved by the state  
21           ethics commission;



- 1        (7) The employee with the conflict of interest does not:  
2            (A) Take official action affecting the activities  
3            with the private person; or  
4            (B) Directly or indirectly supervise an employee who  
5            takes official action affecting the activities  
6            with the private person; and  
7        (8) During the term of the activities with the private  
8            person, the following employees file annually with the  
9            state ethics commission a disclosure of financial  
10           interests pursuant to section 84-17:  
11           (A) Employees who have a conflict of interest as  
12           provided in section 84-14, including a financial  
13           interest, in the private person;  
14           (B) Employees who takes official action affecting the  
15           activities with the private person; and  
16           (C) Employees who directly or indirectly supervise an  
17           employee who takes official action affecting the  
18           activities with the private person.  
19        (c) Notwithstanding subsection (a), any activities  
20        conducted by the University of Hawaii pursuant to this subpart  
21        in violation of subsection (b) is voidable under section 84-16.



1       (d) The University of Hawaii shall file annually with the  
2 state ethic commission a disclosure, including its conflict of  
3 interest management plan, of any conflict of interest of any  
4 employee relating to its activities conducted pursuant to this  
5 subpart.

6       (e) As used in this section, "person" means any  
7 individual, firm, association, organization, sole  
8 proprietorship, partnership, company, corporation, joint  
9 venture, trust, or any other form of business or legal entity or  
10 group of individuals."

11       SECTION 13. Section 304A-1959, Hawaii Revised Statutes, is  
12 amended to read as follows:

13       "**§304A-1959 Biennial report.** No later than twenty days  
14 prior to the convening of the regular session of each odd-  
15 numbered year, the University of Hawaii shall submit a report to  
16 the legislature concerning:

- 17       (1) All funds deposited into the university innovation and  
18             commercialization initiative special fund and a  
19             detailed description of the use of those funds; [and]
- 20       (2) Coordinated efforts between the innovation and  
21             commercialization initiative program and other state



1 agencies, including the Hawaii technology development  
 2 corporation, the Hawaii strategic development  
 3 corporation, and the Hawaii state energy office, to  
 4 move the State's innovation goals forward, and to more  
 5 efficiently and effectively utilize resources to  
 6 achieve these outcomes[-]; and

7 (3) A disclosure, including its conflict of interest  
 8 management plan, of all conflicts of interest of any  
 9 employee relating to its activities conducted pursuant  
 10 to part IV, subpart P."

11 SECTION 14. Act 39, Session Laws of Hawaii 2017, is  
 12 amended by amending section 3 to read as follows:

13 "SECTION 3. This Act shall take effect on July 1, 2017,  
 14 and shall be repealed on June 30, [~~2021-~~] 2024."

15 PART V

16 SECTION 15. The purpose of this part is to extend for  
 17 three years, the authority of the president of the University of  
 18 Hawaii to act as the University of Hawaii's chief procurement  
 19 officer for all procurement contracts under chapter 103D, Hawaii  
 20 Revised Statutes.



1 SECTION 16. Act 42, Session Laws of Hawaii 2018, is  
2 amended by amending section 6 to read as follows:  
3 "SECTION 6. This Act shall take effect upon its approval;  
4 provided that on June 30, [~~2021,~~] 2024, this Act shall be  
5 repealed and sections 103D-203(a) and 304A-2672, Hawaii Revised  
6 Statutes, shall be reenacted in the form in which they read on  
7 the day prior to the effective date of this Act."

8 PART VI

9 SECTION 17. Statutory material to be repealed is bracketed  
10 and stricken. New statutory material is underscored.

11 SECTION 18. This Act shall take effect upon its approval;  
12 provided that sections 8, 9, 12, and 13 of this Act shall be  
13 repealed on June 30, 2024; provided further that:

- 14 (1) Section 84-10, Hawaii Revised Statutes, shall be  
15 reenacted in the form in which it read on June 18,  
16 2017; and
- 17 (2) Sections 304A-121, 304A-1958, and 304A-1959, Hawaii  
18 Revised Statutes, shall be reenacted in the form in  
19 which they read on the day before the effective date  
20 of this Act.

S.B. NO. 589  
S.D. 2  
H.D. 2  
C.D. 1

APPROVED this                      day of                      , 2021

GOVERNOR OF THE STATE OF HAWAII

**THE SENATE OF THE STATE OF HAWAI‘I**

Date: April 27, 2021  
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirty-First Legislature of the State of Hawai‘i, Regular Session of 2021.

  
President of the Senate

  
Clerk of the Senate

SB No. 589, SD 2, HD 2, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: April 27, 2021  
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-First Legislature of the State of Hawaii, Regular Session of 2021.



Scott K. Saiki  
Speaker  
House of Representatives



Brian L. Takeshita  
Chief Clerk  
House of Representatives