

SB 39

Written Statement of
YUKA NAGASHIMA
Executive Director & CEO
High Technology Development Corporation
before the
SENATE COMMITTEE ON WAYS AND MEANS
Thursday, February 26, 2009
9:00 AM
State Capitol, Conference Room 211

In consideration of
**SB 39 RELATING TO REPORTS ON THE
HAWAII CANCER RESEARCH SPECIAL FUND.**

Chair Mercado Kim, Vice Chair Tsutsui and Members of the Senate Committee on Ways and Means.

The High Technology Development Corporation (HTDC) supports and recommends additional language to SB 39 which proposes to require the University of Hawaii to report semi-annually on the moneys in the Hawaii Cancer Research Special Fund, including deposits, expenditures, and other transactions.

HTDC supports the development of the Cancer Research Center of Hawaii (CRCH) in Kakaako. Given the current economic and fiscal crisis, HTDC is concerned that the moneys in the Cancer Research Special Fund will be diverted to fund needy and cash-strapped State programs to balance the budget.

As you are aware, HTDC's mission is to diversify Hawaii's economy through the facilitation and growth of the commercial high tech industry. Both the John A. Burns School of Medicine (JABSOM) and proposed CRCH (once built) support the growth of Hawaii's research and development niche which is critical to the growth of local tech entrepreneurs and startup companies in Hawaii's growing biosciences fields including biomedical, bioinformatic, and biotechnology. For these reasons and a variety of other reasons including the need for action on the part of the university and their project developer under the current economic crisis, we would support a more definitive approach than the proposed semi-annual reports in SB39.

Because a mere submission of a report does not provide urgency for this extremely important project, we suggest that the University provide written input from the University's CRCH project consultants including the project developer on the recent progress made since the Joint Senate Committees hearing on January 29, 2009. Senate Committees on Higher Education and Health were advised by the University that they would provide committee members with more information on the status of their negotiations with the project developer after the Board of Regents meeting on February 20th. However, we understand the next Council on Revenues

Report will be available on March 9th, therefore, we urge this committee to consider other more immediate actions beyond SB 39 that will provide a report on the status of the negotiations and project milestones on or around March 9th.

Again, given recent statements of the University before the Senate Committees on Higher Education and Health and the time passed since the project developer was awarded the CRCH project approximately four years ago, the CRCH project should be considered “shovel ready” and therefore can become an immediate financial and economic contributor to the State’s current economic crisis. It is important for the Legislature to be fully aware of the “front end” activities which currently is an agreement with the project developer, to assure the project is adequately funded.

The following information should assist when considered reports after March 9th. Since highly specialized space such as cancer research laboratories involve a great deal more planning and coordination with users, typical transaction and design milestones could be the trigger for generating reports. Such milestones would include (1) executed development agreement and notice to proceed, (2) completion of programming, (3) completion of concept design, (4) completion of schematic design, and (5) completion of design development. The reports would be due on the earlier of completion of such milestones or at the end of each calendar quarter commencing on June 30, 2009. These reports and actions should assure the commitment and need for funds contained in the CRCH Special Fund, and prevent potential raiding of the fund for other non-CRCH purposes.

We have faith that all parties are able and willing to complete their roles sooner rather than later to accomplish what needs to be done for the State and its citizens – a national cancer research center helping to save lives in a diverse multi-cultural community and an economic driver for tech-based research and development activities.

Thank you for the opportunity to submit testimony in support with recommendations for amendments.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Written Testimony Presented Before the
Senate Committee on Ways and Means

February 26, 2009 at 9:00 am

By

Virginia S. Hinshaw, Chancellor
and

Michele Carbone, M.D., Ph.D.
Interim Director

Cancer Research Center of Hawai'i
Professor and Chairman, Department of Pathology
John A. Burns School of Medicine
University of Hawai'i at Mānoa

SB 39 RELATING TO REPORTS ON THE HAWAII CANCER RESEARCH SPECIAL FUND

Chair Kim, Chair Tsutsui and members of the Committee:

As interim director of the UH Mānoa Cancer Research Center, I appreciate the opportunity to provide testimony on SB 39, which would require regular financial reports on the Cancer Research Special Fund. I am pleased to support this measure because it promotes transparency in financial accounting relating to this Special Fund.

Our efforts are directed at providing better cancer care to improve the health and well being of the people of Hawai'i – a great goal in which you, as members of Hawai'i's Legislature, are major partners through your establishment of this Special Fund. We are very grateful for your strong support.

There are two priorities on which we are focused at this time and, thankfully, can be accomplished through on-going funding from the State's cigarette-tax to the Special Fund. Those priorities are: 1) hiring faculty to provide the advances in cancer research and facilitate coordination of clinical trials and; 2) building the new Cancer Research Center facility to support those efforts. We are making progress in recruiting more talented researchers to the ranks of our existing excellent faculty and in the planning for the construction for the new cancer center building which will serve as a demonstration of the community's collective commitment to this goal. In that way, we stay firmly on the path of meeting the high standards required to maintain

our current National Cancer Institute designation and move toward the goal of a comprehensive cancer center designation.

Chancellor Hinshaw understands the importance of this effort to the University of Hawai'i and to the State of Hawai'i; and consequently she has asked me, as the interim Cancer Center director, to work with all due speed. As time is of the essence to continue our progress, I am working with the Center's program leaders, the leadership of our medical school and our local hospital systems for the purpose of maintaining our current NCI designation, to begin construction of the new Cancer Center building and to secure the foundation for the future of clinical cancer research in Hawai'i.

Thank you for the opportunity to provide my comments on this issue.