

Honolulu, Hawaii

FEB 16 2021

RE: S.B. No. 1218
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Higher Education, to which was referred
S.B. No. 1218 entitled:

"A BILL FOR AN ACT RELATING TO TECHNOLOGY TRANSFER AT THE
UNIVERSITY OF HAWAII,"

begs leave to report as follows:

The purpose and intent of this measure is to remove the sunset provision in Act 38, Session Laws of Hawaii 2017 (Act 38), that exempts technology transfer activities sponsored by the University of Hawaii from certain sections of the State Ethics Code, for the purpose of allowing the University of Hawaii to continue its contribution to research commercialization and economic development.

Your Committee received testimony in support of this measure from the University of Hawai'i System and the Hawaii Business Roundtable. Your Committee received comments on this measure from the Hawai'i State Ethics Commission.

Your Committee finds that Act 38 was enacted to facilitate the University of Hawaii's contribution to research commercialization and economic development for the State by making certain sections of the State Ethics Code inapplicable to technology transfer activities sponsored by the University, provided that the activities comply with the regulatory framework and research compliance program approved by the Board of Regents.



Under Act 38, this exemption is set to be repealed on June 30, 2022.

Your Committee finds that it is a matter of statewide concern to support the timely and efficient commercialization of intellectual property created by basic and applied research at the University of Hawaii, and that extending Act 38 will allow the University to continue its contribution to research commercialization and economic development. Your Committee also finds that since the enactment of Act 38, the University of Hawaii has consulted with various stakeholder groups in the University of Hawaii community, including its faculty, to develop the policies, internal guidance, forms, and procedural protocols to comply with the requirements under Act 38. Your Committee finds that the University of Hawaii has completed its issuance of a Regents Policy and Executive Policy, and is currently in the process of finalizing its administrative procedures, to ensure compliance with an Act 38 management plan that is designed to identify, address, and mitigate conflicts of interest that arise during technology transfer activities involving its faculty.

Your Committee believes that there is a need for stakeholders, such as the Legislature, University of Hawaii, Hawaii State Ethics Commission, and general public to have the opportunity to review the University of Hawaii's final compliance framework on technology transfer activities. Therefore, your Committee recommends a three-year extension of Act 38, rather than the removal of the sunset provision being requested.

Accordingly, your Committee has amended this measure by:

- (1) Extending the repeal date of Act 38 by three years, to June 30, 2025; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1218, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1218, S.D. 1, and be referred to your Committee on Judiciary.



Respectfully submitted on
behalf of the members of the
Committee on Higher Education,

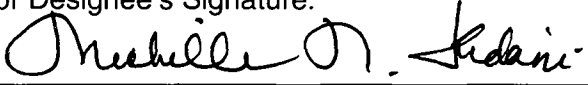


DONNA MERCADO KIM, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

Record of Votes
Committee on Higher Education
HRE

Bill / Resolution No.:* <i>SB 1218</i>	Committee Referral: <i>HRE, JDC</i>	Date: <i>2-9-21</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KIM, Donna Mercado (C)	✓			
KIDANI, Michelle N. (VC)	✓			
KEITH-AGARAN, Gilbert S.C.	✓			
WAKAI, Glenn	✓			
FEVELLA, Kurt			✓	
TOTAL	4	0	1	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes