Testimony Presented Before the Senate Committees on Government Operations and Higher Education Tuesday, February 13, 2018 at 1:30 p.m.

by

Vassilis L. Syrmos, Vice President for Research and Innovation University of Hawai'i System

SB 2607 – RELATING TO THE RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII

Chairs Kim and Kahele, Vice Chairs Ruderman and Mercado Kim, and members of the Committees:

The University of Hawai'i (UH) opposes SB 2607.

In 1965, the Hawai'i State Legislature recognized the unique requirements of the research industry in Hawai'i when it created the Research Corporation of the University of Hawai'i (RCUH) to support the UH research and training enterprise by allowing it certain exemptions from cumbersome State procurement practices – which enabled UH to function as a more nimble enterprise able to effectively compete for federal and other research and training funding. This flexibility is also a key component to UH's strategic goal of building a \$1 billion dollar research industry under the Hawai'i Innovation Initiative.

In recent years, like other research institutions across the country, UH continues to weather an extremely challenging funding landscape brought on by the lingering effects of sequestration, uncertainties in agency funding, budget cuts and the realignment of R&D funding priorities. Extramural funding, which UH once brought in a high of \$489 million in 2011, has now slipped to an average of about \$390 million. With increased competition for fewer federal dollars, RCUH's flexibility has become absolutely essential to UH research enterprise now more than ever.

Although research is the visible recipient of RCUH services, non-research grants contribute to an equally significant part of the UH portfolio. Many of these projects are in training and workforce development at UH Hilo, UH West Oʻahu and the UH Community Colleges -- also play a significant role in contributing to the state's economy. As it stands, SB 2607's requirement calling for a sealed bid, public advertising procurement process and a dollar threshold exemption ceiling -- will make it difficult for UH faculty to successfully land critical federal and private funding for research and non-research projects.

At a time when other universities and colleges are working to find ways to streamline their operations and to make their faculty more competitive to secure federal and private funding, many states are working these institutions to help ease these restrictions – not adding to them.

Thank you for the opportunity to testify on this measure.



The Committee on Government Operations and Higher Education Tuesday, February 13, 2018 1:30 PM, Conference Room 224

RE: SB 2607 Relating to the Research Corporation of the University of Hawai'i

Attention: Chairs Donna Mercado Kim and Kai Kahele, Vice Chairs Russell Ruderman and Donna Mercado Kim and Members of the respective Committee

The University of Hawaii Professional Assembly (UHPA) **provides comments** and notes that SB 2607 is designed to preclude certain bids and purchases from being exempt from HRS Chapter 103D as is currently allowed. **UHPA raises a caution** as to the potential unintended consequences of this proposal. It is unclear as to the problem it is seeking to address. As currently constructed, the amendment uses language that restricts the procurement exemption to ..."contracts directly related to research..." without reference to the monetary value of the contract or an operational definition of research.

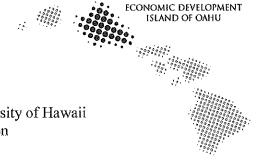
RCUH provides assistance to activities that support research such as providing for ship repairs and parts or training programs that create employment opportunities in our communities such as Veterans to Nurses. SB 2607 raises the concern that these services such as these will no longer receive the exemption under HRS Chapter 103D.

UHPA requests that the committee defer SB 2607.

Thank you for your consideration.

Respectfully submitted

Kristeen Hanselman Executive Director February 8, 2018



SB 2607, Relating to the Research Corporation of the University of Hawaii Committees on Government Operations and Higher Education Tuesday, Feb. 13, 2018 1:30 pm Hawaii State Capitol, Conference Room 224

The Oahu Economic Development Board opposes SB 2607, to place a restriction on the exceptions the research corporation of the University of Hawaii has regarding advertising for bids and purchases, due to the following reasons.

Act 209, Session Laws of Hawai'i 1965 (now codified as HRS § 304A-3001-3011) which established RCUH intended the corporation to have a broad propose that "...shall include, but not be limited to, the promotion of all educational, scientific, and literary pursuits". It also recognized that RCUH "...requires a much more flexible and streamlined method of operation than is permitted the usual operations of State agencies. In short... must be able to function... more like a business...."

Limiting the exemption to "research, and contracts for investigations, training, and studies that are directly related to research" would significantly impede the efforts of the RCUH to fulfill its mission which, in addition to research, includes all educational, scientific, and literary pursuits.

The narrow focus on research would not permit RCUH to provide services to other types of projects, making it difficult for those projects to be competitive in securing grants and contracts from federal and private sources. This would have a negative impact on UH and state agencies which use extramural funds to enhance and expand programs.

Because it is increasingly difficult to garner federal funds for research, training, and development, Hawaii should support, rather than impede, efforts to secure non-state extramural funds that will enhance the state's economy.

RCUH currently has policies and procedures that adhere to fair and ethical standards that meet federal grant award requirements.

In FY 2016-17, the value of goods and services expended through RCUH was nearly \$300 million which contributed to the vitality of the economy on every major island (see attached Projects by County: FY 2016-17). SB 2607 would make it difficult for projects to meet their grant/contract obligations, jeopardizing their ability to secure external funds which enhance the state's economy.





Whatever the estimated value of the funds identified for "advertising for bids and purchases", the limitation will have detrimental effects as fast and efficient services are required for all expenditures, regardless of their amount.

If you would like further input from me, please do not hesitate to call on me.

Sincerely,

Pono Shim

President and CEO

Oahu Economic Development Board

<u>SB-2607</u> Submitted on: 2/7/2018 3:05:52 PM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Yin Lee	University of Hawaii at Manoa	Oppose	No

<u>SB-2607</u> Submitted on: 2/7/2018 5:32:44 PM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Kevin Higaki		Oppose	No

<u>SB-2607</u> Submitted on: 2/7/2018 3:42:20 PM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Doug Tonokawa		Oppose	No

Comments:

I oppose SB 2607. RCUH already has policies and procedures that comply with federal regulations. Why make it harder for the researchers to carry out their projects?

Submitted on: 2/7/2018 7:48:12 PM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
David Duffy		Oppose	No	

Comments:

Dear Members of the Committees,

I am writing in opposition to this bill. It is well intentioned but will indirectly reduce the competitiveness of UH researchers and will diminish the ability of Hawaii to create a knowledge-based economy.

SB 2607 states that the RCUH flexibility in purchasing "shall be limited to contracts that are directly related to research, and contracts for investigations, training, and studies that are directly related to research, with a total estimated value of \$ or less;

Several issues:

- 1. who determines what is "directly related to research"
- 2. the threshold limit is undefined.
- 3. what are "studies that are directly related to research"?
- 4. researchers will find themselves dealing with a two-tiered purchasing system

RCUH already has extensive (some would say onerous) rules relating to contracts. The state has an unimpressive record on contracting, being slow and Byzantine. It isn't clear how this bill will improve accountability, much less the state's ability to conduct research. Given that most research projects have limited life spans, waiting a year or two to get a contract through could limit our competitiveness, as well as further reduce PI's time at the bench, while increasing their time shuffling paper.

Reductio ad absurdum would SOEST research vessels be able to purchase toilet paper? TP is essential but "directly related to research"? Medical School studies of norovirus would of course still be in the running.

With best wishes,

David Duffy

Submitted on: 2/8/2018 8:12:04 AM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jeffrey Hare		Oppose	No

Comments:

SB 2607 will hamper RCUH's many projects from conducting reasonable research business on behalf of the citizens of Hawaii. RCUH is a critical component of the work at the University of Hawaii, and much of the important scientific research (medical, environmental, biological, etc) is conducted via the many projects at RCUH. With nearly 3000 employees, RCUH is an important economic force in Hawaii, and it should be permitted to continue to have key exemptions in order to conduct business. I urge the legislature to reject this misguided bill.

Submitted on: 2/8/2018 12:14:40 PM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jay Penniman	Maui Nui Seabird Recovery Project	Oppose	No

Comments:

Please kill this bill. Without the exemption much of the critical work in conservation being lundertaken by the projects of the Research Corporation University of Hawai'i will be negatively impacted. Projects are already operating with in tight budgets and time lines to study and manage the natural resources of our state. It is crutial that RCUH projects be able to operate as efficiently as possible to make scarce resources achieve maximum results. There is nothing broken with the current exemption so there is no need for an unnecessary fix.

Submitted on: 2/8/2018 12:36:28 PM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Martin	Maui Nui Seabird Recovery Project	Oppose	No

Comments:

RCUH projects conduct valuable work protecting the natural resources of the state of Hawaii.

The proposed changes to current exemptions for RCUH would inhibit projects in their work, adding significant costs to the task of procurement involved in incurring project expenses.

The result of such a change would be to diminish the ability of RCUH projects to conduct business in a timely manner.

The state's natural resources are critically threatened from a myriad of factors including climate change, invasive species, and habitat loss.

Since the state's economy depends so heavily on quality of natural resources and intact ecosystems, any increased burden on RCUH projects would be creating an uneccesary beaurocratic impediment to protecting the foundation of the state economy.

<u>SB-2607</u> Submitted on: 2/8/2018 2:31:10 PM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Craig Matsuda	University of Hawaii	Oppose	No

<u>SB-2607</u>

Submitted on: 2/8/2018 3:19:47 PM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Cheryl Reeser		Oppose	No

Comments:

Aloha,

I oppose SB2607. I have been working for the University of Hawaii on federally funded training projects for over 25 years. The RCUH procurement exemptions have been absolutely necessary for our training projects to meet goals and objectives in a timely manner. We simply would not be able to compete for federal grant funding without them.

Mahalo for opposing SB2607.

<u>SB-2607</u> Submitted on: 2/8/2018 3:36:49 PM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Deborah McNulty		Oppose	No

<u>SB-2607</u> Submitted on: 2/8/2018 3:43:35 PM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
M Keaulani LeBron		Oppose	No

<u>SB-2607</u> Submitted on: 2/8/2018 3:49:04 PM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Timothy McNulty	Timothy. P. McNulty, ALC	Oppose	No

Comments:

The proposal will make unnecessary and unwarranted additional work. Please hold the

Timothy P. McNulty, Esq.

<u>SB-2607</u> Submitted on: 2/8/2018 4:04:08 PM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Cliff Martin		Oppose	No	

Testimony Submitted to
Senate Committee on Government Operations
And Senate Committee on Higher Education
On Senate Bill 2607
February 13, 2018, 1:30 pm, Room 224
Submitted by
Judith K. Inazu, Ph.d.

Chair Mercado Kim, Chair Kahele, and Vice-Chair Ruderman, thank you for the opportunity to submit testimony on SB 2607. My name is Judith Inazu and I am the Interim Director of the Social Science Research Institute (SSRI) at the University of Hawai'i at Mānoa. I have worked at SSRI for more than 16 years and at the University of Hawai'i for a total of 34 years.

I oppose SB 2607, which would amend the state statute that established RCUH in 1965. RCUH was established to allow for more flexibility in procurement and personnel matters on extramurally-funded projects, thereby assisting faculty in executing and completing their projects within the sponsor's deadline. The intent of the legislation was to facilitate and support all extramurally-funded activities, such as research, training, educational, scientific, and "literary pursuits".

The proposed legislation will impose limitations on the kinds of extramurally-funded projects that could benefit from the exemptions awarded to RCUH. Limiting the exemption to projects that are "directly related to research" would significantly impede the efforts of our faculty, many of whom bring in millions of dollars to promote a variety of community, educational, social, and training initiatives that go beyond pure research, such as projects on community engagement, innovative instructional techniques, outreach to K-12 students, civic engagement, and training and workshops for educators and students. Without access to the services of RCUH, these types of projects would struggle to obtain and retain extramural funding and meet the deadlines imposed by sponsoring agencies.

For these reasons, I strongly oppose SB 2607.

Thank you for the opportunity to submit testimony.

<u>SB-2607</u> Submitted on: 2/9/2018 3:00:53 PM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lesley Nakamura	University of Hawaii Cancer Center	Oppose	No

<u>SB-2607</u> Submitted on: 2/9/2018 3:47:48 PM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Ashley		Oppose	No	1

<u>SB-2607</u> Submitted on: 2/9/2018 3:48:21 PM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Paul Sakuma		Oppose	No

<u>SB-2607</u> Submitted on: 2/9/2018 3:49:17 PM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jennifer Lin		Oppose	No

<u>SB-2607</u> Submitted on: 2/9/2018 3:49:38 PM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Tyler Hishinuma		Oppose	No

<u>SB-2607</u> Submitted on: 2/9/2018 3:49:52 PM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Stacy Hoganson		Oppose	No

<u>SB-2607</u> Submitted on: 2/9/2018 3:52:07 PM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jo Ann Yamamoto	RCUH	Oppose	No

<u>SB-2607</u> Submitted on: 2/9/2018 4:01:49 PM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Nelson Sakamoto	Research Corp. of the University of Hawaii	Oppose	No

Submitted on: 2/9/2018 4:05:51 PM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Matthew Gilbert		Oppose	Yes

Comments:

Aloha,

I would like to Oppose this bill as the ouutcome would be detrimental to the University of Hawaii, the State of Hawaii and to the RCUH. The RCUH is selected to review and process these types of transactions as under Federal Funding guidelines we need fast and accurate transactions that only the RCUH is able to review to make sure these are both allowable under both State and Federal guidelines and processed quickly. Without this we stand the chance to lose millions of dollars annualy in Federal funding and also delaying the progress on Research that the RCUH has helped accomplish.

Mahalo for your consideration and please contact me if I can answer any additional questions.

Matt Gilbert 808-372-3979

<u>SB-2607</u> Submitted on: 2/9/2018 4:13:24 PM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Taylor		Oppose	No	

<u>SB-2607</u> Submitted on: 2/9/2018 4:14:00 PM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Taylor Sumi		Oppose	No

<u>SB-2607</u> Submitted on: 2/9/2018 4:27:38 PM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Tana Staub		Oppose	No	

<u>SB-2607</u> Submitted on: 2/9/2018 4:44:55 PM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Maile B		Oppose	No	

<u>SB-2607</u> Submitted on: 2/9/2018 4:59:53 PM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Sabrina Robello		Oppose	No	

<u>SB-2607</u> Submitted on: 2/9/2018 5:01:27 PM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Stacie Kondo		Oppose	No

Submitted on: 2/9/2018 5:06:07 PM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Brenda Kanno	RCUH	Oppose	No	1

Comments:

Restrictions on RCUH's exemption from Chapter 103D will have a significant negative impact on RCUH's ability to carry out its mission, which is the promotion of all educational, scientific and literary pursuits. This, in turn, will make it difficult for projects/programs to meet their grant/contract deliverables, thereby jeopardizing their ability to secure future extramural funds which contribute to the state's economy.

<u>SB-2607</u> Submitted on: 2/10/2018 5:46:28 PM

Testimony for GVO on 2/13/2018 1:30:00 PM

8	Submitted By	Organization	Testifier Position	Present at Hearing	
	Kyle		Oppose	No	

Testimony of Sharon Y Moriwaki to the

Senate Committees on Government Operations and Higher Education February 13, 2016 at 1:30 pm in Conference Room 224

IN OPPOSITION OF SB 2607, Relating to the Research Corporation of the University of Hawaii

Chairs Kim, Kahele and Members of the Committees,

I am Sharon Moriwaki, Co-Chair of the Hawai'i Energy Policy Forum ("HEPF") and a faculty member of the University of Hawai'i Social Sciences Public Policy Center ("UH Public Policy Center"). For the past 15 years, we at the UH Public Policy Center, through its HEPF, have been working in partnership with over 40 representatives from Hawaii's electric utilities, oil and natural gas suppliers, environmental and community groups, renewable energy industry, and federal, state and local government, including representatives from the neighbor islands.

SB 2607 places a restriction on the exemptions granted to the Research Corporation of the University of Hawai'i ("RCUH") under chapter 103D, HRS, limiting it to "research and contracts for investigations, training, and studies that are directly related to research."

Current law that established RCUH intended the corporation to have a broad purpose that "...shall include, but not be limited to, the promotion of all educational, scientific, and literary pursuits." Limiting the exemption to "research and contracts for investigations, training, and studies that are *directly related to research*" as proposed under SB2607 would significantly impede the efforts of the RCUH to fulfill its broad mission which goes beyond research to include all educational, scientific, and literary pursuits. The latter covers the work we have done and are doing.

Our program and others under the UH Public Policy Center further such broad and important efforts for the state such as: civic engagement; dialogue sessions; educational outreach; workshops for students/teachers; and public policy briefs and reports/publications relating to various topics and issues as well as research publications.

Further, without the efficient and flexible administrative support of the RCUH, we could not have been as successful as we have been over the past 15 years of our existence. Programs such as ours and others will find it more difficult to secure and implement grants and contracts with funding deadlines. Non-research training and development projects garner millions of dollars to the UH and state, and they require the same fast and efficient services afforded to research projects.

Based on the foregoing, the UH Public Policy Center opposes SB2080, and respectfully urges that it be held.

Thank you for the opportunity to testify.

<u>SB-2607</u> Submitted on: 2/12/2018 7:15:34 AM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Ivy Ka	RCUH HR	Oppose	No

Submitted on: 2/12/2018 7:48:01 AM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Sarah Yuan		Oppose	No

Comments:

I strongly oppose SB2607 which places a restriction on the exemptions the RCUH has with regard to chapter 103D, HRS, relating to advertising for bids and purchases to be made in Hawaii whenever public moneys are expended. This restriction will adversely affect non-research contracts and grants and the University's ability to deliver the contracted services. I am a UH faculty member and have non-research contracts from state agencies to provide training, technical support, community needs assessment, and program evaluation services. Most of these are one-year contracts with a very tight timeline from start to finish. Without the current exemption status, it would be extremely challenging for my projects to purchase the needed goods and services for completing the contracted deliverables on schedule.

Thank you for the opportunity to testify.

<u>SB-2607</u> Submitted on: 2/12/2018 8:00:18 AM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Sharon Vong	RCUH	Oppose	No	1

<u>SB-2607</u> Submitted on: 2/12/2018 8:11:02 AM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Elizabeth	RCUH	Oppose	No

<u>SB-2607</u> Submitted on: 2/12/2018 9:44:00 AM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Daniel Regan	Individual	Oppose	No	1

<u>SB-2607</u> Submitted on: 2/12/2018 9:47:08 AM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Eleanor Yuan	Individual	Oppose	No	Ī

<u>SB-2607</u> Submitted on: 2/12/2018 10:20:25 AM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Moana Ching	Individual	Oppose	No	1

<u>SB-2607</u> Submitted on: 2/12/2018 11:44:23 AM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Marina Lafaele	Individual	Oppose	No

Submitted on: 2/12/2018 11:49:07 AM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Maw-Ying Yuan	Individual	Oppose	No

Comments:

I strongly oppose SB2607. I am a project database and IT specialist. I handle IT-related purchases for RCUH projects, and many of them are non-research contracts and grants. With the restrictions proposed in SB2607, it would be extremely challenging for me to purchase the needed IT equipment and services promptly, which will affect the projects ability to carry out the contracted work. I respectfully ask you to oppose this bill. Thank you for your consideration.

Submitted on: 2/12/2018 12:00:25 PM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Kaylee Noborikawa	Individual	Oppose	No	

Comments:

By limiting the exemption to "research, and contracts for investigations, training, and studies that are directly related to research," it would significantly impede the efforts of RCUH to fulfill its mission which, in addition to research, includes **all** educational, scientific, and literary pursuits. This bill would be detrimental to RCUH's nearly 3,000 employees, the University of Hawai'i, and state agencies that rely upon RCUH's financial and human resources services.

Because it is increasingly difficult to garner federal funds for research, training, and development, Hawai'i should support, rather than impede, efforts to secure non-state extramural funds that will enhance the state's economy. For these reasons, I hope that you will oppose SB2607.

Submitted on: 2/12/2018 1:27:15 PM

Testimony for GVO on 2/13/2018 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Ji-Yeon Kim	Individual	Oppose	No	

Comments:

I strongly oppose SB2607 which places a restriction on the exemptions the RCUH has with regard to chapter 103D, HRS, relating to advertising for bids and purchases to be made in Hawaii whenever public moneys are expended. Some valued and meaningful activities performed at UH are integrated research and extension activities. Although I agree that research is one important function of UH, I believe that extension activities are equally important as they allow research findings to be used in everyday lives in Hawaii. Many extension activities that have conducted at UH have significant impacts on people in Hawaii. The proposed restriction will adversely affect the University's ability to deliver the contracted services that focus on extension. As a faculty member at UH, I have had non-research contracts from state agencies to provide training, technical support, and program evaluation services. Most of these are one-year contracts with a very tight timeline from start to finish. Without the current exemption status, it would be extremely challenging for my projects to purchase the needed goods and services for completing the contracted deliverables on schedule.

Thank you for the opportunity to testify.