
A BILL FOR AN ACT

RELATING TO THE UNIVERSITY OF HAWAII.

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

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PART I

SECTION 1. The legislature finds that the University of Hawaii cancer center reduces the burden of cancer through research, education, patient care, and community outreach. The University of Hawaii cancer center is the only National Cancer Institute-designated cancer center in Hawaii and the Pacific region. The University of Hawaii cancer center is a member of the Hawaii Cancer Consortium along with five hospital groups and the University of Hawaii's John A. Burns school of medicine.

The University of Hawaii's John A. Burns school of medicine educates and trains health care professionals, including physicians, biomedical scientists, and allied health workers. The John A. Burns school of medicine also conducts fundamental medical research and translates discoveries into delivery practices. Because the John A. Burns school of medicine is a community-based medical school without its own university



1 hospital, it partners with private hospitals in the community to
2 achieve its educational mission.

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



1 concern to ensure that the management of public resources
2 provided to the John A. Burns school of medicine and University
3 of Hawaii cancer center be integrated, coordinated, and focused
4 on common priorities to avoid unnecessary duplication of
5 administrative expenses or conflicting priorities.

6 The legislature additionally finds that placing resources
7 devoted to training and educating physicians and conducting
8 cancer research in an integrated university organizational
9 structure, as opposed to stand-alone and duplicative
10 organizations, will foster a uniform strategic vision. Unified
11 leadership will also allow better coordination with the
12 University of Hawaii's private partners in the hospital
13 community and with other state agencies.

14 The legislature also finds that as a matter of statewide
15 concern, the University of Hawaii cancer center should be more
16 closely affiliated with the John A. Burns school of medicine and
17 be administered as an organized research unit of the John A.
18 Burns school of medicine. Merging the John A. Burns school of
19 medicine and University of Hawaii cancer center's administrative
20 services and infrastructure teams will offer efficiency by



1 eliminating redundancy and sharing administrative expertise and
2 experience to reduce processing delays.

3 The legislature notes that several outstanding medical
4 schools at other universities integrate their cancer research
5 programs closely with their medical schools. For example, the
6 Washington University School of Medicine in Saint Louis is the
7 parent institution to the Siteman Cancer Center. The Siteman
8 Cancer Center is designated as a comprehensive cancer center and
9 holds an "exceptional" rating from the National Cancer
10 Institute. The MD Anderson Cancer Center in Houston, Texas is a
11 comprehensive cancer center and operates in close affiliation
12 with the McGovern Medical School as part of the University of
13 Texas Health Science Center at Houston.

14 The legislature also notes that from 2014 to 2016, the
15 University of Hawaii developed business plans, hired
16 consultants, and made presentations to its board of regents on
17 the University's plans to integrate the University of Hawaii
18 Kakaako health science campus and eliminate operational
19 redundancies between the John A. Burns school of medicine and
20 University of Hawaii cancer center. Further, the University of
21 Hawaii frequently groups different organized research units



1 within a larger administrative structure. For example, the
2 school of ocean and earth science and technology encompasses
3 several outstanding research units, including the center for
4 microbial oceanography: research and education and Hawaii
5 institute of marine biology.

6 To maintain the National Cancer Institute designation as a
7 cancer center consistent with National Cancer Institute
8 guidelines, the director of the University of Hawaii cancer
9 center shall continue to have a direct line of reporting and
10 accountability to the provost of the University of Hawaii at
11 Manoa.

12 Accordingly, the purpose of this part is to:

- 13 (1) Require the director of the University of Hawaii
14 cancer center to be appointed by University of
15 Hawaii's board of regents upon recommendation from the
16 provost of the University of Hawaii at Manoa instead
17 of the dean of the University of Hawaii's John A.
18 Burns school of medicine;
- 19 (2) Require the University of Hawaii cancer center to be
20 administratively affiliated with the John A. Burns
21 school of medicine;



1 (3) Require the director of the University of Hawaii
2 cancer center to report to the provost of the
3 University of Hawaii at Manoa and coordinate with the
4 president of the University;

5 (4) Require funds expended from or originating from the
6 University of Hawaii tuition and fees special fund for
7 the John A. Burns school of medicine or University of
8 Hawaii cancer center to be used for educational
9 purposes only; and

10 (5) Require funds expended from or originating from the
11 research and training revolving fund for the John A.
12 Burns school of medicine or University of Hawaii
13 cancer center to be used for research and research-
14 related purposes only.

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

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

19 **§304A- Cancer research center of Hawaii.** (a) There is
20 established an organized research unit, hereinafter known as the
21 cancer research center of Hawaii, to conduct cancer research.



1 The cancer research center of Hawaii shall be administered by a
2 director to be appointed by the board of regents upon
3 recommendation by the provost of the University of Hawaii at
4 Manoa with the concurrence by the president of the university.

5 The cancer research center of Hawaii shall be affiliated with
6 the John A. Burns school of medicine; provided that the director
7 of the cancer research center of Hawaii shall report to the
8 provost of the University of Hawaii at Manoa and coordinate with
9 the president of the university.

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

15 (c) The cancer research center of Hawaii may:

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

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



1 "**§304A-2153 University of Hawaii tuition and fees special**
2 **fund.** (a) There is established the University of Hawaii
3 tuition and fees special fund into which shall be deposited all
4 revenue collected by the university for regular, summer, and
5 continuing education credit tuition, tuition-related course and
6 fee charges, and any other charges to students, except as
7 provided by law. Moneys deposited into the fund shall be
8 expended to maintain or improve the university's programs and
9 operations and shall not be:

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

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

20 (b) Any law to the contrary notwithstanding, the board of
21 regents may authorize expenditures of up to \$3,000,000 annually,



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

11 The report shall:

- 12 (1) Identify each department of the University of Hawaii
13 Foundation supported by moneys from the fund;
- 14 (2) Describe the purposes and activities of each
15 department identified in paragraph (1) and how it
16 participates in fundraising activities and benefits
17 the university;
- 18 (3) Provide the total expenditures of each department
19 identified in paragraph (1) by primary expense
20 categories;



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

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

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

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

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

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



1 (2) Submitted, together with the estimated quarterly
2 budget requirements, to the vice president for budget
3 and finance and chief financial officer on [~~such~~] a
4 date [~~as~~] that the vice president for budget and
5 finance and chief financial officer may prescribe.

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

8 (1) Shall review the operations plan for each campus to
9 determine if:

10 (A) It is consistent with the policy decisions of the
11 board of regents and appropriations by the
12 legislature;

13 (B) It reflects proper planning and efficient
14 management methods; and

15 (C) Appropriations have been made for the planned
16 purpose and will not be exhausted before the end
17 of the fiscal year;

18 (2) Shall approve the operations plan for each campus if
19 they determine that the operations plan meets the
20 requirements of paragraph (1); and



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

3 (f) At the end of each fiscal year, the moneys in the
4 University of Hawaii tuition and fees special fund for each
5 campus shall lapse to the credit of program identification
6 number UOH900 (University of Hawaii, system wide support).

7 (g) Notwithstanding any other law to the contrary, funds
8 expended from or originating from the University of Hawaii
9 tuition and fees fund for the University of Hawaii school of
10 medicine or the cancer research center of Hawaii shall be used
11 by the school of medicine or the cancer research center of
12 Hawaii for educational purposes only."

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

15 **"§304A-2253 Research and training revolving fund. (a)**

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



1 (1) Research and training purposes that may result in
2 additional research and training grants and contracts;

3 (2) Facilitating research and training at the university;
4 and

5 (3) Further deposit into the discoveries and inventions
6 special fund.

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

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

20 (d) Revenues deposited into the fund shall not be used as
21 a basis for reducing any current or future budget request or



1 allotment to the university unless the university requests such
2 a reduction.

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

9 PART II

10 SECTION 5. The purpose of this part is to allow the
11 University of Hawaii to continue its contribution to research
12 commercialization and economic development by repealing the
13 sunset provision in Act 38, Session Laws of Hawaii 2017.

14 SECTION 6. Act 38, Session Laws of Hawaii 2017, is amended
15 by amending section 5 to read as follows:

16 "SECTION 5. This Act shall take effect upon its approval[~~+~~
17 ~~provided that this Act shall be repealed on June 30, 2022]."~~

18 PART III

19 SECTION 7. The purpose of this part is to make the
20 innovation and commercialization initiative program permanent by



1 repealing the sunset provision in Act 39, Session Laws of
2 Hawaii 2017.

3 SECTION 8. Act 39, Session Laws of Hawaii 2017, is amended
4 by amending section 3 to read as follows:

5 "SECTION 3. This Act shall take effect on July 1, 2017[
6 ~~and shall be repealed on June 30, 2021~~]."

7 PART IV

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

10 SECTION 10. This Act shall take effect on July 1, 2060.



Report Title:

UH; Cancer Research Center of Hawaii; John A. Burns School of Medicine; Special Funds; Commercialization; Technology Transfer

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 a direct line of reporting to the provost of University of Hawaii at Manoa. Requires funds expended from the tuition and fees special fund or research and training revolving fund for the John A. Burns school of medicine or cancer research center of Hawaii to be used for research and research-related purposes only. Repeals the sunset provision in Act 38, Session Laws of Hawaii 2017, to make permanent certain provisions relating to technology transfer by the University of Hawaii. Makes the innovation and commercialization initiative program permanent by repealing the sunset provision in Act 39, Session Laws of Hawaii 2017. Effective 7/1/2060. (HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

