



# HAWAII STATE ETHICS COMMISSION

State of Hawaii • Bishop Square, 1001 Bishop Street, ASB Tower 970 • Honolulu, Hawaii 96813

---

February 3, 2015

The Honorable Brian T. Taniguchi, Chair  
The Honorable Lorraine R. Inouye, Vice Chair  
Honorable Members  
Senate Committee on Higher Education and the Arts  
Hawaii State Capitol, Room 224  
415 South Beretania Street  
Honolulu, Hawaii 96813

Re: **Testimony on SB No. 1144, Relating to Technology Transfer  
at the University of Hawaii**

Hearing: Tuesday, February 3, 2015, 1:30 p.m.  
State Capitol, Conference Room 224

Testifying: Susan D. Yoza, Associate Director  
Hawaii State Ethics Commission

Thank you for the opportunity to testify on S.B. No. 1144, Relating to Technology Transfer at the University of Hawaii (“University”). The State Ethics Commission (“Commission”) opposes this bill for the reasons stated below.

S.B. No. 1144 amends the State Ethics Code, Hawaii Revised Statutes chapter 84, by requiring the Commission to consider the University’s research compliance program in rendering advisory opinions concerning “technology transfer” activities conducted by the University. S.B. No. 1144 also provides that the Commission may permit technology transfer arrangements so long as the technology transfer arrangements are likely to create “specific benefits” to the State or to the public.

In essence, the University is asking that the Commission be required to consider whether a University employee’s activities serve a state or public benefit when determining whether or not the employee’s participation in a technology transfer arrangement is prohibited under the State Ethics Code; and if the Commission determines that there is such a benefit, the Commission may permit the employee to engage in such activities.

The Honorable Brian T. Taniguchi, Chair  
The Honorable Lorraine R. Inouye, Vice Chair  
Honorable Members  
Senate Committee on Higher Education and the Arts  
February 3, 2015  
Page 2

It appears that the University's position is that technology transfer arrangements benefit the State and/or the public. However, the wording of S.B. No. 1144 is vague and overly broad. The term "technology transfer activity" is not clearly defined, and it is unclear what criteria would be used to determine whether an activity creates "specific benefits to the State or the public." In addition, it is unclear why the Commission must be "required" under the State Ethics Code to consider the University's research compliance program in determining whether such an activity is consistent with the State Ethics Code. Finally, we question whether S.B. No. 1144 is the appropriate or necessary means by which to achieve what the University is asking the Commission to do with respect to technology transfer arrangements.

The Commission understands, however, the University's position that it would like the Commission to be able to consider certain "unique aspects of technology transfer" when applying the State Ethics Code to University-supported technology transfer activities. For this reason, although the Commission opposes this bill in its current form, the Commission is willing to work with the University to attempt to resolve the aforementioned areas of concerns.