



HAWAII STATE ETHICS COMMISSION

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

HOUSE COMMITTEE ON HIGHER EDUCATION
The Honorable Isaac W. Choy, Chair
The Honorable Linda Ichiyama, Vice Chair

H.B. No. 2194, Relating to Technology Transfer at the University of Hawaii

Hearing: Tuesday, February 2, 2016, 2:00 p.m.

The Hawaii State Ethics Commission (“Commission”) **opposes** H.B. No. 2194 in its current form, but has been working with the University of Hawaii (“University”) to suggest language that will address the Commission’s concerns about this bill. The purpose of H.B. No. 2194 is to amend the State Ethics Code, Hawaii Revised Statutes chapter 84, to allow University-sponsored technology transfer activities that are likely to benefit the State or the public.

H.B. No. 2194 requires the Commission to consider the University’s research compliance program in rendering advisory opinions concerning technology transfer activities conducted by the University. H.B. No. 2194 further provides that the Commission may permit technology transfer arrangements so long as they are likely to create specific benefits to the State or to the public.

The Commission has a number of concerns about H.B. No. 2194 as it is currently worded:

First, the bill does not define the term, “technology transfer activities.” Without a definition of this term, it is unclear exactly what activities may be permitted by the Commission under this bill.

Second, the bill does not identify the University employees whose technology transfer activities may be permitted by the Commission. It is the Commission’s understanding that the bill is intended to apply principally to University research faculty and other professional and technical staff while they are engaged in technology transfer activities. As written, however, the bill appears to apply to any and all University employees.

Third, it is unclear why the Commission must be **required** to consider the University’s research compliance program in rendering advisory opinions concerning the application of the State Ethics Code to technology transfer activities.

Fourth, the bill states that the Commission may permit technology transfer arrangements so long as they are “likely to create specific benefits to the State or the public.” Again, it is unclear how the Commission is to determine what “specific benefits” may be derived from technology transfer activities or how likely such benefits are.

The Commission understands that the University would like the Commission to be able to consider the “unique aspects of technology transfer” when applying the State Ethics Code to University-supported technology transfer activities. While the Commission is not opposed in theory to allowing these activities under the State Ethics Code, the Commission believes that statutory language providing for this must be clearly stated and limited in scope. Although the Commission does not support H.B. No. 2194 in its current form, the Commission is continuing to work with the University to attempt to resolve the aforementioned areas of concerns and to suggest alternate statutory language. The Commission recently proposed the following language for discussion purposes to the University:

“University of Hawaii employees who are directly involved in the research or development of technology sponsored and approved by the University shall be exempt from this chapter, including section 84-18, when performing these activities and in the transfer and commercialization of the technology.”

The Commission will continue its discussions with the University about H.B. No. 2194 and the Commission’s proposed language to achieve the purpose of this bill.

Thank you for considering the Commission’s testimony on H.B. No. 2194, Relating to Technology Transfer at the University of Hawaii.