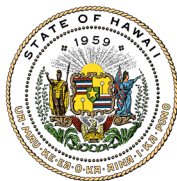


SUNSHINE LAW MEETING



HAWAI'I STATE ETHICS COMMISSION

State of Hawai'i · Bishop Square, 1001 Bishop Street, ASB Tower 970 · Honolulu, Hawai'i 96813

NOTICE OF MEETING OF THE HAWAI'I STATE ETHICS COMMISSION

Date: May 20, 2021

Time: 9:00 a.m.

Location: Via Videoconference or Phone:

Videoconference: [Join Zoom Meeting](#)

Phone: +1 (408) 638-0968 or +1 (669) 900-6833

Meeting ID: 965 2852 7826

Password: 342987

Due to COVID-19, this meeting will be held via videoconference and phone conference. All members of the public are invited to join this meeting using the above information; anyone wishing to testify may do so during the conference call, or may submit written testimony in advance of the meeting via e-mail, fax, or mail. To avoid excessive noise/feedback, please mute your telephone except to testify.

In person:

Hawai'i State Ethics Commission Conference Room
American Savings Bank Tower
1001 Bishop Street, Suite 960
Honolulu, Hawai'i 96813

***Note: Commission Chair Tschumy intends to be present in the Commission conference room; other Commissioners and staff will appear remotely, via videoconference, and members of the public are encouraged to attend via videoconference or telephone. Staff will make every effort to accommodate members of the public who wish to testify in person at the Commission's Conference Room, but staff will limit the number of people allowed in the Conference Room at any given time. If you wish to attend in person, you must wear a mask and must remain more than six feet away from every other person in attendance.*

A G E N D A

CALL TO ORDER

- I. Consideration and Approval of the Minutes of the April 15, 2021 Meeting
- II. Executive Director's Report
 1. Education / Training Report

Attachment 1: 2021 Training Attendance / Schedule

Attachment 2: Online Training Completions by Department
 2. Guidance and Assignment Statistics – April 2021

Attachment 3: 2021 Guidance and Assignment Statistics / Website Traffic
 3. Appointment of new Commissioner
 4. Miscellaneous Office Projects / Updates
 - a. HSBA Bar Journal – August 2021
- III. 2021 Legislative Session
 1. Post-employment
 - i. [H.B. 671](#) Prohibits certain state officials and employees from representing certain interests before the State for twelve months after termination from their respective positions. Specifies that the prohibition against disclosing certain information applies to those who were employed by the State for less than one hundred eighty-one days. Effective 1/1/2022. (SD2).
 2. Lobbyists Law
 - i. [H.B. 741](#) Requires certain Hawaii state ethics commission records to be retained for a period of six years from the date of filing. (SD1).
 3. Budget
 - i. [H.B. 1](#) Appropriates funds to provide for the expenses of the Legislature, Auditor, Legislative Reference Bureau, Ombudsman, and Ethics Commission.

4. Other

- i. [H.B. 670](#) Authorizes a court to order the forfeiture of one-half of the Employees' Retirement System (ERS) benefits of an ERS member, former member, or retirant upon conviction of the individual for a felony related to the State or county employment of the individual. Authorizes designated beneficiaries to receive the ERS benefits to which the member, former member or retirant would be entitled under this section upon the death of the member, former member, or retirant. Prohibits designated beneficiaries convicted of a felony under the same set of circumstances as the member, former member, or retirant who was subject to forfeiture of ERS benefits from receiving benefits.
- ii. [S.B. 589](#) Extends the sunset provision in Act 38, Session Laws of Hawaii 2017 (technology transfer).
- iii. [S.B. 873](#) Authorizes contested case hearings to use interactive conference technology.
- iv. [S.B. 1034](#) Authorizes boards to use interactive conference technology to remotely conduct meetings under the State's open meetings law. Amends the requirements for public notices of board meetings and for in-person board meetings held by interactive conference technology. Requires the Office of Information Practices to assess the implementation of meetings held using interactive conference technology and submit a report of its findings to the Legislature.

IV. *Akana v. Hawaii State Ethics Commission and Daniel Gluck*, Civil No. 18-1-1019-06 (JHA); *Akana v. Hawaii State Ethics Commission*, Civil No. 19-1-0379-03 (JHA); *State of Hawaii, Ethics Commission v. Rowena Akana*, Civil No. 20-1-0453 (BIA)

Discussion of case status.

The Hawai'i State Ethics Commission may convene an executive session pursuant to Hawai'i Revised Statutes section 92-5(a)(4) to consult with the Commission's attorneys and/or the Department of the Attorney General on questions and issues pertaining to the Commission's powers, duties, privileges, immunities, and liabilities.

- V. Consideration of Order Requiring Financial Disclosures to be Filed Electronically
- VI. Adjournment

If you need an auxiliary aid/service or other accommodation due to a disability, please contact the Hawai'i State Ethics Commission by telephone at (808) 587-0460, by facsimile at (808) 587-0470 (fax), or via email at ethics@hawaiiethics.org. Requests made as early as possible will allow adequate time to fulfill your request.

Upon request, this notice is available in alternate formats such as large print, Braille, or electronic copy.

Any interested person may submit data, views, or arguments in writing to the Commission on any agenda item. An individual or representative wishing to testify may notify any staff member of the Commission prior to the meeting or, during the meeting itself, may inform a Commissioner or Commission staff of a desire to testify. Testimony must be related to an item that is on the agenda, and the testifier shall identify the agenda item to be addressed by the testimony.

SUNSHINE LAW MEETING
AGENDA ITEM I

CONSIDERATION AND APPROVAL OF THE MINUTES OF THE
APRIL 15, 2021 MEETING

Attachment 1: Sunshine Law Meeting Minutes of the April 15, 2021
Hawai'i State Ethics Commission Meeting

SUNSHINE LAW MEETING
MINUTES OF THE HAWAII STATE ETHICS COMMISSION

STATE OF HAWAII

Date: April 15, 2021

Time: 9:00 a.m.

Location: Held via Zoom video and audio conference, with the Commission's Chair present in the Hawaii State Ethics Commission's conference room, American Savings Bank Tower, 1001 Bishop Street, Suite 960, Honolulu, Hawaii 96813

Present: State Ethics Commission Members

Ruth D. Tschumy, Chair (present in conference room)
Melinda S. Wood, Vice Chair (via video conference)
Reynard D. Gaulty, Commissioner (via video conference)
Wesley F. Fong, Commissioner (via video conference)
Harry C. McCarthy, Commissioner (via video conference)

State Ethics Commission Staff

Daniel M. Gluck, Executive Director (via video conference)
Susan D. Yoza, Associate Director (via video conference)
Nancy C. Neuffer, Staff Attorney (via video conference)
Virginia M. Chock, Staff Attorney (via video conference)
Bonita Y.M. Chang, Staff Attorney (via video conference)
Kee M. Campbell, Staff Attorney (via video conference)
Patrick Lui, Computer Specialist (via audio conference)

Guests

Sandy Ma, Executive Director, Common Cause Hawaii (via video conference)

CALL TO ORDER

Chair Tschumy called the meeting to order at 9:05 a.m. and confirmed that all Commissioners and staff were present.

1 **Agenda Item No. I: Welcome to Commissioner Harry McCarthy**

2
3 Chair Tschumy welcomed Commissioner McCarthy and thanked him for joining
4 the Commission. Commissioner McCarthy stated it was an honor and a privilege for
5 him to serve and thanked everyone for making him feel so welcome.
6
7

8 **Agenda Item No. II: Consideration and Approval of the Minutes of the**
9 **March 18, 2021 Meeting**

10
11 Commissioner Gaulty made and Commissioner Fong seconded a motion to
12 approve the minutes of the March 18, 2021 Sunshine Meeting. The motion carried
13 unanimously (Tschumy, Wood, Gaulty, Fong, and McCarthy voting).
14
15

16 **Agenda Item No. III: Executive Director's Report**

17
18 1. Education / Training Report
19

20 Executive Director Gluck reported that staff conducted many trainings early in the
21 year, but that staff did not have many trainings scheduled for March and April. He
22 stated that he had reached out to the Governor's office and asked that they inform the
23 departments that staff remain ready and able to provide ethics training via
24 videoconference to state employees.
25

26 2. Guidance and Assignment Statistics – March 2021
27

28 Executive Director Gluck stated that staff have been continuing to work on
29 closing cases.
30

31 3. Financial Report for FY 2020-2021 (Jan. 1, 2021 – Mar. 31, 2021)
32

33 Executive Director Gluck stated that the office is well under budget for the fiscal
34 year; he stated his goal to finish this fiscal year approximately 8% under budget,
35 equivalent to the reduction that the office is facing in next year's budget.
36

37 4. Appointment of New Commissioners
38

39 Executive Director Gluck welcomed Commissioner McCarthy and thanked him
40 for his service. Executive Director Gluck also stated that the Judicial Council had
41 received applications for the upcoming vacancy and did not intend to extend the
42 application period again. The Judicial Council's goal is to provide the Governor with the
43 list of two names soon, such that the Governor can appoint a new Commissioner to
44 start on or close to July 1.
45
46

1 5. Miscellaneous Office Projects / Updates
2

3 Executive Director Gluck stated that staff will likely start doing more work in the
4 office as vaccinations become more widely available, but that he anticipates staff will
5 continue to perform some work remotely and with flexible hours.

6 Sandy Ma from Common Cause asked whether ethics trainings were available to
7 the public. Executive Director Gluck stated that ethics trainings are typically offered for
8 state employees, with some trainings tailored for specific departments or situations.
9 Staff also offer training for lobbyists and Continuing Legal Education courses for
10 government attorneys. Executive Director Gluck stated that members of the public
11 could generally attend the general ethics trainings if they were interested; alternatively,
12 members of the public could also take the on-line ethics training for a general overview
13 of the Ethics Code. Executive Director Gluck also stated that some trainings are done
14 as part of another board's sunshine law meeting, which meetings are open to the public.
15 Ms. Ma stated that she had received questions about ethics training and that she would
16 refer those individuals to the Commission's website.
17
18

19 **Agenda Item No. IV: 2021 Legislative Session**
20

21 Executive Director Gluck stated that the budget bill, H.B.1, had been signed into
22 law by the Governor. He stated that the bill represents an 8% cut from this current
23 year's budget. Executive Director Gluck stated that the office would be able to
24 withstand the budget cut, in part because he intended to leave an administrative
25 position vacant.
26

27 Executive Director Gluck stated that S.B. 82 was dead but that the remaining bills
28 listed on the agenda – H.B. 671, H.B. 741, H.B. 670, S.B. 873, and S.B. 1034 – were all
29 moving ahead. Executive Director Gluck also mentioned that S.B. 1350, which
30 originally would have created a new Public Accountability Agency – has been gutted
31 and replaced twice and now would suspend salary increases for certain state officials.
32

33 Commissioner Gaulty asked whether we ever discovered the rationale for the bill
34 that would extend the records retention period for lobbying records; Executive Director
35 Gluck stated he still did not know the impetus for that bill.
36

37 **Agenda Item No. V: *Akana v. Hawaii State Ethics Commission and Daniel Gluck,***
38 ***Civil No. 18-1-1019-06 (JHA); Akana v. Hawaii State Ethics Commission, Civil No.***
39 ***19-1-0379-03 (JHA); State of Hawaii, Ethics Commission v. Rowena Akana, Civil***
40 ***No. 20-1-0453 (BIA)***
41

42 Executive Director Gluck stated that he had no updates for the Commission on
43 these matters. Commissioner Gaulty asked whether a representative from the Attorney
44 General's office could attend the next meeting to update the Commission as to the
45 status of the collection proceedings, and Executive Director Gluck stated that he would
46 arrange that.

1
2 **ADJOURNMENT OF SUNSHINE LAW MEETING**
3

4 At approximately 9:20 a.m., Commissioner Gaulty made and Commissioner
5 Fong seconded a motion to adjourn the Sunshine Law Meeting. The motion carried
6 unanimously (Tschumy, Wood, Gaulty, Fong, and McCarthy voting).
7

8 The meeting was adjourned at 9:20 a.m.
9

10
11 Minutes approved on _____, 2021.

SUNSHINE MEETING
AGENDA ITEM II

EXECUTIVE DIRECTOR'S REPORT
May 20, 2021

1. Education / Training Report

All in-person trainings have been postponed indefinitely due to COVID-19.

Attachment 1: 2021 Training Attendance / Schedule

Attachment 2: Online Training Completions by Department

2. Guidance and Assignment Statistics – April 2021

Attachment 3: 2021 Guidance and Assignment Statistics / Website Traffic

3. Appointment of new Commissioner

4. Miscellaneous Office Projects / Updates

a. HSBA Bar Journal – August 2021

HAWAII STATE ETHICS COMMISSION 2021 EDUCATION PROGRAM (Ethics Workshops and Presentations)		
DATE	PRESENTATIONS	NUMBER OF PARTICIPANTS
1/6/2021	General Ethics Training, Lobbyists Law Training, Zoom	111
1/7/2021	General Ethics Training, DOE, Principals, Executive Officers, Complex Area Superintendents, Zoom	74
1/11/2021	General Ethics Training, Employees' Retirement System, Zoom	20
1/12/2021	General Ethics Training, Lobbyists Law Training, Zoom	77
1/14/2021	General Ethics Training, Senate staff, interns, and volunteers, Zoom	50
1/22/2021	General Ethics Refresher Training, Legislators and staff, Zoom	43
1/26/2021	General Ethics Training, Zoom	202
1/28/2021	General Ethics Training, HPHA, Zoom	290
4/21/2021	General Ethics Training, HHSC Oahu Region Board, Zoom	16
4/28/2021	General Ethics Training, SPCS, Zoom	74
5/12/2021	General Ethics Training, DLNR, DOFAW, Zoom	
6/7/2021	General Ethics Training, ATG, Law student summer interns, Zoom	
6/24/2021	General Ethics Training, HTA, Zoom	
8/xx/2021	General Ethics Training, UH, Zoom (4 trainings)	
TOTAL	17 Presentations	957 participants

Online Training Completions by Department

Department/Agency	# of Completions
Department of Transportation (DOT)	249
Department of Health (DOH)	218
Department of Human Services (DHS)	201
Department of Education (DOE)	195
Department of the Attorney General (ATG)	99
University of Hawaii-Manoa (UOHM)	97
Department of Defense (DOD)	72
University of Hawaii-Community Colleges (UOHC)	71
Department of Land and Natural Resources (DLNR)	65
Department of Accounting and General Services (DAGS)	64
Office of Hawaiian Affairs (OHA)	59
Department of Business, Economic Development and Tourism (DBEDT)	57
University of Hawaii-West Oahu (UOHW)	50
Other (Please fill-in "Other Department/Agency")	48
Department of Commerce and Consumer Affairs (DCCA)	47
Judiciary (JUD)	44
Department of Public Safety (DPS)	43
Hawaii Health Systems Corporation (HHSC)	41
Department of Labor and Industrial Relations (DLIR)	41
University of Hawaii-System (UOH)	39
Department of Agriculture (DOA)	39
Office of the Governor (GOV)	8
Research Corporation of the University of Hawaii (RCUH)	7
Public Charter School (SPCSC)	7
Senate (SEN)	4
Department of Human Resources Development (DHRD)	4
Office of the Lieutenant Governor (LTG)	4
Office of the Auditor (AUD)	3
Office of the Ombudsman (OMB)	2
Hawaii State Public Library System (HSPLS)	1
Department of Budget and Finance (B&F)	1
Department of Taxation (TAX)	1
Total Employee Certificate of Completions Issued	1881

Board and Commission	# of Completions
Hawai'i Employer-Union Health Benefits Trust Fund	1
Hawai'i Health Systems Corporation-Corporation	1
Island Burial Council - Kauai/Niihau	3
Island Burial Council - Oahu	1
Other (Please fill-in "Other Board/Commission")	3
Soil and Water Conservation District Boards	1
Total Board and Commission Certificate of Completions Issued	10

Total Certificate of Completions Issued**1891**

As of May 5, 2021

2021	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Year to date
Training statistics													
# of In-Person Trainings	0	0	0	0									0
# of People Trained In Person	0	0	0	0									0
# of On-Line Training	85	41	51	20									197
# of eTrainings	8	0	0	2									10
# of People Trained in eTraining	867	0	0	90									957
Attorney of the Day	116	80	85	79									360
New assignments													
Advisory Opinion	0	0	1	1									2
Complaint	9	6	8	18									41
Gifts/Invitations/Travel	0	0	1	2									3
Guidance	0	0	1	3									4
Judicial Selection Comm'n	3	2	2	4									11
Training Request	0	0	0	0									0
Record Request	1	0	0	1									2
Project/Other	3	1	1	1									6
Total	16	9	14	30	0	0	0	0	0	0	0	0	69
Closed Assignments													
Advisory Opinion	1	0	0	0									1
Complaint	8	6	18	14									46
Gifts/Invitations/Travel	0	0	0	2									2
Guidance	0	0	0	2									2
Judicial Selection Comm'n	0	6	2	2									10
Training Request	0	0	0	0									0
Record Request	1	1	0	1									3
Project/Other	4	3	1	3									11
Total	14	16	21	24	0	0	0	0	0	0	0	0	75
Anti-Fraud	4	1	1	4									10

SUNSHINE LAW MEETING
AGENDA ITEM III
2021 LEGISLATIVE SESSION

Attachment 1: S.B. 589, S.D.2, H.D.2, C.D. 1

THE SENATE
THIRTY-FIRST LEGISLATURE, 2021
STATE OF HAWAII

S.B. NO. 589
S.D. 2
H.D. 2
C.D. 1

A BILL FOR AN ACT

RELATING TO THE UNIVERSITY OF HAWAII.

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

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, which includes five hospital groups and the University of Hawaii John A. Burns school of medicine.

The University of Hawaii John A. Burns school of medicine educates and trains health care professionals, including physicians, biomedical scientists, and allied health workers. The University of Hawaii John A. Burns school of medicine also conducts fundamental medical research and translates discoveries into delivery practices. Because the University of Hawaii John A. Burns school of medicine is a community-based medical school



1 without its own university hospital, it partners with private
2 hospitals in the community to achieve its educational mission.

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



1 is a statewide concern to ensure that the management of public
2 resources provided to the University of Hawaii John A. Burns
3 school of medicine and University of Hawaii cancer center be
4 integrated, coordinated, and focused on common priorities to
5 avoid unnecessary duplication of administrative expenses or
6 conflicting priorities. Maximized efficiencies will benefit the
7 University of Hawaii cancer center, University of Hawaii John A.
8 Burns school of medicine, University of Hawaii at Manoa, and the
9 State by reducing or eliminating unnecessary expenditures and
10 optimizing operations.

11 The director of the University of Hawaii cancer center and
12 dean of the University of Hawaii John A. Burns school of
13 medicine shall report and be accountable to the provost of the
14 University of Hawaii at Manoa, who shall have authority to
15 direct and achieve efficiencies at the Kakaako campus that
16 comprises the John A. Burns school of medicine and University of
17 Hawaii cancer center; and shall coordinate with the president of
18 the University of Hawaii.

19 Accordingly, the purpose of this part is to:

20 (1) Establish the University of Hawaii cancer center in
21 statute as the cancer research center of Hawaii;



- 1 (2) Require the director of the cancer research center of
2 Hawaii to be appointed by University of Hawaii's board
3 of regents upon recommendation from the provost of the
4 University of Hawaii at Manoa and with the concurrence
5 of the president of the University of Hawaii;
- 6 (3) Require the cancer research center of Hawaii to be
7 administratively affiliated with the University of
8 Hawaii John A. Burns school of medicine, and that the
9 administrative services and infrastructure teams of
10 both entities be merged to offer efficiency;
- 11 (4) Require the director of the cancer research center of
12 Hawaii and dean of the University of Hawaii John A.
13 Burns school of medicine to report to the provost of
14 the University of Hawaii at Manoa and coordinate with
15 the president of the University;
- 16 (5) Require funds expended from or originating from the
17 University of Hawaii tuition and fees special fund for
18 the University of Hawaii John A. Burns school of
19 medicine or cancer research center of Hawaii to be
20 used for educational purposes only; and



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

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

" . Cancer Research Center of Hawaii

§304A- Cancer research center of Hawaii. (a) There is established an organized research unit, hereinafter known as the cancer research center of Hawaii, to conduct cancer research. The cancer research center of Hawaii shall be administered by a director to be appointed by the board of regents upon recommendation by the provost of the University of Hawaii at Manoa with concurrence by the president of the University of Hawaii.

(b) The cancer research center of Hawaii shall be administratively affiliated with the University of Hawaii John A. Burns school of medicine. The administrative services and infrastructure teams of the cancer research center of Hawaii and



1 the University of Hawaii John A. Burns school of medicine shall
2 be merged for efficiency purposes.

3 (c) The director of the cancer research center of Hawaii
4 and dean of the University of Hawaii John A. Burns school of
5 medicine shall:

6 (1) Report and be accountable to the provost of the
7 University of Hawaii at Manoa; and

8 (2) Coordinate with the president of the University of
9 Hawaii.

10 (d) The provost of the University of Hawaii shall have
11 authority to direct and achieve efficiencies at the University
12 of Hawaii John A. Burns school of medicine and cancer research
13 center of Hawaii.

14 (e) The programs of the University of Hawaii John A. Burns
15 school of medicine and cancer research center of Hawaii, and the
16 University of Hawaii at Manoa shall identify opportunities to:

17 (1) Capitalize on collaboration between the programs; and

18 (2) Maximize operational efficiencies between the
19 University of Hawaii John A. Burns school of medicine
20 and cancer research center of Hawaii,



1 including but not limited to shared services and personnel
2 whenever feasible and utilization of centralized services
3 available through the University of Hawaii at Manoa whenever
4 appropriate.

5 (f) The cancer research center of Hawaii's research agenda
6 shall focus on research, education, patient care, and community
7 outreach and reflect an understanding of the ethnic, cultural,
8 and environmental characteristics of the State and the Pacific
9 region.

10 (g) The cancer research center of Hawaii may:

- 11 (1) Engage in international research collaborations;
12 (2) Undertake research studies and clinical trials; and
13 (3) Participate in projects and programs of the National
14 Cancer Institute."

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

17 **"§304A-2153 University of Hawaii tuition and fees special**
18 **fund.** (a) There is established the University of Hawaii
19 tuition and fees special fund into which shall be deposited all
20 revenue collected by the university for regular, summer, and
21 continuing education credit tuition, tuition-related course and



1 fee charges, and any other charges to students, except as
2 provided by law. Moneys deposited into the fund shall be
3 expended to maintain or improve the university's programs and
4 operations and shall not be:

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

12 Any rule, policy, or action of any agency or individual in
13 contravention of this subsection shall be void as against public
14 policy.

15 (b) Any law to the contrary notwithstanding, the board of
16 regents may authorize expenditures of up to \$3,000,000 annually,
17 excluding in-kind services, from this fund for the purposes of
18 promoting alumni relations and generating private donations for
19 deposit into the University of Hawaii Foundation for the
20 purposes of the university. Any expenditure authorized pursuant
21 to this subsection shall be for a public purpose and shall not



1 be subject to chapters 42F, 103, 103D, and 103F. The university
2 shall submit a comprehensive report to the legislature detailing
3 the use of any funds authorized by the board under this
4 subsection no later than twenty days prior to the convening of
5 each regular session.

6 The report shall:

- 7 (1) Identify each department of the University of Hawaii
8 Foundation supported by moneys from the fund;
- 9 (2) Describe the purposes and activities of each
10 department identified in paragraph (1) and how it
11 participates in fundraising activities and benefits
12 the university;
- 13 (3) Provide the total expenditures of each department
14 identified in paragraph (1) by primary expense
15 categories;
- 16 (4) Identify all moneys from the fund transferred to any
17 fund of the university and provide a justification of
18 how these moneys are used to benefit the university;
- 19 (5) Provide a financial summary of the operating
20 activities of the University of Hawaii Foundation,

1 including revenues and expenditures by major reporting
2 categories; and

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

5 (c) Any law to the contrary notwithstanding, the
6 university may transfer funds from the University of Hawaii
7 tuition and fees special fund into the scholarship and
8 assistance special fund established pursuant to section
9 304A-2159.

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

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

17 (2) Submitted, together with the estimated quarterly
18 budget requirements, to the vice president for budget
19 and finance and chief financial officer on ~~[such]~~ a
20 date ~~[as]~~ that the vice president for budget and
21 finance and chief financial officer may prescribe.



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

3 (1) Shall review the operations plan for each campus to
4 determine if:

5 (A) It is consistent with the policy decisions of the
6 board of regents and appropriations by the
7 legislature;

8 (B) It reflects proper planning and efficient
9 management methods; and

10 (C) Appropriations have been made for the planned
11 purpose and will not be exhausted before the end
12 of the fiscal year;

13 (2) Shall approve the operations plan for each campus if
14 they determine that the operations plan meets the
15 requirements of paragraph (1); and

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

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

1 (g) Notwithstanding any other law to the contrary, funds
2 expended from or originating from the University of Hawaii
3 tuition and fees fund for the University of Hawaii John A. Burns
4 school of medicine or the cancer research center of Hawaii shall
5 be used by the John A. Burns school of medicine or the cancer
6 research center of Hawaii for educational purposes only."

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

9 **"§304A-2253 Research and training revolving fund. (a)**

10 There is established a University of Hawaii research and
11 training revolving fund into which shall be deposited one
12 hundred per cent of the total amount of indirect overhead
13 revenues generated by the university from research and training
14 programs. The board of regents is authorized to expend
15 one hundred per cent of the revenues deposited in the fund for:

- 16 (1) Research and training purposes that may result in
17 additional research and training grants and contracts;
18 (2) Facilitating research and training at the university;
19 and
20 (3) Further deposit into the discoveries and inventions
21 special fund.

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

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

14 (d) Revenues deposited into the fund shall not be used as
15 a basis for reducing any current or future budget request or
16 allotment to the university unless the university requests such
17 a reduction.

18 (e) Notwithstanding any other law to the contrary, funds
19 expended from or originating from the research and training
20 revolving fund for the University of Hawaii John A. Burns school
21 of medicine or the cancer research center of Hawaii shall be



1 used by the University of Hawaii John A. Burns school of
2 medicine or the cancer research center of Hawaii for research
3 and research-related purposes only."

4 PART II

5 SECTION 5. The purpose of this part is to further efforts
6 to ensure the efficient and effective management of public
7 resources provided to the University of Hawaii John A. Burns
8 school of medicine and cancer research center of Hawaii to
9 optimize public benefits.

10 SECTION 6. (a) The University of Hawaii shall develop and
11 implement a plan for the University of Hawaii John A. Burns
12 school of medicine and cancer research center of Hawaii to
13 achieve greater operational efficiencies, reduce duplication of
14 services, and share administrative functions to the maximum
15 extent practicable.

16 (b) The president of the University of Hawaii shall submit
17 a report on the progress of the development and implementation
18 of the plan as provided under this part to the legislature no
19 later than twenty days prior to the convening of the regular
20 session of 2023.

21 PART III



SECTION 7. The purpose of this part is to allow the University of Hawaii to continue its contribution to research commercialization and economic development by extending the sunset date of Act 38, Session Laws of Hawaii 2017, for two years, until June 30, 2024, while promoting accountability and transparency.

SECTION 8. Section 84-10, Hawaii Revised Statutes, is amended to read as follows:

"[~~§~~84-10~~] University of Hawaii; technology transfer activities; exemption.~~ (a) Sections 84-12, 84-13, 84-14 to 84-16, and 84-18 shall not apply to technology transfer activities sponsored by the University of Hawaii; provided that the technology transfer activities comply with the regulatory framework and research compliance program and policies approved by the board of regents of the University of Hawaii [~~board of regents~~].

(b) Notwithstanding subsection (a), the University of Hawaii shall not sponsor, enter into, or continue to engage in technology transfer activities with a private person in which an employee of the University of Hawaii has a conflict of interest as provided in section 84-14, including a financial interest,



1 irrespective of whether the State benefits from the technology
2 transfer activities; provided that the prohibition under this
3 subsection shall not apply if:

4 (1) The technology transfer activities with the private
5 person promote the timely and efficient
6 commercialization of intellectual property created by
7 basic and applied research at the University of
8 Hawaii;

9 (2) The State stands to benefit from the technology
10 transfer activities with the private person;

11 (3) The technology transfer activities with the private
12 person is the only means by which the specific
13 scientific findings by the University of Hawaii or
14 intellectual property created by the University of
15 Hawaii may be commercialized;

16 (4) The technology transfer activities with the private
17 person comply with the regulatory framework and
18 research compliance program and policies approved by
19 the board of regents of the University of Hawaii;

20 (5) The employee's conflict of interest is disclosed at
21 the time of the proposal, and the proposals and



binding agreements for each of the technology transfer activities with the private person are reviewed and approved by the state ethics commission to assure compliance with ethics laws;

(6) Any changes to the terms and conditions of the technology transfer activities are reported to and approved by the state ethics commission;

(7) The employee with the conflict of interest does not:

(A) Take official action affecting the technology transfer activities with the private person; or

(B) Directly or indirectly supervise an employee who takes official action affecting the technology transfer activities with the private person; and

(8) During the term of the technology transfer activities with the private person, the following employees file annually with the state ethics commission a disclosure of financial interests pursuant to section 84-17:

(A) Employees who have a conflict of interest as provided in section 84-14, including a financial interest, in the private person;



1 (B) Employees who take official action affecting the
2 technology transfer activities with the private
3 person; and

4 (C) Employees who directly or indirectly supervise an
5 employee who takes official action affecting the
6 technology transfer activities with the private
7 person.

8 (c) Notwithstanding subsection (a), any technology
9 transfer activities sponsored by, entered into, or engaged in by
10 the University of Hawaii in violation of subsection (b) is
11 voidable under section 84-16.

12 (d) The University of Hawaii shall file annually with the
13 state ethic commission a disclosure, including its conflict of
14 interest management plan, of any conflict of interest of any
15 employee relating to its technology transfer activities.

16 ~~[(b)]~~ (e) As used in this section, ["technology]
17 "Person" means any individual, firm, association,
18 organization, sole proprietorship, partnership, company,
19 corporation, joint venture, trust, or any other form of business
20 or legal entity or group of individuals.

1 "Technology transfer activities" means the process of
2 transferring scientific findings from the public sector to the
3 private sector for the purpose of commercial development and
4 application for personal or financial gain. "Technology
5 transfer activities" may include creating joint ventures,
6 limited partnerships, or other corporate forms; allocating
7 equity shares, partnership interests, or other forms of
8 participation; identifying new technologies; protecting
9 technologies through patents and copyrights; forming development
10 and commercialization strategies, arrangements, or projects; and
11 other related activities."

12 SECTION 9. Section 304A-121, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "[~~§~~304A-121~~§~~] **Technology transfer; reporting.** The
15 board of regents of the University of Hawaii shall submit a
16 written report to the legislature no later than twenty days
17 prior to the convening of each regular session regarding:

18 (1) The development [~~and~~], implementation, and enforcement
19 of its regulatory framework and research compliance
20 program to reflect ethical research principles and



1 technology transfer regulations used by the federal
2 government; ~~and~~

3 (2) The technology transfer activities of the University
4 of Hawaii, as defined in section 84-10, and the status
5 of such activities~~[-]~~; and

6 (3) A disclosure, including the University of Hawaii's
7 conflict of interest management plan, of any conflict
8 of interest of any employee of the University of
9 Hawaii relating to its technology transfer
10 activities."

11 SECTION 10. Act 38, Session Laws of Hawaii 2017, is
12 amended by amending section 5 to read as follows:

13 "SECTION 5. This Act shall take effect upon its approval;
14 provided that this Act shall be repealed on June 30, ~~[2022-]~~
15 2024."

16 PART IV

17 SECTION 11. The purpose of this part is to allow the
18 University of Hawaii to continue its innovation and
19 commercialization initiative program by extending the sunset
20 date of Act 39, Session Laws of Hawaii 2017, for three years,

1 until June 30, 2024, while promoting accountability and
2 transparency.

3 SECTION 12. Section 304A-1958, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "[~~§~~304A-1958~~]~~ Construction of subpart. (a) Other
6 state laws, including without limitation the state code of
7 ethics, shall be applied and construed on balance in recognition
8 of the public benefits created and state interests advanced by
9 the activities conducted by the University of Hawaii pursuant to
10 this subpart.

11 (b) Notwithstanding subsection (a), the University of
12 Hawaii shall not sponsor, enter into, or continue to engage in
13 activities conducted pursuant to this subpart with a private
14 person in which an employee of the University of Hawaii has a
15 conflict of interest as provided in section 84-14, including a
16 financial interest, irrespective of whether the State benefits
17 from the activities; provided that the prohibition under this
18 subsection shall not apply if:

19 (1) The activities with the private person transform the
20 products of the University of Hawaii's research and



1 instructional activities into viable economic
2 enterprises;

3 (2) The State stands to benefit from the activities with
4 the private person;

5 (3) The activities with the private person are the only
6 means by which the specific products of the University
7 of Hawaii's research and instructional activities may
8 be transformed into viable economic enterprises;

9 (4) The activities with the private person comply with the
10 regulatory framework and research compliance program
11 and policies approved by the board of regents of the
12 University of Hawaii;

13 (5) The employee's conflict of interest is disclosed at
14 the time of the proposal, and the proposals and
15 binding agreements for each of the activities with the
16 private person are reviewed and approved by the state
17 ethics commission to assure compliance with ethics
18 laws;

19 (6) Any changes to the terms and conditions of the
20 activities are reported to and approved by the state
21 ethics commission;



1 (7) The employee with the conflict of interest does not:

2 (A) Take official action affecting the activities

3 with the private person; or

4 (B) Directly or indirectly supervise an employee who

5 takes official action affecting the activities

6 with the private person; and

7 (8) During the term of the activities with the private

8 person, the following employees file annually with the

9 state ethics commission a disclosure of financial

10 interests pursuant to section 84-17:

11 (A) Employees who have a conflict of interest as

12 provided in section 84-14, including a financial

13 interest, in the private person;

14 (B) Employees who takes official action affecting the

15 activities with the private person; and

16 (C) Employees who directly or indirectly supervise an

17 employee who takes official action affecting the

18 activities with the private person.

19 (c) Notwithstanding subsection (a), any activities

20 conducted by the University of Hawaii pursuant to this subpart

21 in violation of subsection (b) is voidable under section 84-16.



1 (d) The University of Hawaii shall file annually with the
2 state ethic commission a disclosure, including its conflict of
3 interest management plan, of any conflict of interest of any
4 employee relating to its activities conducted pursuant to this
5 subpart.

6 (e) As used in this section, "person" means any
7 individual, firm, association, organization, sole
8 proprietorship, partnership, company, corporation, joint
9 venture, trust, or any other form of business or legal entity or
10 group of individuals."

11 SECTION 13. Section 304A-1959, Hawaii Revised Statutes, is
12 amended to read as follows:

13 **"§304A-1959 Biennial report.** No later than twenty days
14 prior to the convening of the regular session of each odd-
15 numbered year, the University of Hawaii shall submit a report to
16 the legislature concerning:

17 (1) All funds deposited into the university innovation and
18 commercialization initiative special fund and a
19 detailed description of the use of those funds; [and]

20 (2) Coordinated efforts between the innovation and
21 commercialization initiative program and other state



1 agencies, including the Hawaii technology development
2 corporation, the Hawaii strategic development
3 corporation, and the Hawaii state energy office, to
4 move the State's innovation goals forward, and to more
5 efficiently and effectively utilize resources to
6 achieve these outcomes [-]; and

7 (3) A disclosure, including its conflict of interest
8 management plan, of all conflicts of interest of any
9 employee relating to its activities conducted pursuant
10 to part IV, subpart P."

11 SECTION 14. Act 39, Session Laws of Hawaii 2017, is
12 amended by amending section 3 to read as follows:

13 "SECTION 3. This Act shall take effect on July 1, 2017,
14 and shall be repealed on June 30, [~~2021~~] 2024."

15 PART V

16 SECTION 15. The purpose of this part is to extend for
17 three years, the authority of the president of the University of
18 Hawaii to act as the University of Hawaii's chief procurement
19 officer for all procurement contracts under chapter 103D, Hawaii
20 Revised Statutes.



1 SECTION 16. Act 42, Session Laws of Hawaii 2018, is
2 amended by amending section 6 to read as follows:

3 "SECTION 6. This Act shall take effect upon its approval;
4 provided that on June 30, [~~2021,~~] 2024, this Act shall be
5 repealed and sections 103D-203(a) and 304A-2672, Hawaii Revised
6 Statutes, shall be reenacted in the form in which they read on
7 the day prior to the effective date of this Act."

8 PART VI

9 SECTION 17. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 18. This Act shall take effect upon its approval;
12 provided that sections 8, 9, 12, and 13 of this Act shall be
13 repealed on June 30, 2024; provided further that:

14 (1) Section 84-10, Hawaii Revised Statutes, shall be
15 reenacted in the form in which it read on June 18,
16 2017; and

17 (2) Sections 304A-121, 304A-1958, and 304A-1959, Hawaii
18 Revised Statutes, shall be reenacted in the form in
19 which they read on the day before the effective date
20 of this Act.



Report Title:

University of Hawaii; Cancer Research Center of Hawaii; John A. Burns School of Medicine; Tuition and Fees Special Fund; Research and Training Revolving Fund; Technology Transfer; Innovation and Commercialization Initiative Program; Procurement

Description:

PART I - Establishes the UH cancer center in statute as the cancer research center of Hawaii. Requires the director of the cancer center to be appointed by the board of regents upon recommendation of the provost of UH-Manoa and with the concurrence of the UH president. Requires the cancer center to be administratively affiliated with the John A. Burns school of medicine. Requires the director of the cancer center and the dean of the school of medicine to report and be accountable to the provost of UH-Manoa. Requires funds expended from the tuition and fees special fund or research and training revolving fund for the school of medicine or cancer center to be used for educational or research and research-related purposes only.

PART II - Requires UH to develop a plan for the school of medicine and cancer center to achieve greater operational efficiencies. Requires the UH president to submit a progress report to the legislature before the 2023 regular session. PART

III - Extends the sunset of Act 38, SLH 2017, exempting UH's technology transfer activities from certain provisions of the state ethics code to 6/30/2024. Prohibits technology transfer activities in which UH employees have a conflict of interest. Requires board of regents to report employee conflicts to the legislature. PART IV - Extends the sunset of Act 39, SLH 2017 establishing UH's innovation and commercialization initiative program to 6/30/2024. Prohibits program activities in which UH employees have a conflict of interest. Requires UH to report employee conflicts to the legislature. PART V - Extends the sunset date of Act 42, SLH 2018, allowing the UH president to act as UH's chief procurement officer for procurement contracts under chapter 103D, HRS, to 6/30/2024. (CD1)

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



SUNSHINE LAW MEETING
AGENDA ITEM IV

AKANA v. HAWAII STATE ETHICS COMMISSION AND DANIEL GLUCK,
CIVIL NO. 18-1-1019-06 (JHA); AKANA v. HAWAII STATE ETHICS COMMISSION,
CIVIL NO. 19-1-0379-03 (JHA); STATE OF HAWAII, ETHICS COMMISSION v.
ROWENA AKANA, CIVIL NO. 20-1-0453 (BIA)

Discussion of case status.

The Hawai'i State Ethics Commission may convene an executive session pursuant to Hawai'i Revised Statutes section 92-5(a)(4) to consult with the Commission's attorneys on questions and issues pertaining to the Commission's powers, duties, privileges, immunities, and liabilities.

No attachments.

SUNSHINE LAW MEETING
AGENDA ITEM V

CONSIDERATION OF ORDER REQUIRING ELECTRONIC FILING OF
FINANCIAL DISCLOSURE STATEMENTS

Consideration of recommendation to require electronic filings for all disclosures filed on
or after July 1, 2021.

Attachment 1: Staff Overview

Attachment 2: Order

CONSIDERATION OF ORDER REQUIRING ELECTRONIC FILING OF
FINANCIAL DISCLOSURE STATEMENTS

STAFF OVERVIEW

I. Summary

In 2020, the Legislature passed [House Bill 2125, SD1](#), which amended Hawai'i Revised Statutes § 84-17 (the financial disclosure statute) in relevant part as follows:

(h) The state ethics commission shall provide a ~~[long form of disclosure on all even numbered years and a short form of disclosure for subsequent annual filings on all odd numbered years in those instances where the financial interests of the person disclosing are substantially the same as those reported for the preceding disclosure period.]~~ method for filing financial disclosure statements. The commission may require that financial disclosure statements be filed electronically.

The overwhelming majority of the nearly 2,000 filers have already switched to electronic filing. and Commission staff have been working with paper filers (fewer than ten filers for the 2020 cycle as of mid-May) to help them transition to the new system.

Staff recommends that the Commission require electronic filings for all disclosures filed on or after July 1, 2021. Maintaining two different sets of data – electronic records and paper files – would make searching and sorting public data more cumbersome for the public; as such, Commission staff have been working with paper filers to convert their paper filings to electronic filings (with the filers' consent), which is a very resource-intensive process for Commission staff. As such, an all-electronic system would require the last few holdouts for paper filing to convert to electronic filing. (Commission staff would, of course, continue to assist these filers in establishing their electronic accounts and filing their disclosures as necessary.)

The start date – July 1 – means that filers in the current cycle (ending May 31, 2021) will still have the option to file either electronically or on paper, and will give those few individuals who still file on paper sufficient time to register for an electronic account.

- II. Recommendation: Recommendation to approve the draft Order Requiring Electronic Filing of Financial Disclosure Statements ([Attachment 2](#)).
- III. Recommended Motion: Motion to approve the draft Order Requiring Electronic Filing of Financial Disclosure Statements ([Attachment 2](#)).

DMG/cc

BEFORE THE HAWAI'I STATE ETHICS COMMISSION

STATE OF HAWAI'I

In the Matter of

HAWAI'I STATE ETHICS COMMISSION

Requirements for Filing Financial Disclosure
Statements

ORDER REQUIRING ELECTRONIC FILING OF
FINANCIAL DISCLOSURE STATEMENTS

Pursuant to Hawai'i Revised Statutes § 84-17(h), "[t]he state ethics commission shall provide a method for filing financial disclosure statements. The commission may require that financial disclosure statements be filed electronically."

The Commission has an electronic filing system used by more than 99% of the nearly 2,000 individuals who file financial disclosure statements each year. The Commission finds and concludes that electronic filing of financial disclosure statements allows the public to search public filings more easily and reduces administrative costs for the Commission and its staff. Accordingly,

IT IS HEREBY ORDERED that all disclosures of financial interests filed on or after July 1, 2021 shall be filed using the Commission's electronic filing system, available via the Commission's website, <https://ethics.hawaii.gov/>; after that date, the Commission shall not accept disclosures filed by paper or by any method other than the Commission's electronic filing system. Commission staff shall offer reasonable accommodation, including personal assistance in completing the financial disclosure when warranted, to any individual who has difficulty filing electronically due to disability or a limited ability to read or speak English.

ORDER REQUIRING ELECTRONIC FILING
OF FINANCIAL DISCLOSURE STATEMENTS

Page 2

DATED: Honolulu, Hawai‘i, May 20, 2021.

HAWAI‘I STATE ETHICS COMMISSION

Ruth D. Tschumy, Chair

Melinda Wood, Vice Chair

Reynard D. Gaulty, Commissioner

Wesley Fong, Commissioner

Harry McCarthy, Commissioner