MEMORANDUM TO: Mrs. Gladys Brandt  
Chairman, Board of Regents
FROM: Albert Simon
SUBJECT: PROPOSED REORGANIZATION TO ESTABLISH THE OFFICE OF TECHNOLOGY TRANSFER AND ECONOMIC DEVELOPMENT

1. **Specific Action Requested**

The Board of Regents is asked to review and approve a proposal to establish the Office of Technology Transfer and Economic Development. See Attachment A.

2. **Recommended Effective Date**

As soon as possible — upon Board approval.

3. **Purpose/Background**

In November, 1987, the University developed "The Governor's Initiative for Technology Transfer and Economic Development" for purposes of accelerating technology transfer activities and facilitating economic development within the State of Hawaii. To support the initiative, the 1988 Legislature appropriated 8.0 FTE and $175,000 to establish the Office of Technology Transfer and Economic Development (OTTED) under the Office of the University President. The Legislature also appropriated $2,950,000 to establish the Discoveries and Inventions Revolving Fund — $200,000 for the Patent and Technology Licensing Fund and $2,750,000, for the Innovations and Research Commercialization Fund, both of which will be managed by OTTED. (NOTE: Currently, $27,825 operating funds and $469,050 revolving funds have been restricted to comply with Fiscal Year 1988-89 budget restrictions.)

The primary missions of OTTED are as follows:

a. To support and encourage technology transfer and economic development activity by the University.

b. To provide a clearly defined channel for the flow of University technology and expertise to the community and, conversely, to serve as an avenue by which industry and government may strengthen its economic and intellectual ties with the University.
c. To stimulate increased research activity in the University community and entrepreneurial activity in Hawaii's growing technology industry.

4. Proposed Organization and Staffing

The proposed OTTED organizational structure includes the Director's Office; the Intellectual Property, Technology, Licensing, Economic Development and Education Support Program; and the Administrative and Fiscal Services Office.

a. Director's Office -- Responsible for the overall administration of the University's technology transfer and economic development program. Develops and implements program policies; interfaces with the general public, with representatives from the private sector and with Federal, State and County agencies involved in economic development activities.

b. Intellectual Property, Technology, Licensing, Economic Development and Education Support Program -- Implements the business and economic development support programs of the office which include the University Software Development and Marketing Program; the International Technology and Education Program; the Economic, Legal and Technology Assessment Program; and the Business Development and Market Research Program. Coordinates the office's educational programs.

Implements and administers the University's Patent, Copyright and Technology Licensing Program. Works with the Research Corporation of the University of Hawaii to improve services to faculty and student inventors.

c. Administrative and Fiscal Services -- Provides support services for matters relating to administrative, fiscal, and personnel management, including management of the Discoveries and Inventions Revolving Fund.

OTTED will be staffed by 6.0 FTE: the Director, two Educational Specialists, an Administrative Officer, an Administrative and Fiscal Support Specialist and one Secretary. In developing the OTTED program, a decision has been made to reallocate two of the eight authorized FTE in order to provide general fund support for the Pacific Business Center Program (PBCP) of the College of Business Administration. The PBCP provides consulting services to the flag territories of the Pacific and has
been designated as the Honolulu purveyor of the Small Business Administration's Small Business Development Center Program. These services complement the OTTED program plans by 1) providing a link that will facilitate the economic and social development of the U.S. Pacific territories and 2) providing business development and market research services that will facilitate the University's technology transfer mission. A formal reallocation request has been transmitted to the 1989 Legislature, and approval is expected.

6. Impact on Existing Staff

Upon establishment and filling of the OTTED Director's position, the responsibilities currently assigned to position #89253, Assistant to the President for Technology Transfer and Economic Development, will be assumed by the OTTED Director. Position #89253 will be redescribed.

7. Recommended Action

It is requested that the Board place on its April, 1989, agenda the proposal to establish the Office of Technology Transfer and Economic Development. This action is necessary to implement the Governor's initiative and utilize the resources appropriated by the Legislature to accelerate the University's technology transfer activities and facilitate economic development through its education and research programs. Approval is therefore recommended.

Attachment

cc: Secretary of the Board Shiramizu
    Director Sakaguchi
    Assistant to the President Ishii
November 1988

Governor Waihee asks the University to draft a proposal that will place the University in a position to strongly support local economic development activities.

The University submits its proposal, "The Governor's Initiative for Technology Transfer and Economic Development."

December 1988

Governor Waihee provides $1.875 million in the Executive budget to support the Initiative.

The Governor approves legislation to create the "Discoveries and Inventions Revolving Fund" at the University.

January 1988

Governor Waihee makes a strong reference to the Technology Transfer and Economic Development Initiative at the University of Hawaii in his State-of-the-State address to the Legislature.

The University's Technology Transfer and Economic Development Program becomes a part of the State House of Representatives Majority Legislative Program.

April 1988

The Legislature adopts legislation that creates the Discoveries and Inventions Revolving Fund.

The Legislature authorizes a $3.125 million budget for the University of Hawaii Technology Transfer and Economic Development Program.

The Legislature appropriates $2.95 million for the development of the University Information System Network. The monies are to be administered through the Discoveries and Inventions Revolving Fund.
PURPOSE OF THE PROGRAM

To maximize the utilization of resources — technological and human — within the University system for the diversification and development of Hawaii's economy.

* Commercialize University research and technology.

* Improve the productivity of existing industries by channeling University expertise and technology to solve industry problems.

Encourage invention, innovation and entrepreneurship within the University community.

Protect and market the University's Intellectual Property.

Advocate the important role that science and technology will play in the future growth and development of Hawaii's economy.
PROPOSAL TO REORGANIZE THE UNIVERSITY SYSTEMWIDE ADMINISTRATION
BY CREATING
THE OFFICE OF TECHNOLOGY TRANSFER AND ECONOMIC DEVELOPMENT

Purpose

The purpose of this action is to create the Office of Technology Transfer and Economic Development. The Office of Technology Transfer and Economic Development is established to implement the Governor's and the University's initiative to accelerate the university's technology transfer activities and facilitate economic development through the University's programs in education and research. The University's Technology Transfer and Economic Development Program was envisioned as a system-wide, broadly based program that channels the enormous resources of the University to support economic development within the State of Hawaii.

Effective Date

Effective upon approval of the Board of Regents.

Assumptions

The principal assumption of this proposal is that the University desires to support business and economic development in the State of Hawaii by making available the enormous wealth of intellectual, scientific and technological resources within its purview to the community through: the acceleration of its technology transfer activities; the development of new programs in education, training and research that support business and economic development; and the promotion of science and technology through the establishment of educational programs and partnerships.

Significant Facts.

1. The 1988 session of the Hawaii State Legislature appropriated $3.125 million to the University of Hawaii to support said initiative. The funding included $175,000 and 8 positions to establish the Office of Technology Transfer and Economic Development, $200,000 to support Patent, Copyright and Technology Licensing, and $2,750,000 to support Innovation and Research Commercialization. The funding for Patent Program and the Innovations Program are non-recurring appropriations which are to be administered by the Office of Technology Transfer and Economic Development through a newly authorized Discoveries and Inventions Revolving Fund.
2. The University's Technology Transfer and Economic Development Program's primary missions have been identified as: 1) Technology Transfer; 2) Support of Business and Economic Development; and 3) Educational. These missions will be implemented through the development of programs and policies administered by the Office of Technology Transfer and Economic Development.

3. The University's Technology Transfer and Economic Development Program is currently being administered by the Assistant to the President for Technology Transfer and Economic Development with the assistance of two student helpers. The program development phase has been completed and program directions have been set. The current administrative structure cannot adequately support a functioning line operation. Program implementation will require the hire of a full complement of staff.

4. The impact of the proposed reorganization on staff.

   a. Impact on existing positions:

      + Position #89253, Assistant to the President for Technology Transfer and Economic Development. The duties of this position will be assigned to the Director of the Office of Technology Transfer and Economic Development, and position #89253 will be redescribed.

   b. New positions appropriated to establish the Office of Technology Transfer and Economic Development and funded in the 1987-88 biennium budget are as follows:

      + Director of the Office of Technology Transfer and Economic Development
      + Associate Director *
      + Secretary
      + Secretary *
      + UH Educational Specialist
      + UH Educational Specialist
      + UH Administrative Officer
      + UH Administrative and Fiscal Support Specialist

       * See item #6 for explanation.
5. Effect of the pending transfer of two Positions from UOH 903 OTTED to UOH 101 CBA on the reorganization proposal.

During the program development process it was determined that two positions should be reallocated from the eight authorized for the OTTED to make permanent the Pacific Business Center Program (PBCP) of the College of Business Administration. Under a grant from the U.S. Economic Development Administration’s University Centers Program the PBCP currently provides extensive University based business consulting services to the Affiliated U.S. Flag Territories of the Pacific. The PBCP will also be the Honolulu contractor for the Small Business Administration’s (SBA) Small Business Development Center Program. Based upon the finding by the Assistant to the President for Technology Transfer and Economic Development that the PBCP provides extremely good services that complement well the program plans for the University’s Technology Transfer and Economic Development program, the University made a request to this session of the Hawaii State Legislature to reallocate the Associate Director and a Secretarial position to the College of Business Administration to make permanent the PBCP. Should the reallocation request be granted by the Hawaii State Legislature, the total position count for the OTTED will change from 8 to 6.

The organizational chart for the OTTED assumes that legislative reallocation of positions will occur.

7. The cost impact of this proposal is as follows:

Office of Technology Transfer and Economic Development. 6 positions and funding provided in the 1988-89 fiscal year budget (includes a restriction of $27,825) $147,175

The Discoveries and Inventions Revolving Fund $2,480,950

Patent and Technology Licensing Fund $200,000

Innovations and Research Commercialization Fund (includes a restriction of $469,050) $2,280,950

8. Organizational Charts and Functional Statements

a. Appendix A includes the organizational charts and functional statements of the Systemwide Administration as they currently exist.

b. Appendix B includes the proposed organizational charts and functional statements to support this reorganization request.
APPENDIX A

ORGANIZATIONAL CHARTS AND FUNCTIONAL STATEMENTS
(Current as of March 1989)
STATE OF HAWAII
UNIVERSITY OF HAWAII
ADMINISTRATION

OFFICE OF THE PRESIDENT
(Chart A)

INTRODUCTION

The Office of the President of the University of Hawaii is the central administrative and coordinating center for all programs of the University authorized by the Constitution of the State of Hawaii, Hawaii Revised Statutes and the policies and regulations established by the Board of Regents. The team approach is the major concept of administrative function.

FUNCTIONS

President

As the Chief Executive Officer of the University of Hawaii and Chief Operations Officer of the Manoa Campus, the President is responsible for and performs the following duties:

- Directs the development of plans and programs and recommends policies designed to advance the instructional, research, and service goals of the University of Hawaii and its campuses and colleges.
- Maintains effective working relationships between the University and the Governor, Legislature, other government officials, the general public, and among the students, faculty, and administration of the various campuses.
- Recommends plans and policies for the Statewide vocational education programs in public institutions
and for postsecondary education programs; and oversees the implementation of the plans and policies adopted to ensure a continuing high caliber of performance in academic, administrative, and related activities.

- Delegates the day-to-day Statewide staff work and coordination of University and University-related functions to the appropriate Vice President and may designate any of them additional functions.

- Delegates the administration and operation of each respective campus to the Chancellor of the University of Hawaii at Hilo and West Oahu College and the Chancellor for the Community Colleges.

**Vice President for Academic Affairs**

The Vice President for Academic Affairs provides academic leadership and coordination of all academic programs and instructional programs and activities at UH-Manoa. This position serves as Acting President in the absence of the President.

**Vice President for Research and Graduate Education**

The Office of the Vice President for Research and Graduate Education provides leadership for the planning, direction, development, coordination, and management of research and graduate academic programs at UH-Manoa. This position serves as the chief policy advisor to the President in these areas.

**Vice President for Student Affairs**

The Vice President for Student Affairs serves as advocate for students, especially undergraduate students at UH-Manoa. This position serves the needs of local students, who
make up more than 80 percent of the students at the Manoa Campus, and works directly with students in admissions, recruitment, student development, administrative procedures, and student life outside of the classroom.

Assistant to the President, Technology Transfer-Economic Development

The Assistant to the President provides coordination and administrative support for selected Universitywide programs and projects as assigned by the President, including the development of a program to commercialize University research and technology and encourage invention, innovation, and entrepreneurship within the University community.

Assistant to the President

The Assistant to the President serves as the major liaison between the President and all of his constituencies, both within and outside of the University. This position undertakes various special projects of Universitywide significance.

Director of Campus Equal Employment Opportunity and Affirmative Action Programs

This position creates a climate in which students, staff, and faculty can expect open access, equal opportunity, unprejudiced treatment, and open dialogue for all. This position alerts all academic and administrative unit heads and directors about expectations regarding employment, promotion, and performance evaluation; resolves controversies and disagreements which involve EEO issues; and advises the President about the health and status of EEO at the University of Hawaii.
APPENDIX B

ORGANIZATIONAL CHARTS AND FUNCTIONAL STATEMENTS
(Proposed March 1989)
University of Hawaii Administration

**PROPOSED**

Board of Regents

- State Board for Vocational Education (for admin. purposes)
- State Post Secondary Education Commission
- Secretary of Board of Regents
- Western Interstate Commission for Higher Education

**President**

- Vice President University Relations
- Vice President Administration
- Vice President Finance and Operations
- Director of Planning and Policy
- Director of Budget
- Director of Technology Transfer and Economic Development

- Vice President Res. & Grad. Educ. UH at Manoa
- Vice President Academic Affairs UH at Manoa
- Vice President Student Affairs UH at Manoa

- Graduate Division
- Research Institutes
- Ofc. of Research Administration

- Colleges
- Other Programs
- Acad. Planning
- Acad. Personnel
- Computing Cntr.

- Enrollment Services
- Student Life

- Athletic Director

Chancellor Community Colleges

- Chancellor UH at Hilo and WOC

Assistant to the President, Technology Transfer and Economic Development *

Assistant to the President

Campus Director for Equal Employment Opportunity/Affirm. Action Programs

* To be redescribed

President, University of Hawaii

Date
**BOARD OF REGENTS**

**OFFICE OF THE PRESIDENT**

- President, #89058
- Assistant to the President, Technology Transfer-Economic Development, M07-NM, #89233 *
- Assistant to the President, M08-NM, #89172
- Director of EEO/AA, M06-NM, #89236
- Private Secretary III, SR-22, #35020
- Secretary III, SR-14, #13692
- Secretary III, SR-14, #12072
- Clerk-Stenographer III, SR-11, #14208
- Clerk-Stenographer II, SR-09, #15584

**SECRETARY OF BOARD OF REGENTS**

- Secretary of Board, M12-ME, #89095
- Administrative Officer, M04-NM, #89086
- Private Secretary I, SR-18, #00486
- Secretary IV, SR-15, #03515
- Clerk-Stenographer II, SR-09, #14011

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*To be redescribed.*
PROPOSED REORGANIZATION
State of Hawaii
University of Hawaii
Systemwide Administration
Office of Technology Transfer
and Economic Development

OFFICE OF TECHNOLOGY TRANSFER
AND ECONOMIC DEVELOPMENT

Director
#99972F
Secretary
#99450F
* Two positions pending reallocation.

INTELLECTUAL PROPERTY, TECHNOLOGY
LICENSING, ECONOMIC DEVELOPMENT
AND EDUCATION SUPPORT PROGRAM

UH Educational Specialist
#99974F
UH Educational Specialist
#99975F

ADMINISTRATIVE & FISCAL SERVICES

UH Administrative Officer
#99976F
UH Administrative and Fiscal
Support Specialist
#99977F

* Position #99973F and #99451F pending legislative reallocation to CBA 101.

NOTE: All positions pending classification review.

APPROVED

President, University of Hawaii

Date
Functional Statements

The Office of Technology Transfer and Economic Development.

MAJOR FUNCTIONS

* Ensure the efficient and effective transfer of the University’s research with commercial potential, developed technology and its expert based resources for the productive use of the public and private sectors of the community-at-large.

* Facilitate economic development through the education, training and research missions of the University.

* Support and nurture the creative and innovative use of science and technology to solve human problems.

* Work for statewide public access to University based technology, technical and scientific expertise, information and related programs by the citizens of Hawaii.

* Promulgate and administer University Policies that help our faculty, students and the community-at-large achieve the goals as elucidated in the four functional statements listed above.

Program and Administrative Functions

INTELLECTUAL PROPERTY, TECHNOLOGY LICENSING, ECONOMIC DEVELOPMENT AND EDUCATION SUPPORT PROGRAM.

Economic Development and Education Function

* Implement the Business and Economic Development Support programs of the office which include: University Software Development and Marketing Program; International Technology Training and Education Program; Economic, Legal and Technology Assessment Program; and a Business Development and Market Research Program.

* Coordinate the office's Educational Programs such as University Science and Technology Exposition and an educational television series on Science and Technology in Hawaii.

* Work with local economic development organizations and the business community to channel University resources to resolve the problems of businesses.

* Support related activities that contribute to the efficient operation of the office.

* Actively support the program goals of the office and the University of Hawaii.
Intellectual Property and Technology Licensing Function

* Implement the University's Patent, Copyright and Technology Licensing Program including the day-to-day administration of the University Patent and Copyright Policy.

* Work with the Research Corporation of the University of Hawaii to improve services to faculty and student inventors.

* Support the University's Technology Transfer programs.

* Work with the academic, business and government communities on issues that deal with technology transfer and intellectual property.

* Support related activities that contribute to the efficient operation of the office.

* Actively support the program goals of the office and the University of Hawaii.

ADMINISTRATIVE AND FISCAL SERVICES

* Responsible for the day-to-day management of the Discoveries and Inventions Revolving Fund including establishing and maintaining a short term cash investment plan.

* Responsible for the technical preparation of budgets and financial reports, the processing of all business transactions of the office including the processing of vouchers, purchase orders, and personnel actions.

* Responsible for the computerization of the office financial records and business transactions and for the acquisition and maintenance of computer and telecommunications equipment.

* Perform detailed accounting and financial work.

* Support related activities that contribute to the efficient operation of the office.

* Actively support the program goals of the office and the University of Hawaii.