Testimony Presented Before the
House Committee on Higher Education
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by
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## SB 1144 SD2 – RELATING TO TECHNOLOGY TRANSFER AT THE UNIVERSITY OF HAWAII

Chair Choy, Vice Chair Ichiyama, and members of the committee:

The University of Hawai'i <u>supports</u> this measure to facilitate the University's ability to structure complex arrangements with private sector organizations, including various types of joint ventures where UH faculty may have overlapping responsibilities, to promote the commercialization of research ideas generated on its campuses.

This commercialization (often called "technology transfer") is designed to strengthen economies by getting new ideas, inventions and processes developed in universities -- most often with encouragement and funding support by the federal government, to the private sector as quickly as possible.

Technology transfer occurs throughout the nation at other universities. It is a vital component to the UH's efforts in the Hawai'i Innovation Initiative, a partnership with local businesses to diversify the state's economy. The University of Hawai'i appreciates the Legislature's acknowledgement of the state's interest in the first section of this measure.

As drafted, this version of the measure provides a "bright line" exemption from the State Ethics Code for technology transfer activities at UH -- provided that the activities comply with the University's regulatory framework and compliance programs.

The University understands that the draft is intended to provide a five-year trial period for the exemption. However, to allow for a more reasonable "ramp up" period, UH would like to request that the initial trial period be set for 10 years.

The University of Hawai'i will work with the State Ethics Commission staff and with the Department of the Attorney General to resolve the legal concerns they may raise with SB 1144 SD2.

Thank you for your consideration.