

Honolulu, Hawaii

MAR 19 2008

RE: H.B. No. 2245  
H.D. 1  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2008  
State of Hawaii

Madam:

Your Committee on Education, to which was referred H.B. No. 2245, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII,"

begs leave to report as follows:

The purpose of this measure is to authorize the transfer of all University of Hawaii funds, with the exception of general funds, into the University of Hawaii Commercial Enterprises Revolving Fund for the establishment of new enterprises.

Testimony in support of the measure was submitted by the University of Hawai'i System.

Your Committee finds that, pursuant to Act 193, Session Laws of Hawaii 2001, the University of Hawaii was authorized to transfer all funds at its disposal, except general funds, into the University of Hawaii Commercial Enterprises Revolving Fund. This authority has resulted in the University's ability to initiate successful endeavors, including the University of Hawaii Rainbowtique outlet that generates revenues through the sale of licensed university merchandise. However, under Act 193, this authority was revoked on June 30, 2004. This measure reinstates the University's authority to cull moneys under its control for establishing new commercial enterprises.

However, your Committee is concerned that tuition and fees special fund moneys, the use of which is often not readily



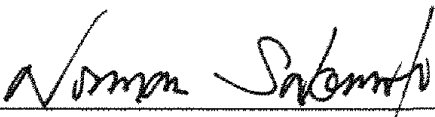
associated with known or directly-related expenditures, would be included as a source of funding for the commercial enterprises revolving fund. Exclusion of these funds will still provide greater flexibility to the University to engage in activities that will generate additional revenues for the common benefit of the entire system.

Accordingly, your Committee has amended this measure by:

- (1) Specifying that the University of Hawaii has the authority to transfer all funds at its disposal, except general funds and tuition and fees special fund moneys, into the University of Hawaii Commercial Enterprises Revolving Fund for the establishment of new enterprises; provided that no more than ten per cent of the tuition and fees special fund moneys may be loaned to the revolving fund to finance new enterprises; and
- (2) Changing its effective date to July 1, 2008.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2245, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2245, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Education,

  
\_\_\_\_\_  
NORMAN SAKAMOTO, Chair



The Senate  
 Twenty-Fourth Legislature  
 State of Hawaii

**Record of Votes**  
**Committee on Education**  
**EDU**

Bill / Resolution No.:* <b>HB 2245 HDI</b>	Committee Referral: <b>EDU, WAM</b>	Date: <b>3/14/08</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
SAKAMOTO, Norman (C)	X			
TOKUDA, Jill N. (VC)	X			
CHUN OAKLAND, Suzanne	X			
GABBARD, Mike	X			
HEE, Clayton				X
NISHIHARA, Clarence K.	X			
TANIGUCHI, Brian T.				X
SLOM, Sam	X			
<b>TOTAL</b>	6	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<b>Distribution:</b> Original    Yellow    Pink    Goldenrod File with Committee Report    Clerk's Office    Drafting Agency    Committee File Copy				

\*Only one measure per Record of Votes