

Honolulu, Hawaii

Feb 16, 2006

RE: H.B. No. 2040

H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Higher Education, to which was referred
H.B. No. 2040 entitled:

"A BILL FOR AN ACT RELATING TO THE SENATOR HIRAM L. FONG
SCHOLARSHIP PROGRAM,"

begs leave to report as follows:

The purpose of this bill is to honor and recognize Senator
Hiram L. Fong by supporting students enrolled in the University of
Hawaii (UH) system. Specifically, this measure:

- (1) Establishes the Senator Hiram L. Fong Scholarship
Program (Program);
- (2) Establishes the Senator Hiram L. Fong Scholarship
Program Special Fund (Fong Special Fund) to support the
Program; and
- (2) Appropriates \$200,000 to be transferred to the Fong
Special Fund.

A member of the Honolulu City Council and several concerned
individuals supported this bill. UH and the Department of
Education supported the intent of this bill. The Department of
Budget and Finance submitted comments.



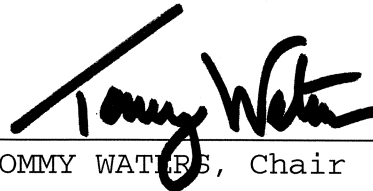
Your Committee has amended this measure by:

- (1) Deleting the Fong Special Fund;
- (2) Establishing that funds for the Program shall be deposited into UH's Student Scholarship and Assistance Special Fund (Assistance Special Fund) to be used to support the Program;
- (3) Providing that \$200,000 be deposited into the Assistance Special Fund and used for the Program; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committee recognizes that concerns were raised regarding state funding of scholarship programs and, specifically, how the Program will remain solvent without a continuous infusion of funds. However, your Committee believes that these financial issues are better addressed by the Committee on Finance and has passed this measure out to continue discussion of the matter.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2040, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2040, H.D. 1, and be referred to the Committee on Finance.

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



TOMMY WATERS, Chair



