

Honolulu, Hawaii

FEB 07 2008

RE: S.B. No. 2675  
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 S.B. No. 2675 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 Hawaii 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 Rainbottique 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 However, under Act 193, this authority was revoked on June 30, 2004.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. Your Committee is concerned that tuition funds, the use of which is often not readily associated with known or directly-related expenditures, be removed as a source of funding for the commercial enterprises revolving fund. This measure, as amended, will still provide

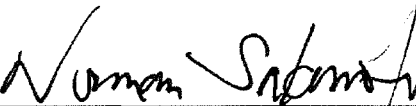


greater flexibility to the University to engage in activities that will generate additional revenues for the common benefit of the entire system.

Accordingly, your Committee has amended this measure by specifying that the University of Hawaii has the authority to transfer all funds at its disposal, except general funds and tuition funds, into the University of Hawaii Commercial Enterprises Revolving Fund for the establishment of new enterprises.

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 S.B. No. 2675, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2675, 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



