



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
Senate Committee on Ways and Means  
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by

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HB 2245, HD1, SD1 – RELATING TO THE UNIVERSITY OF HAWAII

Chair Baker, Vice Chair Tsutsui, and Members of the Committee:

This bill amends section 304A-2251, HRS by reinstating language authorizing the transfer of all University funds, with the exception of general funds and tuition and fees special fund moneys, into the University of Hawaii Commercial Enterprise Revolving Fund to finance the establishment of new enterprises provided that no more than ten percent of the tuition and fees special fund moneys may be loaned to the revolving fund to finance the establishment of new enterprises.

Act 196 SLH2001, approved May 31, 2001, authorized the use of all University funds, except general funds, to be used to finance the establishment of new enterprises. This provision sunset in 2004 and has limited the University's ability to take advantage of opportunities to establish or participate in commercial activities. Revenues derived from commercial enterprises are used for the general benefit of the University of Hawaii. An example of a successful commercial enterprise is the Rainbowtique outlet at Victoria Ward Center.

The University strongly supports passage of this bill as amended (SD1) as it would allow the University the ability to help reduce its reliance on State funding sources. Passage of this measure will allow to university to provide start-up funding for new commercial enterprises with the goal of generating additional revenue for the common benefit of the university.

Thank you for the opportunity to provide written comments on this measure.