

S.B. NO. 2761

JAN 25 2010

A BILL FOR AN ACT

RELATING TO THE UNIVERSITY OF HAWAII.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Act 106, Session Laws of Hawaii 2008, as
2 amended by section 13 of Act 11, Session Laws of Hawaii 2009, is
3 amended by amending section 3 to read as follows:

4 "SECTION 3. This Act shall take effect on July 1, 2008 [~~7~~
5 and shall be repealed on June 30, 2011; provided that section
6 304A-2251, Hawaii Revised Statutes, shall be reenacted in the
7 form in which it read on the day before the effective date of
8 this Act]."

9 SECTION 2. Statutory material to be repealed is bracketed
10 and stricken.

11 SECTION 3. This Act shall take effect on July 1, 2010.

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INTRODUCED BY: _____

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BY REQUEST

Report Title:

University of Hawaii; Commercial Enterprise Revolving Fund

Description:

Repeals the sunset provision in Act 106, Session Laws of Hawaii 2008.

JUSTIFICATION SHEET

DEPARTMENT: University of Hawaii

TITLE: A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII.

PURPOSE: To enable the University to retain the flexibility to use different sources of University funding to develop and establish commercial enterprises, as presently permitted under section 304A-113, Hawaii Revised Statutes (HRS). This would be accomplished by deleting the repeal date for the latest amendments to section 304A-2251, HRS, that were contained in Act 106, Session Laws of Hawaii 2008 (Act 106).

MEANS: Amend section 3 of Act 106, Session Laws of Hawaii 2008, as amended by section 13 of Act 11, Session Laws of Hawaii 2009.

JUSTIFICATION: Act 193, Session Laws of Hawaii 2001 (Act 193), authorized the use of all University funds except general funds to finance the establishment of new commercial enterprises. These statutory amendments were repealed effective on June 30, 2004.

Act 106 amended section 304A-2251, HRS, to reinstate the provision that granted the University the flexibility to use University funding from various sources (except general funds) to finance the establishment of new commercial enterprises. The University's flexibility to use various sources of University funding under Act 106 is scheduled to be repealed effective as of June 30, 2011. Preserving this flexibility to use various sources of University funding (except general funds) is important to maintaining a healthy and productive University commercial enterprise system. If repealed, there will likely be significantly less funding available to properly maintain

the University's commercial enterprise system and take advantage of new or unique commercial opportunities.

Revenues derived from commercial enterprise activities will be used for the general benefit of the University of Hawaii.

Impact on the public: Income from commercial activities may be used to supplement other sources of University funding, including funding received from the State. The potential public benefit will be a University with increased fiscal self-sufficiency.

Impact on the department and other agencies: The University needs to develop alternative revenue sources and resources to more effectively carry out its mission of teaching, research, and public service. The establishment and development of new commercial enterprises, and the continued operation of existing commercial enterprises, are anticipated to generate additional revenue that may be used to more effectively carry out the University's mission (teaching, research, and public service).

GENERAL FUNDS: None.

OTHER FUNDS: None.

PPBS PROGRAM					
DESIGNATION:	UOH 900	UOH 100	UOH 210	UOH 700	UOH 800

OTHER AFFECTED AGENCIES: None.

EFFECTIVE DATE: July 1, 2010.