



**UNIVERSITY OF HAWAII SYSTEM**  
Legislative Testimony

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Testimony Presented Before the  
House Committee on Water, Land & Ocean Resources  
February 3, 2012 at 9:00 a.m.

by

Howard Todo

Vice President for Budget and Finance/Chief Financial Officer, University of Hawai'i

HB 2734 – RELATING TO ALOHA STADIUM

Chair Chang, Vice Chair Har and members of the Committee:

HB 2734 requires that the Stadium Authority pay the University of Hawai'i twenty-five percent of all revenues that the University of Hawai'i generates at Aloha Stadium.

The University supports passage of HB 2734.

Thank you for allowing me to present testimony on behalf of the University of Hawai'i.

Written Testimony Presented Before the  
House Committee on Water, Land and Ocean Resources  
Friday, February 2, 2012 at 9:00 a.m.  
James J. Donovan, Director of Athletics  
UHM Athletics Department

HB2734 – RELATING TO THE STADIUM AUTHORITY

Chair Chang, Vice Chair Har and members of the Committee:

My name is Jim Donovan, and I serve as the director of the University of Hawaii at Manoa's Athletics Department. I am pleased to provide personal testimony on House Bill 2734. This testimony does not represent the position of the University of Hawai'i or Athletics Department.

HB 2734 requires that the Stadium Authority pay the University of Hawaii twenty-five percent of all revenues that the University of Hawaii generates at Aloha Stadium. I support passage of this measure.

Allocating twenty-five percent of the revenues that the University of Hawaii generates at Aloha Stadium will assist in keeping our Football Bowl Subdivision (FBS-Division IA) program competitive as compared with our peers – most of which keep all net revenues from the football stadiums they play in. We acknowledge that there is a cost to generating revenues at University of Hawaii events held at Aloha Stadium and a revenue stream of twenty-five percent takes into account the potential costs of revenue creation. Revenue streams that are created from UH events held at Aloha Stadium include ticket sales (we keep one hundred percent of ticket sales), parking (we make some revenue from donations associated with parking, but none from the actual parking fee), concessions (we receive no revenue from concessions), permanent advertising (we receive no revenue from permanent advertising), field naming rights (we receive no revenue from field naming rights), and merchandising (we receive a small, indirect, amount of merchandising sales).

Currently, we are charged for all out-of-pocket expenses for the events that we play at Aloha Stadium. At most collegiate stadiums the game-day out-of-pocket expenses are paid from the revenue created, and the net profits are retained by the football program and/or the athletics department. In our case, we have paid \$678,404 for this past season (2011 season) and \$656,652 for two seasons ago (the 2010 season). After paying these amounts we have received no net revenues from Aloha Stadium other than the ticket sales and donations associated with seat locations and season parking passes.

With joining the Mountain West Conference, we have committed to paying travel subsidies to in-bound conference teams playing at Aloha Stadium. We estimate these costs to be between \$600,000 and \$700,000 annually. Receiving twenty-five percent of the revenues created at UH events held at Aloha Stadium would assist with paying this new cost, and any additional amount would help offset the increased costs we are incurring with room & board, travel and other expenses.

Thank you for the opportunity to testify on this bill.