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# A BILL FOR AN ACT

RELATING TO HIGHER EDUCATION.

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

1           SECTION 1. The legislature finds that the Daniel K. Inouye  
2 College of Pharmacy at the University of Hawaii at Hilo was  
3 established in 2006 and achieved full accreditation by the  
4 Accreditation Council for Pharmacy Education in June of 2011 to  
5 offer continuing education for pharmacists and physicians. The  
6 college of pharmacy also offers a doctoral program in  
7 pharmaceutical sciences and a residency program.

8           Although the college has achieved full accreditation, the  
9 legislature finds that accreditation is in jeopardy due to the  
10 lack of a permanent facility to house the college. The college  
11 of pharmacy is dependent upon the legislature to provide funding  
12 for this facility.

13           The legislature further finds that the success of the  
14 college of pharmacy is vital not only to addressing Hawaii's  
15 shortage of medical professionals but also to the State's  
16 overall economic development. Given these wide-reaching,  
17 statewide effects, the legislature finds and declares that the  
18 financial sustainability and success of the college of pharmacy



1 is an issue of statewide concern and therefore under the  
2 legislature's purview pursuant to article x, section 6, of the  
3 Hawaii state constitution.

4 Accordingly, the purpose of this Act is to establish a  
5 five-year pilot program under which the college of pharmacy  
6 shall be financially and managerially independent.

7 SECTION 2. Chapter 304A, Hawaii Revised Statutes, is  
8 amended by adding a new subpart to part IV to be appropriately  
9 designated and to read as follows:

10 " . UNIVERSITY OF HAWAII AT HILO COLLEGE OF PHARMACY

11 **§304A-A University of Hawaii at Hilo college of pharmacy;**

12 **pilot program.** (a) There is established at the college of  
13 pharmacy of the University of Hawaii at Hilo a five-year pilot  
14 program commencing on July 1, 2014, and terminating on June 30,  
15 2019, under which the college of pharmacy shall be financially  
16 and managerially independent.

17 (b) The college of pharmacy shall be financially supported  
18 entirely by the special fund established under section 304A-C,  
19 into which shall be deposited all revenues generated by the  
20 college of pharmacy, including revenues and any interest accrued  
21 from tuition, grants, fees, and donations.



1 (c) The University of Hawaii system may subsidize or  
2 provide financial assistance to the college of pharmacy.

3 (d) The college of pharmacy shall not be subject to any  
4 fees or assessments that may generally be levied by the  
5 University of Hawaii system upon its programs, departments, and  
6 schools.

7 **§304A-B University of Hawaii at Hilo college of pharmacy;**  
8 **board of governors.** (a) There is established the University of  
9 Hawaii at Hilo college of pharmacy board of governors, which  
10 shall serve in an advisory capacity to the chancellor of the  
11 University of Hawaii at Hilo and whose powers and duties shall  
12 include the following:

13 (1) The administration of the special fund established  
14 under section 304A-C;

15 (2) All powers and responsibilities necessary to plan,  
16 design, construct, maintain, and operate an  
17 educational facility for the University of Hawaii at  
18 Hilo college of pharmacy; and

19 (3) Assisting the college of pharmacy with the adjustment  
20 of college of pharmacy tuition costs.



1 The board of governors shall report to the University of Hawaii  
2 board of regents and the chancellor of the University of Hawaii  
3 at Hilo.

4 (b) The board of governors shall consist of seven members  
5 who shall be appointed as follows:

6 (1) Three members who shall be members of the University  
7 of Hawaii board of regents to be appointed by the  
8 chair of the University of Hawaii board of regents;

9 (2) One member with financial management experience to be  
10 appointed by the governor pursuant to section 26-34;  
11 provided that the term of the member appointed  
12 pursuant to this paragraph shall be five years;

13 (3) One member who shall be a member of the board of  
14 pharmacy to be appointed by the chair of the board of  
15 pharmacy; provided that the member is one of the  
16 pharmacists on the board of pharmacy who is licensed  
17 to practice pursuant to chapter 461;

18 (4) One member to be appointed by the speaker of the house  
19 of representatives; and

20 (5) One member to be appointed by the president of the  
21 senate;



1 provided that all members of the board of governors shall be  
2 approved by the University of Hawaii board of regents.

3 (c) The board of governors shall select a chair from among  
4 its members; provided that the chair shall not be a member  
5 appointed by either the speaker of the house of representatives  
6 or the president of the senate.

7 (d) The board of governors shall serve without  
8 compensation, but shall be reimbursed for expenses, including  
9 travel expenses, necessary for the performance of their duties.

10 (e) The college of pharmacy of the University of Hawaii at  
11 Hilo, through its board of governors, shall submit an annual  
12 financial and management report to the University of Hawaii  
13 board of regents, the governor, and the legislature not less  
14 than twenty days prior to the convening of each regular session  
15 of the legislature."

16 SECTION 3. Chapter 304A, Hawaii Revised Statutes, is  
17 amended by adding a new section to subpart C of part V to be  
18 appropriately designated and to read as follows:

19 **"§304A-C University of Hawaii at Hilo college of pharmacy**  
20 **special fund.** (a) There is established the University of  
21 Hawaii at Hilo college of pharmacy special fund, which shall be



1 administered by the University of Hawaii at Hilo college of  
2 pharmacy board of governors.

3 (b) The special fund shall consist of all the revenues of  
4 the college of pharmacy, including revenues and any interest  
5 accrued from tuition, grants, fees, and donations.

6 (c) The special fund may be used for the following  
7 purposes:

8 (1) To reimburse the University of Hawaii at Hilo for all  
9 costs associated with the construction of the college  
10 of pharmacy facility; provided that reimbursement  
11 terms and conditions, if any, shall be determined by  
12 the department of budget and finance in consultation  
13 with the college of pharmacy board of governors;

14 (2) To procure loans from a financial institution to  
15 construct, maintain, and operate the college of  
16 pharmacy;

17 (3) To pay any debt service on any loans made by a  
18 financial institution to the college of pharmacy to  
19 construct the college of pharmacy facility; and

20 (4) To pay for the operation and maintenance of the  
21 college of pharmacy and its facilities, including



1 faculty and other personnel costs associated with  
2 operating the college of pharmacy.

3 (d) Notwithstanding any law to the contrary, the special  
4 fund shall be exempt from the central service expenses deducted  
5 pursuant to section 36-27 and the pro rata share of departmental  
6 administrative expenses charged pursuant to section 36-30.

7 (e) Beginning January 1, 2015, the University of Hawaii at  
8 Hilo college of pharmacy board of governors shall report semi-  
9 annually to the legislature on the moneys in the special fund,  
10 including deposits, expenditures, and other transactions. The  
11 reports shall explain in detail all expenditures from the  
12 special fund."

13 SECTION 4. Commencing not later than July 1, 2018, the  
14 University of Hawaii board of regents shall perform a program  
15 evaluation to consider whether the college of pharmacy should be  
16 continued. The main criteria of the evaluation shall be the  
17 ability of the college of pharmacy to fiscally sustain its  
18 operations during the five-year pilot program. If the  
19 University of Hawaii board of regents finds, as a result of its  
20 program evaluation, that the college of pharmacy is not fiscally  
21 sustainable, then the University of Hawaii board of regents  
22 shall report its findings to the legislature no later than



1 twenty days prior to the convening of the regular session of  
2 2019 and may initiate proceedings to terminate the college of  
3 pharmacy pilot project and transfer control of all property and  
4 management, financial, and other responsibilities to the  
5 University of Hawaii board of regents.

6 SECTION 5. There is appropriated out of the general  
7 revenues of the State of Hawaii the sum of \$ or so much  
8 thereof as may be necessary for fiscal year 2014-2015 for the  
9 purposes of this Act.

10 The sum appropriated shall be expended by the University of  
11 Hawaii at Hilo for the purposes of this Act.

12 SECTION 6. The director of finance is authorized to issue  
13 general obligation bonds in the sum of \$ or so much  
14 thereof as may be necessary and the same sum or so much thereof  
15 as may be necessary is appropriated for fiscal year 2014-2015  
16 for the construction of a facility to house the University of  
17 Hawaii at Hilo college of pharmacy; provided that this  
18 appropriation shall not lapse at the end of the fiscal biennium  
19 for which the appropriation is made; provided further that all  
20 moneys from the appropriation unencumbered as of June 30, 2016,  
21 shall lapse as of that date.





1           SECTION 7. The director of finance is authorized to issue  
2 general obligation bonds in the sum of \$           or so much  
3 thereof as may be necessary and the same sum or so much thereof  
4 as may be necessary is appropriated for fiscal year 2014-2015  
5 for the construction of a facility to house the University of  
6 Hawaii at Hilo college of pharmacy; provided that the debt  
7 service on such bonds shall be paid using special funds;  
8 provided further that this appropriation shall not lapse at the  
9 end of the fiscal biennium for which the appropriation is made;  
10 provided further that all moneys from the appropriation  
11 unencumbered as of June 30, 2016, shall lapse as of that date.

12           SECTION 8. The board of regents of the University of  
13 Hawaii, with the approval of the governor, is authorized to  
14 issue revenue bonds to finance, in whole or in part, the costs  
15 of construction of a facility to house the University of Hawaii  
16 at Hilo college of pharmacy, including reserves therefor as the  
17 board of regents may direct. The total principal amount of the  
18 revenue bonds authorized by this Act shall not exceed \$           ;  
19 provided that neither revenue bonds issued to refund revenue  
20 bonds heretofore issued, to the extent that such refunding  
21 revenue bonds do not exceed the principal amount of the revenue  
22 bonds being refunded, nor revenue bonds of the board outstanding



1 at the effective date of this Act, shall cause the amount  
2 authorized by this section to be decreased. The revenue bonds  
3 shall be issued pursuant to the provisions of part VI of chapter  
4 304A, Hawaii Revised Statutes. The principal and interest on  
5 the revenue bonds, to the extent not paid from the proceeds of  
6 such bonds, shall be paid solely from and secured solely by the  
7 revenue of the university as defined in section 304A-2671,  
8 Hawaii Revised Statutes.

9 SECTION 9. There is appropriated out of the revenue bond  
10 proceeds authorized by section 8 of this Act the sum of  
11 \$ or so much thereof as may be necessary for fiscal year  
12 2014-2015 to carry out the purposes of section 8; provided that  
13 any unexpended and unencumbered balance of the appropriation  
14 shall not lapse at the end of fiscal year 2014-2015 and shall  
15 lapse instead on June 30, 2019.

16 SECTION 10. There is appropriated out of the University of  
17 Hawaii at Hilo college of pharmacy special fund the sum of  
18 \$ or so much thereof as may be necessary for fiscal year  
19 2014-2015 for the purposes of this Act.

20 The sum appropriated shall be expended by the University of  
21 Hawaii at Hilo college of pharmacy for the purposes of this Act.



1           SECTION 11. In codifying the new sections added by  
2 sections 2 and 3 of this Act, the revisor of statutes shall  
3 substitute appropriate section numbers for the letters used in  
4 designating the new sections in this Act.

5           SECTION 12. New statutory material is underscored.

6           SECTION 13. This Act shall take effect on July 1, 2525,  
7 and shall be repealed on June 30, 2019.



# S.B. NO.

2550  
S.D. 2  
H.D. 1  
Proposed

**Report Title:**

UH Hilo College of Pharmacy; Pilot Program; Special Fund;  
Appropriations

**Description:**

Establishes a 5-year pilot program at the UH Hilo College of Pharmacy to ensure its financial self-sufficiency. Establishes a special fund for the College of Pharmacy. Effective 7/1/2525. (HD1 Proposed)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*





# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
House Committee on Higher Education  
March 18, 2014 at 2:30 p.m.

by  
Donald O. Straney  
Chancellor, University of Hawai'i at Hilo

SB 2550 SD2 Proposed HD1 – RELATING TO HIGHER EDUCATION

Chair Choy, Vice Chair Ichiyama, and Members of the Committee:

Thank you for the opportunity to submit testimony on SB 2550 SD2 Proposed HD1, which establishes a five-year pilot program at the pharmacy school of the University of Hawai'i at Hilo (UHH), under which the school shall be financially self-sufficient. The bill establishes a UHH Pharmacy School Special Fund and a Board of Governors for the Pharmacy School; and appropriates funds out of the special fund for the purposes of the Act.

The University of Hawai'i appreciates the intent of the bill, which provides an avenue for funding the Daniel K. Inouye College of Pharmacy's facilities, which is required to maintain its accreditation. The college has met all requirements for accreditation except for having a permanent home. This requirement must be met by June 2014 or the college is in jeopardy of losing its accreditation. The University places a very high priority on maintaining the college, which is the only college of pharmacy in the region.

Provisions of the bill would duplicate or replace parts of the University's functions. The University has an existing mechanism for evaluating new programs. The Board of Governors this bill would establish duplicates the function of the Board of Regents. We believe both provisions are not necessary for the purpose of establishing a self-supporting college.

The budget request submitted by the Board of Regents of the University of Hawai'i and included by the Governor in his executive budget request has as its first priority for new construction \$28M in general obligation bonds and \$5M in revenue bonds, which has been our preferred approach to funding this building.

We appreciate that the House included \$33M of funding several sources in HB 1700 HD1 for the construction of a permanent home for the Daniel K. Inouye College of Pharmacy at the University of Hawai'i at Hilo. We support this approach to funding the building, provided it allows the college to be financially sound.

Thank you for the opportunity to provide testimony.



UNIVERSITY  
of HAWAII®  
**HILO**

March 15, 2014

To: COMMITTEE ON HIGHER EDUCATION  
Rep. Isaac Choy, Chair  
Rep. Linda Ichiyama, Vice Chair

I am the Founding Dean of the University of Hawaii College of Pharmacy. Following consultation with the executive team, I am writing to inform you the College of Pharmacy stands in **STRONG SUPPORT** of **SB2550 PROPOSED HD1 and HB1652**.

Since the College was launched in 2007, we have met every benchmark and exceeded all expectations. The College is successful by every measure but continues to struggle with physical facilities that are inadequate to permit full achievement our mission and vision. In fact, of 30 professional standards required to maintain accreditation, only one, the one dealing with physical facilities, has been found to be out of compliance.

We are very grateful to the legislative body of the State of Hawaii for recognizing "the success of the college of pharmacy is vital not only to addressing Hawaii's shortage of medical professionals but also to the State's overall economic development. Given these wide-reaching, statewide effects, the legislature finds and declares that the financial sustainability and success of the college of pharmacy is an issue of statewide concern..."

We now need your help to insure our **financial independence and sustainability** within the constraints of our revenue as we continue the process of securing support for our building. According, we **strongly support** this legislation.

Thank you for helping us safeguard the future of health care in Hawaii.

Thank you for considering this testimony.

Sincerely,

A handwritten signature in blue ink, appearing to read "John M. Pezzuto".

John M. Pezzuto  
Professor and Founding Dean

To: COMMITTEE ON HIGHER EDUCATION  
Rep. Isaac Choy, Chair  
Rep. Linda Ichiyama, Vice Chair

3/14/2014

I am the Chair of the Department of Pharmaceutical Sciences at the College of Pharmacy. The College of Pharmacy stands in **STRONG SUPPORT of SB2550 PROPOSED HD1 and HB1652.**

We have had extremely productive interaction with and advice from the legislature and are confident that we can be successful because, thanks to the efforts of many in the legislature, system, and community, we are already up and running with a stable revenue stream. But we now need your help to insure our **financial independence and sustainability** within the constraints of our revenue as we continue the process of securing support for our building.

Our students and graduates are becoming an integral part of health care delivery in the state and will continue to expand their impact in rural and urban areas with the implementation of the new health care delivery initiatives, the shortage of M.D.s and the demographics. The domestic projections still predict a shortfall of pharmacists throughout the decade.

The community pharmacist is the only healthcare professional you can see without an appointment and is often the front-line of healthcare delivery.

Aloha and thank you for the opportunity to testify and for your service.

Ken Morris, Ph.D.  
Professor and Chair of Pharmaceutical Science  
Special Gov. Employee, US FDA  
College of Pharmacy  
University of Hawaii at Hilo  
722 South A'OHoku St.  
Hilo, HI 96720  
808-933-2807

TESTIMONY BY KALBERT K. YOUNG  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON HIGHER EDUCATION  
ON  
SENATE BILL NO. 2550, S.D. 2, PROPOSED H.D. 1

March 18, 2014

RELATING TO HIGHER EDUCATION

Senate Bill No. 2550, S.D. 2, Proposed H.D. 1, establishes a five-year pilot program for the pharmacy school of the University of Hawaii at Hilo (UHH), commencing on July 1, 2014 and terminating on June 30, 2019, to which the pharmacy program shall be financially self-sufficient and managerially independent. The bill specifically:

1) establishes the UHH College of Pharmacy Special Fund which shall be administered by the Pharmacy Board of Governors who shall report to the University of Hawaii (UH) Board of Regents; 2) exempts the special fund from the central services expenses pursuant to Section 36-27, HRS, and the pro rata share of departmental administrative expenses pursuant to Section 36-30, HRS; 3) establishes the UHH College of Pharmacy Board of Governors; 4) appropriates an unspecified sum of general funds, special funds, general obligation bond funds, and revenue bond funds for the purposes of the Act; and 5) authorizes the issuance of general obligation bond funds (Director of Finance) and revenue bond funds (Board of Regents).

The Department of Budget and Finance (B&F) recognizes the bill's intent to provide a funding mechanism for the UHH Pharmacy School and offers the following comments:

- First, there is a practical inconsistency in attempting to issue long-term debt for a facility when the statutory basis is a "five-year pilot program." Issuance of long-term debt is a formal, legal process that binds the issuer to the bond holders who provide



the capital for the project. To be viable, the statutory authority must encompass, at the very least, the term of the bond financing mechanism. Additionally, the issuer needs to clearly demonstrate long-term financial sustainability with sufficient reserves and coverage ratios to address contingencies and unforeseen events. This will be especially critical in a newly created, standalone credit situation as proposed in this bill.

- Second, the Administration originally included in its FY 15 Supplemental Budget \$33,000,000 (\$28,000,000 in general obligation bond funds and \$5,000,000 in revenue bond funds to be secured by UH system revenues) to construct a new instructional facility for the UHH Pharmacy School. The Administration would desire to work with UH System, UHH Administration, the UHH Pharmacy School management, and the Legislature to determine a funding strategy that is prudent and sustainable for the university system. The Administration's proposal is based on previous reviews that did not show that UHH Pharmacy School had the correct financial metrics to support self-sustainability as far as debt service was concerned. For that reason, the Administration's proposal would seem to be the preferred funding method for the facility considering revenue streams of UHH, the pharmacy school, and the UH system, governance, and the availability of reasonable financing options. However, the Administration and B&F are open to considering and discussing any other sustainable financing strategies that can be developed. Our end objective is to ensure that the UH system and UHH can execute the construction of an appropriate pharmacy school.

*"Health care that is safe, health care that works, and health care that leaves no one behind"*

HOUSE COMMITTEE ON HIGHER EDUCATION

Rep. Issac W. Choy, Chair

Rep. Linda Ichiyama, Vice Chair

NOTICE OF HEARING

Tuesday, March 18, 2014

9:25 a.m., Conference Room 211

State Capitol

**Howard Ainsley**  
**East Hawaii Regional CEO**  
**Hawaii Health Systems Corporation**

On Behalf of the East Hawaii Region of Hawaii Health Systems corporation (HHSC), thank you, Chairman Choy and Vice Chair Ichiyama for the opportunity to present testimony in support of SB 2550, S.D. 2, Relating to Higher Education that establishes a 5-year pilot program at the UH Hilo College of Pharmacy.

The Daniel K. Inouye College of Pharmacy at the University of Hawaii Hilo is a critical partner for the HHSC Primary Care Training Program; a team model of care aiming to close the physician shortage gap in Hawaii. The college currently provides two faculty members, Dr. Victoria Rupp and Dr. Christina Mnatzaganian ambulatory care pharmacy specialists. Doctors Rupp and Mnatzaganian provide the majority of care for our patients with diabetes, high cholesterol and high blood pressure, as well as managing patients on blood thinners for vascular conditions. They are integral members of our team allowing the physicians to care for other patient issues.

The College of Pharmacy students train alongside medical students, residents, psychologists and advance practice nursing students with the intent of creating new career paths for pharmacists in the State of Hawaii.

I recognize that the success of Daniel K. Inouye College of Pharmacy at the University of Hawaii at Hilo is a vital part of addressing Hawaii's shortage of medical professionals.

I hereby strongly urge your support for SB 2550, S.D. 2.



HAWAII LEEWARD PLANNING CONFERENCE  
P.O. BOX 2159 • KAMUELA, HAWAII 96743-2159

HLPC INCORPORATED 1974

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QUEEN EMMA LAND COMPANY, Charter Member  
QUEEN LILL'UOKALANI TRUST, Charter Member  
L'ORANGE & ASSOC.  
BANK OF HAWAII, 1975  
HAWAII LAND COMPANY, 1976  
MAUNA KEA RESORT SERVICES, LLC, 1980  
R. M. TOWILL CORPORATION, 1983  
WEST HAWAII CONCRETE, 1983  
KAUPULEHU DEVELOPMENTS, 1985  
HELCO, 1988  
KAHUA RANCH, 1988  
PARKER RANCH, 1988  
PONOHOLO RANCH, 1992  
WAIMEA WATER SERVICES, LLC 1992  
HUALALAI RESORT, 1994  
MOOERS ENTERPRISES, 1995  
RIEHM OWENSBY PLANNERS ARCHITECTS, 1995  
AKINAKA & ASSOCIATES, LIMITED, 1997  
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PBR HAWAII & ASSOCIATES, 2003  
TITLE GUARANTY ESCROW SERVICES, 2003  
TSA INTERNATIONAL, 2003  
WASTE MANAGEMENT HAWAII, 2003  
WILSON OKAMOTO CORPORATION, 2003  
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JARDINE INVESTMENT PROPERTIES, LLC 2005  
D.R. HORTON, INC., SHULER DIVISON, 2005  
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HUNT COMPANIES, INC., 2009  
FOREST CITY HAWAII, 2009  
HAWAII WATER SERVICE COMPANY, 2009  
LOWNEY CONTRACTING COMPANY, INC., 2009  
PUNA GEOTHERMAL VENTURE, 2009  
TINGUELY DEVELOPMENT, INC., 2009  
HAWAII GAS, 2010  
MLC, INC., 2011  
RIDER LEVETT BUCKNALL, 2011  
ENGINEERING PARTNERS, INC., 2011  
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SSFM INTERNATIONAL, 2012  
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FLEMING & ASSOCIATES, LLC, 2012  
SETTLE LAW, LLC 2012  
YAMAMOTO CALIBOSO, LLLC, 2012  
HILTON WORLDWIDE, 2013  
TIM BOSTOCK PRODUCTIONS, LLC 2013  
W.M. KECK OBSERVATORY, 2013

16 March 2014

**Testimony for the House Committee on Higher Education**

**Regarding Senate Bill No. 2550, SD2**

**Relating to Higher Education**

**Hearing on March 18<sup>th</sup> 2014 at 2:30 p.m.**

**Hawai'i State Capitol, 415 South Beretania Street,  
Conference Room 309**

Aloha Honorable Representative Choy, Chair; Vice Chair Ichiyama; and  
Members of the House Committee on Higher Education:

I am Jacqui Hoover, President of Hawai'i Leeward Planning Conference (HLPC),  
Executive Director of the Hawai'i Island Economic Development Board (HIEDB),  
and a member of the Friends of the Daniel K. Inouye College of Pharmacy.

Your consideration of [SB2550, SD2](#) is greatly appreciated as are the  
combined efforts of our legislature, policy makers, the University of Hawai'i  
system, and community to ensure the success of the DKI College of  
Pharmacy which is critically important for comprehensive health care for  
Hawai'i and the Pacific Basin.

Members and affiliates of HLPC collectively and respectively support all  
efforts to ensure the success of the College of Pharmacy and its  
contributions to health, education and economic development in Hawai'i.

Mahalo for allowing me this opportunity to speak in support of and request  
your support of [SB2550 SD2.DOC](#). Please do not hesitate to contact me  
with any questions or concerns.

Email: [jacqui\\_hlpc@yahoo.com](mailto:jacqui_hlpc@yahoo.com)

**Jacqui L. Hoover, President**  
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# Hawai'i Island Chamber of Commerce

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Fax: (808) 961-4435  
E-mail: [admin@hicc.biz](mailto:admin@hicc.biz)  
[www.hicc.biz](http://www.hicc.biz)

March 17, 2014

**Executive Officer**  
Miles Yoshioka

**2013 -2014 Board**

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Judith Fox-Goldstein

*President-Elect*  
Chuck Erskine

*Vice President*  
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Jon Miyata

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Jackie De Luz Watanabe  
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Kapena Lum  
Keith Marrack  
Tani Matsubara  
Stephanie Nagata  
Spencer Oliver  
Glenn Santos  
Wesley Segawa  
Donald Straney  
Gordon Takaki  
Craig Takamine  
Barry Taniguchi  
Misti Tyrin  
Steve Ueda  
Carol VanCamp  
William Walter  
Noreen Yamane

**Testimony for the House Committee on Higher Education**

**Regarding SB 2550, SD2, Proposed HD1 Relating to Higher Education  
Committee Hearing on March 18, 2014 at 2:30 pm  
Hawaii State Capitol, 415 South Beretania Street, Conference Room 309**

**RELATING TO HIGHER EDUCATION**

Aloha and Mahalo for the opportunity to submit testimony in support of the UH Hilo College of Pharmacy. I am submitting this testimony in both my capacity as President of the Hawai'i Island Chamber of Commerce (HICC) and as the HICC representative on the Friends of the Daniel K. Inouye College of Pharmacy Committee.

My testimony expresses the views of the membership of HICC and the members of FDKICoP in support of the College of Pharmacy. The FDKICoP consists of a very concerned group of business people and committed individuals who represent many businesses and organizations in the community and, the HICC continues to Represent the "voice of small business" on the Island of Hawai'i. **HICC represents in excess of 250 businesses and an estimated 600+ individual members.**

We are in full support of SB 2550, SD2, Proposed HD1, and commend the efforts of our state legislators in considering various options to ensure the success of UH Hilo's College of Pharmacy (COP).

The goal, from both groups, is to ensure funding and accreditation for the College of Pharmacy so the College can fulfill its promise to their students, and the broader community. The College of Pharmacy has proven its expertise and merits accreditation. Should their building not be funded, all of this exceptional work (and all the promises of productive futures for students) will be lost.

The success of the UH-Hilo COP is important to the State of Hawaii and the general community.

The College of Pharmacy is a "GAME CHANGER" for both the State and for the Community. This College speaks to the roots of pride in our community and to the opportunities for exceptional career paths for students from throughout the state and, especially, from many of our rural communities. The DKICoP helps to solve the problem of



# Hawai'i Island Chamber of Commerce

117 Keawe Street, Suite 205  
Hilo, Hawai'i 96720-2851  
Phone: (808) 935-7178  
Fax: (808) 961-4435  
E-mail: [admin@hicc.biz](mailto:admin@hicc.biz)  
[www.hicc.biz](http://www.hicc.biz)

“BRAIN DRAIN” as we’re losing many of our talented students and changes the equation from BRAIN DRAIN to “BRAIN GAIN!”

The College of Pharmacy is estimated to be responsible for stimulating about \$50 million per year in economic activity for Hawaii. Notable accomplishments include securing research funding such as the \$16.2 million Beacon Community Grant and the \$14.3 million “Pharm2Pharm grant that will help to reduce health care costs and improve delivery of health care for communities across the state and region.

Hawaii’s communities will definitely benefit from having more health care professionals for our ever- increasing and aging population, thereby improving the overall health of Hawaii’s population.

Please support this important and worthy program. If you have any questions, please contact me. Thank you for the opportunity to testify.

Thank you for the opportunity to testify.

Mahalo,

Judith Fox-Goldstein, President, Hawai'i Island Chamber of Commerce  
Member, Friends of the Daniel K Inouye College of Pharmacy (FDKICoP)

# Hawai'i Construction Alliance

P.O. Box 179441  
Honolulu, HI 96817  
(808) 348-8885

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March 17, 2014

The Honorable Isaac Choy, Chair  
The Honorable Linda Ichiyama, Vice Chair  
and members  
Committee on Higher Education  
Hawai'i State House of Representatives  
415 South Beretania Street  
Honolulu, Hawai'i 96813

**RE: Support for SB2550 SD2 and the proposed HD1**

Dear Chair Ige, Vice Chair Kidani, and members of the committee:

The Hawai'i Construction Alliance supports SB2550 SD2 and the proposed HD1. This bill would establish a five-year pilot project at the Daniel K. Inouye College of Pharmacy that ensures the financial self-sufficiency of the college and establishes a special fund for the Daniel K. Inouye College of Pharmacy.

The Hawai'i Construction Alliance is comprised of the Hawai'i Regional Council of Carpenters; the Hawai'i Masons Union, Local 1 and Local 630; the Laborers' International Union of North America, Local 368; and the Operating Engineers, Local 3. Together, the four member unions of the Hawai'i Construction Alliance represent 15,000 working men and women in the four basic crafts of Hawai'i's construction industry.

The Daniel K. Inouye College of Pharmacy currently includes over 500 student, faculty, and staff members; has graduated three classes of PharmDs; and contributes more than \$50M into the state's economy each year. It was also ranked as one of the top five new schools of pharmacy by US News and World Report in 2012. In order for the school to continue its impressive track record in research, education, and outreach, and to support its accreditation, it must secure funding for a permanent facility.

We find that this bill proposes an innovative approach to fund the construction, maintenance, and operation of the Daniel K. Inouye College of Pharmacy. We respectfully request the Committee on Higher Education to pass this bill to allow for this funding option to come into fruition.

Mahalo for the opportunity to testify on this matter.

Aloha,



Tyler Dos Santos-Tam  
Executive Director  
Hawai'i Construction Alliance  
execdir@hawaiiconstructionalliance.org



Hawai'i Island Economic  
Development Board  
[www.hiedb.org](http://www.hiedb.org)

T:808-935-2180

F:808-935-2187

Hawaii Innovation Center at Hilo 117 Keawe St. Suite 107, Hilo, HI 96720-2811

16 March 2014

## Testimony for the House Committee on Higher Education

### Regarding Senate Bill No. 2550, SD2

#### Relating to Higher Education

Hearing on March 18<sup>th</sup> 2014 at 2:30 p.m.

Hawai'i State Capitol, 415 South Beretania Street,  
Conference Room 309

James Takamine, Chair  
Hawaii Community Federal Credit Union

Michael Kaleikini, Secretary  
PGV/ORMAT

David Honma, Treasurer  
First Hawaiian Bank

Greg Chun, PhD, Immediate Past Chair  
Awa Kele LLC

Roberta Chu, Director  
Bank of Hawaii

LeeAnn Crabbe, Director  
Queen Liliuokalani Trust

Nahua Guilloz, Director  
Parker Ranch

Richard Ha, Director  
Hamakua Springs Country Farms

Richard Henderson, Director  
Realty Investment Co., Ltd.

Jay Ignacio, Director  
HELCO

Ashley Kierkiewicz, Director  
Hastings & Pleadwell

Marvin Min, Director  
Hawaii Gas

Barry Taniguchi, Director  
KTA Super Stores

Bill Walter, Director  
W.H. Shipman, Ltd.

Elisa Yadao, Director  
HMSA

Jacqui Hoover, COO  
Executive Director

The Honorable Representative Choy, Chair; Vice Chair Ichiyama; and  
Members of the House Committee on Higher Education:

I am Jacqui Hoover, Executive Director of the Hawai'i Island Economic  
Development Board (HIEDB), President of Hawai'i Leeward Planning  
Conference (HLPC), and a member of the Friends of the Daniel K. Inouye  
College of Pharmacy.

Your consideration of [SB2550, SD2](#) is greatly appreciated as are the  
combined efforts of our legislature, policy makers, the University of  
Hawai'i system, and community to ensure the success of the DKI College of  
Pharmacy (CoP) which is critically important for comprehensive health care  
for Hawai'i and the Pacific Basin.

Members and affiliates of HIEDB numbering in excess of one hundred  
(100) Hawai'i Island stakeholders collectively and respectively support all  
efforts to ensure the success of the CoP and its role in the economic  
development of Hawai'i with contributions in excess of \$50 million to the  
state's economy.

Mahalo for allowing me this opportunity to speak in support of and  
request your support of [SB2550 SD2.DOC](#). Please do not hesitate to  
contact me with any questions or concerns.

/Jacqui L. Hoover  
E-mail: [jhoover@hiedb.org](mailto:jhoover@hiedb.org)

**ichiyama2-Fern**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 17, 2014 9:28 AM  
**To:** HEDtestimony  
**Cc:** ARosanoff@gmail.com  
**Subject:** Submitted testimony for SB2550 on Mar 18, 2014 14:30PM

**SB2550**

Submitted on: 3/17/2014

Testimony for HED on Mar 18, 2014 14:30PM in Conference Room 309

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Andrea Rosanoff	Center for Magnesium Educ & Res	Support	No

Comments: This is important and proper legislation for the State of Hawaii. It enables the College of Pharmacy in Hilo, HI to proceed to its destiny of being the premier College of Pharmacy in the Pacific. I have watched the faculty of this budding institution work their hearts out building this college to the position it now has, and its potential is only limited by not having its own autonomy in building a central building for the college. If/when it has such a building, its accreditation is almost assured, and this institution will be one that will bring pride to the entire state. I hope that when this bill passes and is in effect that the building committee will choose to return to the original design of the College which had a wonderful meeting room -- an appropriate place for international, local as well as state-wide and national gatherings to discuss and converse on matters of pharmacology. Please pass this bill. You can be proud of the attainment it will allow. Sincerely, A. Rosanoff, Ph.D. Director of Research & Science Information Outreach Center for Magnesium Education & Research 13-1255 Malama St. Pahoa, HI 96778 808-965-7061 [www.MagnesiumEducation.com](http://www.MagnesiumEducation.com)

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**Testimony for the House Committee on Higher Education**

**Regarding SB 2550, SD2, Proposed HD1 Relating to Higher Education  
Committee Hearing on March 18, 2014 at 2:30 pm  
Hawaii State Capitol, 415 South Beretania Street, Conference Room 309**

RELATING TO HIGHER EDUCATION

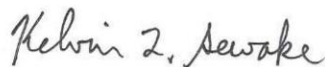
Aloha! My name is Kelvin Sewake and I am chair of the Friends of the Daniel K. Inouye College of Pharmacy. We are a steering committee made up of members of the broad community representing businesses, organizations, and concerned individuals.

We are in full support of SB 2550, SD2, Proposed HD1, and commend the efforts of our state legislators in considering various options to ensure the success of UH Hilo's College of Pharmacy (COP).

The success of the UH-Hilo COP is important to the State of Hawaii and the general community. The College of Pharmacy is estimated to be responsible for stimulating about \$50 million per year in economic activity for Hawaii. Notable accomplishments include securing research funding such as the \$16.2 million Beacon Community Grant and the \$14.3 million "Pharm2Pharm grant that will help to reduce health care costs and improve delivery of health care for communities across the state and region. Hawaii's communities will definitely benefit from having more health care professionals for our ever-increasing and aging population, thereby improving the overall health of Hawaii's population. The UH-Hilo COP is highly beneficial to all students including those who have graduated and are working successfully in the field, current students who are earning their degree, and future generations of Hawaii's aspiring pharmacy students and their families, as well as non-residents alike. This is the only school in the Pacific basin offering a doctorate in Pharmacy degree and it touts world-class professors attracting top-notch students from both the U.S. and internationally.

Please support this important and worthy program. If you have any questions, please contact me. Thank you for the opportunity to testify.

Mahalo,



Kelvin T. Sewake  
Chair, Friends of the Daniel K. Inouye College of Pharmacy  
Ph: 808-938-5559  
Email: Gr82bfrienz@aol.com

**Testimony of  
Gary M. Slovin / Mihoko E. Ito  
on behalf of  
Walgreens**

DATE: March 15, 2014

TO: Representative Isaac Choy  
Chair, Committee on Higher Education  
*Submitted Via [HEDTestimony@capitol.hawaii.gov](mailto:HEDTestimony@capitol.hawaii.gov)*

RE: **S.B. 2550 S.D.2 – Relating to Higher Education**  
**Hearing Date: Tuesday, March 18, 2014 at 2:30pm**  
**Conference Room: 309**

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Dear Chair Choy and Members of the Committee on Higher Education:

We submit this testimony on behalf of Walgreen Co. (“Walgreens”). Walgreens operates more than 8,200 locations in all 50 states, the District of Columbia and Puerto Rico. In Hawai`i, Walgreens now has 11 stores on the islands of Oahu, Maui and Hawai`i.

Walgreens **supports** S.B. 2550 S.D.1 and the proposed H.D.1, both of which establish a five-year pilot program at the UH Hilo College of Pharmacy and a special fund administered by UH Hilo and funded by the revenues of the college of pharmacy to ensure the college’s financial self-sufficiency.

The UH Hilo College of Pharmacy is the only school in the State that offers a doctoral degree in pharmacy, and provides vital training for future pharmacists in Hawaii. The College produces qualified graduates, including several who have been hired and employed by Walgreens. The College is essential to supporting Hawaii’s growing health care needs, and sustaining the pharmacy industry.

Walgreens notes that the proposed H.D.1 would establish a UH Hilo College of Pharmacy Board of Governors and appropriate an unspecified sum to fund the special fund. Walgreens strongly supports both versions of the measure which provide for the funding of a permanent building so that the College can meet its accreditation requirements.

Thank you for the opportunity to submit testimony in support of this measure.

---

Gary M. Slovin  
Mihoko E. Ito  
Tiffany N. Yajima  
Jennifer C. Taylor

1099 Alakea Street, Suite 1400  
Honolulu, HI 96813  
(808) 539-0840

**Testimony for the House Committee on Higher Education  
Regarding SB 2550, SD2, Proposed HD1 Relating to Higher Education  
Committee Hearing on March 18, 2014 at 2:30 pm  
Hawaii State Capitol, 415 South Beretania Street, Conference Room 309**

RELATING TO HIGHER EDUCATION

Aloha! My name is Edwin Kagawa and I am the President for the Hilo Chapter of the Hawaii State Teachers Association (HSTA). We are in support of providing funding so the College of Pharmacy can have their instructional facility to be built as planned. As teachers of students of our public schools, we feel the need to have programs and facilities that provide opportunities for our students after they graduate. In addition, the Hilo Chapter teachers have a vested interest as this facility enhances the post-high school opportunities on the Big Island at our own University of Hawaii at Hilo. In addition, it showcases UH-Hilo with a program that attracts students from all over the world. This strengthens the University fiscally as well as adds to the economy of Hawaii.

Some points of merit:

- Highly beneficial to current and future generations of Hawaii's aspiring pharmacy students and their families, as well as non-resident students alike.
- The only school in the Pacific Basin offering a doctorate in Pharmacy degree.
- Has world-class professors and attracts top-notch students from the U.S. and internationally.
- Estimated to be responsible for stimulating about \$50 million per year in economic activity for Hawaii.
- The building project is considered "shovel ready" by the UH Board of Regents allowing construction to take place soon after funding is provided.
- Beneficial to Hawaii's communities by providing more health care professionals for our ever-increasing and aging population, improving the overall health of Hawaii's population.
- Has cutting-edge research that is being conducted by faculty, including cancer research.
- Claims notable accomplishments in securing research funding such as the \$16.2 million Beacon Community Grant and \$14.3 million "Pharm2Pharm" Grant that will help reduce health care costs and improve the delivery of health care for communities across the state and region.

We are in full support of SB 2550, SD2, Proposed HD1, and commend the efforts of our state legislators in considering various options to ensure the success of UH Hilo's College of Pharmacy (COP).

If you have any questions, please contact me. Thank you for the opportunity to testify.

Mahalo,

Edwin Kagawa, President  
HSTA Hilo Chapter  
Email: [ekagawahsta@gmail.com](mailto:ekagawahsta@gmail.com)

## ichiyama2-Fern

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Thursday, March 13, 2014 9:51 PM  
**To:** HEDtestimony  
**Cc:** ronthi@gmail.com  
**Subject:** \*Submitted testimony for SB2550 on Mar 18, 2014 14:30PM\*

### **SB2550**

Submitted on: 3/13/2014

Testimony for HED on Mar 18, 2014 14:30PM in Conference Room 309

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Ronald Taniguchi, Pharm.D.	Individual	Support	No

#### Comments:

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## ichiyama2-Fern

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Friday, March 14, 2014 5:32 PM  
**To:** HEDtestimony  
**Cc:** dexter.mar@wellcare.com  
**Subject:** Submitted testimony for SB2550 on Mar 18, 2014 14:30PM

### **SB2550**

Submitted on: 3/14/2014

Testimony for HED on Mar 18, 2014 14:30PM in Conference Room 309

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Dexter Mar	Individual	Support	No

Comments: Dexter Mar, Pharm.D. Individual Testimony SB2550 SD1 RELATING TO HIGHER EDUCATION Chair Choy, and committee members, thank you for this opportunity to provide testimony on SB2550 SD2 creating a five year pilot program to ensure the financial self sufficiency of the college of pharmacy and could permit the construction of a permanent facility for The Daniel K. Inouye College of Pharmacy (DKICP) at the University of Hawaii at Hilo. As a practicing pharmacist in Hawaii for over 20 years, I support efforts to maintain the college of pharmacy at the University of Hawaii at Hilo. Hawaii continues to have a shortage of pharmacists to fill all of the positions needed in the state. This shortage is a problem for Hawaii citizens as well as many other health care organizations in the state. DKICP is the only program in Hawaii to offer the Doctor of Pharmacy which is the recognized degree for becoming a licensed, registered pharmacist. Without a permanent building, the college is in imminent risk of losing accreditation and closing which means Hawaii would no longer have a college of pharmacy. This could have a wide ranging negative effect on health care in Hawaii. Funding for a permanent building helps to assure the College can meet all of the professional accreditation standards and continue contributing to the State and the profession. In as much as the proposed five year program may support the construction of the needed facility we are in support of it. I urge the legislature to support the continuation of the DKICP. Thank you for your consideration.

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**Testimony for the House Committee on Education**

**Regarding SB2550 SD2 HD1**

**Committee Hearing on March 18, 2014 at 2:30 pm**

**Hawaii State Capitol, 415 South Beretania Street, Conference Room 309**

***RELATING TO HIGHER EDUCATION: UH-Hilo; College of Pharmacy; Pilot Project***

Aloha! My name is Barry Mark. I am an owner of a financial planning and investment advising practice in Hilo, HI.

I am recording my strong support of SB2550 SD2 HD1 to secure funding for the permanent building for The Daniel K. Inouye College of Pharmacy (DKICP). Thank you for accepting my testimony on this important issue.

DKICP is the only program in Hawaii and the Pacific Region to offer the Doctor of Pharmacy. This is the only recognized degree for becoming a licensed, registered pharmacist.

The pharmacist shortage in the Pacific region served by the UH College of Pharmacy continues to be identified as one of the largest deficits in the nation according to data from Pharmacy Manpower Project. At the same time, DKICP is transforming health care in Hawai'i with new models of care with funding from the CMS (Centers for Medicare & Medicaid Services) Innovation Center such as the \$14.4 million pharmacist-to-pharmacist (Pharm2Pharm) grant award. Studies have determined that a collaborative practice model, in which pharmacists play an integral role in the delivery of care and provide face-to-face medication management services, yields improved patient outcomes and reduces total cost of care (in some instances by more than 30 percent) even though prescription drug costs increased. DKICP's Pharm2Pharm program is piloting the development of a pharmacist care system intended to initially save more than \$27.1 million in health care costs in Hawaii.

Beyond the potential savings that DKICP represents to the state's taxpayers, it is estimated that DKICP is responsible for stimulating more than \$50 million per year in economic activity in the state. Every dollar generated by the program is new and not at the expense of other university or state program, and each dollar used by the State in salary and wages for DKICP attracts a new \$3.58 from outside sources, including tuition revenue, student and visitor spending. Additionally, two promising inventions patented by researchers at the DKICP secured technology commercialization agreements with Honolulu-based Pono Corporation in early 2012 and represent a glimpse into the gathering momentum of research efforts currently housed at DKICP.

Without a permanent building, the college is in imminent risk of being placed on probation, losing accreditation and closing. This would mean that Hawai'i would no longer have a college of pharmacy. This loss would have undesirable consequences to

related health care organizations, the overall quality of health care delivery in Hawai'i, and our state's economic vibrancy and diversity.

I appreciate and commend the efforts in considering various options to ensure the success of UH Hilo's Daniel K. Inouye College of Pharmacy. Thank you for the opportunity to testify.

Barry Mark  
742 Hinano Street  
Hilo, HI 96720

**ichiyama2-Fern**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 16, 2014 5:55 AM  
**To:** HEDtestimony  
**Cc:** hono@hawaii.rr.com  
**Subject:** Submitted testimony for SB2550 on Mar 18, 2014 14:30PM

**SB2550**

Submitted on: 3/16/2014

Testimony for HED on Mar 18, 2014 14:30PM in Conference Room 309

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Hugh Y Ono	Individual	Support	No

Comments: Again, am please requesting your support for this bill which will enable the UHH College of Pharmacy to become accredited. This school is of Statewide benefit not to mention Pacific Regional interests and will work and compliment our John Burns School of Medicine in their pursuit of Research and Physicians. This school is so very important to our community.

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**ichiyama2-Fern**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 16, 2014 8:55 AM  
**To:** HEDtestimony  
**Cc:** mmm.hawaii@gmail.com  
**Subject:** Submitted testimony for SB2550 on Mar 18, 2014 14:30PM

**SB2550**

Submitted on: 3/16/2014

Testimony for HED on Mar 18, 2014 14:30PM in Conference Room 309

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Margaret Morris	Individual	Support	No

Comments: My name is Maggie Morris, and I stand in strong support of SB2550 to secure funding for the permanent building for The Daniel K. Inouye College of Pharmacy (DKICP). Thank you for considering this essential funding request that will benefit the entire state of Hawai'i. The College has a faculty and student presence on Oahu, Maui and Kauai, and is working towards reaching out to others, but because of the way it has been set up throughout the accreditation process that began before students were admitted, it must be on the Big Island. The College of Pharmacy is already established in a rural setting, and it has taken a lot of sweat equity to get it to this point. But beyond the location, DKICP addresses the pharmacist shortage in the Pacific Region, which is more than hyperbole. According to national data from Pharmacy Manpower Project, the Pacific region has a pharmacist shortage that continues to be the most severe in the country. DKICP is the only program in Hawaii and the Pacific Region to offer the Doctor of Pharmacy. This is the only recognized degree for becoming a licensed, registered pharmacist. Without a permanent building, the college is in imminent risk of losing accreditation and closing, which means Hawai'i would no longer have a college of pharmacy. As we saw with the now defunct Hawaii College of Pharmacy, which closed in 2005 because it didn't meet strict accreditation standards, the loss of accreditation is not an empty threat. It's a certainty. Funding for a permanent building helps to assure the College can meet all of the professional accreditation standards and continue contributing to the State and the profession. I know I join many others who live on the Big Island in giving the Daniel K. Inouye College of Pharmacy my full support. I hope you will, too.

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**ichiyama2-Fern**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 16, 2014 9:36 AM  
**To:** HEDtestimony  
**Cc:** rkorph@gmail.com  
**Subject:** Submitted testimony for SB2550 on Mar 18, 2014 14:30PM

**SB2550**

Submitted on: 3/16/2014

Testimony for HED on Mar 18, 2014 14:30PM in Conference Room 309

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Ron Okamura	Individual	Support	No

Comments: Time is of the essence. I support this innovative funding legislation to build the permanent Daniel K. Inouye College of Pharmacy at University of Hawaii, Hilo Campus facility. The College of Pharmacy has earned their accreditation and should be allowed to perpetuate it's mission for our State and the Pacific Region. Amend Section (7) to have this act take effect on July 1, 2014.

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March 18<sup>th</sup>, 2014

TO: The Honorable Representative Isaac W. Choy, Chair, Higher Education Committee  
The Honorable Representative Linda Ichiyama, Vice Chair, Higher Education Committee  
House Committee on Higher Education Members

Time: 14:30

Place: HED room 309

RE: S.B. No. 2550 RELATING TO HIGHER EDUCATION

Dear Representatives:

As a former recipient of The Teaching Excellence Award at the UH Hilo College of Pharmacy (as recognized by the late Sen. Daniel Inouye, May 18th, 2010), I respectfully submit this testimony in **opposition** to S.B. No. 2550.

Whereas the Daniel K Inouye College of Pharmacy (DKICP) collects more revenue in tuition than what was originally anticipated because of its larger student enrollment<sup>1</sup>, It is worth reviewing several facts regarding DKICP ranging from the low percentage of graduates of DKICP that have licensed to practice pharmacy in Hawai'i, the alarming rate with which faculty continue to leave their appointments, to the saturated Hawai'i market for pharmacist. It is also worth noting that DKICP has already been granted sufficient funds to start and sustain this program<sup>2</sup>. Furthermore, as documented in the Minutes of the Regents Joint Committees on Academic Affairs and Budget and Long-Range Planning, Thursday, September 9, 2004<sup>3</sup>, and The University Of Hawai'i Board Of Regents' meeting of June 15-16, 2006<sup>4</sup>, DKICP has not kept pace with its plan of establishing its program, despite the millions in funding previously provided by the State of Hawai'i.

Published reports describe that the proposed building for DKICP has ballooned in price: from \$475 per sq. foot (\$38M for 80,000 sq. foot), to \$825 per sq. foot (\$33M for 40,000 sq. foot)<sup>5</sup>. While UHH officials and DKICP administration have boasted about the apparent reduced cost of this building<sup>6</sup>, it would be worth questioning why we would want to spend such a steep price now for this "scaled down" building? In light of \$180M loss in projected revenue to Hawai'i<sup>7</sup>, it would seem fiscally irresponsible to spend \$825 per sq. foot on a smaller building than previously proposed. This increased cost in square footage would appear to defy the spirit of the UH system construction moratorium<sup>8</sup>.

Hawai'i is currently the most saturated market in the US to find employment<sup>9</sup>. Although DKICP was established to address a shortage of pharmacists in Hawai'i<sup>10</sup>, the market for pharmacists was never critical in Hawai'i. This joblessness crisis for new pharmacy graduates (and pharmacists) is not restricted to Hawai'i; furthermore the "need" to graduate pharmacist and establishing new Pharmacy Schools to supply manpower to the profession has been documented to have been overly pursued.<sup>11</sup> With dim

<sup>1</sup> <http://www.hawaii.edu/offices/bor/budget/minute/20040909.joint.pdf>

<sup>2</sup> [http://www.capitol.hawaii.gov/session2007/CommReports/HB500\\_CD1\\_CCR93\\_.pdf](http://www.capitol.hawaii.gov/session2007/CommReports/HB500_CD1_CCR93_.pdf)

<sup>3</sup> <http://www.hawaii.edu/offices/bor/budget/minute/20040909.joint.pdf>

<sup>4</sup> <http://www.hawaii.edu/offices/bor/regular/minute/20060615.regular.pdf>

<sup>5</sup> <http://hawaiitribune-herald.com/news/governor-s-budget-includes-funding-pharmacy-school-building>

<sup>6</sup> <http://hawaiitribune-herald.com/sections/news/local-news/officials-hope-scaled-down-plans-garner-more-support-pharmacy-school.html>

<sup>7</sup> [http://www.staradvertiser.com/news/breaking/20140311\\_State\\_hit\\_with\\_180\\_million\\_loss\\_in\\_revenue\\_projection\\_downgrade.html?id=249668731](http://www.staradvertiser.com/news/breaking/20140311_State_hit_with_180_million_loss_in_revenue_projection_downgrade.html?id=249668731)

<sup>8</sup> [http://www.bizjournals.com/pacific/blog/morning\\_call/2013/11/university-of-hawaii-construction.html](http://www.bizjournals.com/pacific/blog/morning_call/2013/11/university-of-hawaii-construction.html)

<sup>9</sup> <http://www.pharmacymanpower.com/usstatemap.jsp>

<sup>10</sup> <http://hilo.hawaii.edu/uhh/vcaa/documents/CollegeofPharmacyExecutiveSummaryJune2004.pdf>

<sup>11</sup> Am J Pharm Educ. 2013;77(5)

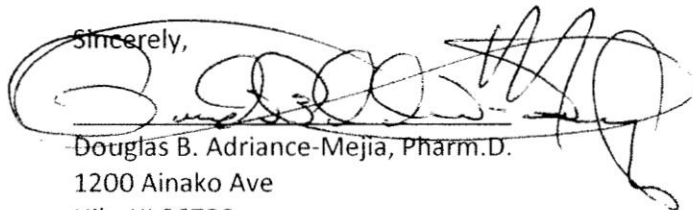
employment opportunities for pharmacists in Hawai'i (and nationwide), it may explain in part why only 500 applications to DKICP were received compared to 800 last year<sup>12</sup>.

Contrary to Dean Pezzuto's opinion that the lack of a building would lead to "faculty bailing out"<sup>7</sup>, the departure of Faculty to DKICP is one that has already been occurring at an alarming rate, and one which has not been adequately addressed or explained by Dean Pezzuto. Since January 2009, several Pharmacy Practice Faculty have resigned from their respective faculty appointments: Dr. Mark Okamoto (original Pharmacy Practice Dept. Chair), Mr. Mark Litzinger, Dr. Scott Holuby, Dr. Douglas Adriance-Mejia, Dr. Mok Chong, Dr. Caitrin Vordtriede, Dr. Anna Barbato, Dr. Payton Wong, Dr. Ben Chavez, and most recently Dr. Katherine Anderson and Dr. Candace Tan. This list does not include other ancillary staff, Pharmacy Science Faculty or Administrators that are no longer with the program, such as: Dr. Dyanne Affonso, Dr. Robert Borris, Dr. Eugene Konorev, Ms. Elizabeth Heffernan, Ms. Elizabeth Ryan. Although faculty leaving en-mass from a College of Pharmacy is not a violation of accreditation standards, it is a reason to account for such a high voluntary resignation rate in faculty. Additionally, as it pertains to research, few if any tenured faculty have received external research funding; of the research funding obtained by faculty, the majority has come from faculty who have been let go. The overall picture for research at DKICP is one of mediocrity.

Moreover, although Dean Pezzuto has been quick to point fingers at the Hawai'i State Legislature for the lack of support of the College of Pharmacy<sup>13</sup>, Dean Pezzuto has many questions left unanswered, such as the employment prospects of students (90 per year) that graduate from DKICP, and how this flood of pharmacists in Hawai'i has saturated the local job market. Since the inaugural graduating DKICP class of 2011, only 41.5 % (112 of 270) of its graduates have completed the necessary steps to be eligible for licensure in Hawai'i<sup>14,15</sup> with the number of DKICP graduates actually licensing and practicing pharmacy in Hawai'i likely being less.

In closing, current statistics for the DKICP rank the program far below average based on the passage rate of pharmacist board examinations (NAPLEX, or North American Pharmacist Licensure Examination)<sup>16</sup>. The National Association of Boards of Pharmacy (NABP) has previously ranked DKICP 94<sup>th</sup> place out of 109 colleges of pharmacy across the country<sup>17</sup>; Dean Pezzuto explained in June of 2006 that DKICP required extra financial assistance from the State of Hawai'i so as to not end up becoming a "mediocre College of Pharmacy"<sup>3</sup>, but after several years since the original start-up funding was allocated, it is worth inquiring how DKICP administration has ended up at this point of seeking more financial assistance from the State.

Sincerely,



Douglas B. Adriance-Mejia, Pharm.D.

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Hilo HI 96720  
808-345-1533  
(rooree@hotmail.com)

<sup>12</sup> <http://hawaiitribune-herald.com/news/local-news/pharmacy-school-peril>

<sup>13</sup> <http://westhawaii.com/sections/news/local-news/uh-hilo-pharmacy-school-still-homeless.html>

<sup>14</sup> <http://www.nabp.net/programs/assets/MPJE%202007-2011%20rates%20final.pdf>

<sup>15</sup> [http://www.nabp.net/system/rich/rich\\_files/rich\\_files/000/000/192/original/mpje-pass-rates-2013.pdf](http://www.nabp.net/system/rich/rich_files/rich_files/000/000/192/original/mpje-pass-rates-2013.pdf)

<sup>16</sup> [https://www.nabp.net/system/rich/rich\\_files/rich\\_files/000/000/191/original/naplex-pass-rates-2013.pdf](https://www.nabp.net/system/rich/rich_files/rich_files/000/000/191/original/naplex-pass-rates-2013.pdf)

<sup>17</sup> <http://westhawaii.com/sections/news/local-news/hth-briefs-march-28-2013.html>

**ichiyama2-Fern**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 16, 2014 7:18 PM  
**To:** HEDtestimony  
**Cc:** adrake@ssfm.com  
**Subject:** Submitted testimony for SB2550 on Mar 18, 2014 14:30PM

**SB2550**

Submitted on: 3/16/2014

Testimony for HED on Mar 18, 2014 14:30PM in Conference Room 309

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
austen drake	Individual	Support	No

Comments: I support this bill for the following reasons: -Highly beneficial to current and future generations of Hawaii's aspiring pharmacy students and their families, as well as non-resident students alike. · The only school in the Pacific Basin offering a doctorate in Pharmacy degree. · Has world-class professors and attracts top-notch students from the U.S. and internationally. · Estimated to be responsible for stimulating about \$50 million per year in economic activity for Hawaii.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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**ichiyama2-Fern**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 17, 2014 8:00 AM  
**To:** HEDtestimony  
**Cc:** renee.ishisaka@gmail.com  
**Subject:** Submitted testimony for SB2550 on Mar 18, 2014 14:30PM

**SB2550**

Submitted on: 3/17/2014

Testimony for HED on Mar 18, 2014 14:30PM in Conference Room 309

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Renee Ishisaka	Individual	Support	No

Comments: I was born and raised in Hilo and am so happy to see the UH Hilo Pharmacy program doing so well. As the only school in the Pacific Basin with a Doctorate in Pharmacy degree, it conducts cutting edge research and provides an excellent opportunity, not only for students interested in the program, but to the local economy. Securing a dedicated, permanent facility is one of the major hurdles this program still faces. The project is considered shovel ready by the Board of Regents, which means that construction can be started quickly after funding is secured. I respectfully urge you to consider passing this measure to allow this deserving program a permanent home and to support it's continued success.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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## ichiyama2-Fern

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**From:** Yamanaka, Rae <RYamanaka@hsta.org>  
**Sent:** Monday, March 17, 2014 10:23 AM  
**To:** HEDtestimony  
**Subject:** SB2550, SD2: testimony for House Higher Education Committee

Testimony submitted to House Higher Education Committee  
SB2550, SD2/Proposed HD1

RE: Relating to Higher Education; UH Hilo College of Pharmacy; Pilot Program; Special Fund; Appropriations

To Chairman Isaac Choy and the members of the House Higher Education Committee:

My name is Rae Yamanaka and I am respectfully submitting testimony in favor of SB2550, SD2 and Proposed HD1. I am currently the Hawaii State Teachers Association UniServ Director for the East Hawaii schools. I have also been a teacher at Waiakea High School for 19 ½ years. My testimony today is as a mother. My three children graduated from Waiakea High School and all of them went to mainland colleges to begin their pursuit of a college career. It is my son who went away to Creighton College in Nebraska that I want to talk about today. He decided to enroll in Creighton College's School of Pharmacy because there was no pharmacy school in the state of Hawaii. After three years he decided to return to University of Hawaii at Hilo and enroll in the College of Nursing. He graduated and is currently employed at Hilo Medical Center as a registered nurse.

His story is not unique. Many of his classmates went off to mainland colleges for pharmacy degrees. Some of them succeeded and others did not. My son did not because he became homesick and wanted to return to the islands. He had to make a very difficult choice. It was to either remain on the mainland and get a pharmacy degree or return to Hawaii to pursue some other career choice. He decided to do the later. He is currently happy and successful in his nursing career, but he could have been just as happy and successful if he had gone to a College of Pharmacy here in Hilo. It is not too late for other students. Please help to provide the funding for a pharmacy building which is the final requirement needed to bring accreditation to the UH Hilo College of Pharmacy. Not only will you help our current and future pharmacy students, but you will help to build the economy and international reputation of Hawaii.

I thank you for all that you do and will continue to do for the children and residents of Hawaii.

Mahalo,

Rae A. Yamanaka  
Parent

### Rae A. Yamanaka

HSTA Hilo UniServ Director

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**When angry, count ten before you speak, if very angry, a hundred.** *Thomas Jefferson*



**Testimony for the House Committee on Higher Education  
Regarding SB 2550, SD2, Proposed HD1 Relating to Higher Education  
Committee Hearing on March 18, 2014 at 2:30 pm  
Hawaii State Capitol, 415 South Beretania Street, Conference Room 309**

RELATING TO HIGHER EDUCATION

Aloha! My name is Kawailaleohi`ilawe. And I am a graduate of the University of Hawai`i at Hilo and have been a secondary teacher for over 17 years on the Big Island. I am writing this letter to show my overwhelming support for SB2550 SD2.

For the past 8 years I have been teaching at Kea`au High School. I remember when the University of Hawai`i at Hilo Daniel K. Inouye College of Pharmacy first opened its doors. There was an exciting buzz among our students, who now could pursue a pharmacy degree while remaining at home. The difference of paying over \$40,000 a year, out of state tuition or a more manageable \$10,000 per year, right here at home. But, now with the recent news of our College of Pharmacy school in peril, I don't hear or feel the excitement of our students. They are feeling let down by our legislators.

Our students and teachers at Kea`au High have worked diligently and have made tremendous strides in education. Kea`au High School had been designated as one of the worst performing schools in Hawai`i, two years ago. However, with hard work, we are ranked the #4 achieving school in the state and the highest achieving school on the Big Island.

Here are some of the benefits of continuing to have the Daniel K. Inouye College of Pharmacy remain at the UH-Hilo campus:

- Highly beneficial to current and future generations of Hawaii's aspiring pharmacy students and their families, as well as non-resident students alike.
- Estimated to be responsible for stimulating about \$50 million per year in economic activity for Hawaii.
- The building project is considered "shovel ready" by the UH Board of Regents allowing construction to take place soon after funding is provided.
- Has world-class professors and attracts top-notch students from the U.S. and internationally.
- The Daniel K. Inouye College of Pharmacy will be beneficial to our island communities by providing more health care professionals for our ever-increasing and aging population, improving the overall health of Hawaii's population.
- Has cutting-edge research that is being conducted by faculty, including cancer research.
- The only school in the Pacific Basin offering a doctorate in Pharmacy degree.
- Claims notable accomplishments in securing research funding such as the \$16.2 million Beacon Community Grant and \$14.3 million "Pharm2Pharm" Grant that will help reduce health care costs and improve the delivery of health care for communities across the state and region.

Please restore our faith in our student's hard work and quest for excellence by passing SB2550 SD2. Allow our students the opportunity to remain at home while pursuing a professional degree. Hawai'i island will be all the better because of it.

Mahalo nui loa,  
Kawaileleohi'ilawe  
Kea'au High School  
History Department