
A BILL FOR AN ACT

RELATING TO HIGHER EDUCATION.

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

1 SECTION 1. (a) There shall be established at the Daniel
2 K. Inouye college of pharmacy at the University of Hawaii at
3 Hilo a five-year pilot program commencing on July 1, 2014, and
4 terminating on June 30, 2019, under which the college of
5 pharmacy shall be financially and managerially autonomous.

6 (b) The college of pharmacy shall be financially supported
7 entirely by the special fund established under section 2 into
8 which shall be deposited all revenues generated by the college
9 of pharmacy.

10 (c) The University of Hawaii system may, but shall not be
11 required to, subsidize or provide any financial assistance to
12 the college of pharmacy.

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



1 SECTION 2. (a) There is established the University of
2 Hawaii at Hilo college of pharmacy special fund, which shall be
3 administered by the University of Hawaii at Hilo.

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

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

- 9 (1) Reimbursement of all costs associated with the
10 construction, maintenance, and operation of the
11 college of pharmacy;
- 12 (2) Procurement of loans from a financial institution to
13 construct, maintain, and operate the college of
14 pharmacy; and
- 15 (3) Payment of any debt service on any loans made by a
16 financial institution to the college of pharmacy to
17 construct, maintain, or operate the college of
18 pharmacy.

19 (d) The special fund shall be exempt from the central
20 services expenses deducted pursuant to section 36-27, Hawaii
21 Revised Statutes, or the pro rata share of departmental



1 administrative expenses charged pursuant to section 36-30,
2 Hawaii Revised Statutes.

3 (e) The special fund shall be subject to independent
4 audits upon the request of the legislature.

5 (f) On January 1, 2015, and January 1 of each of the four
6 years thereafter, the University of Hawaii at Hilo shall report
7 to the legislature on the moneys in the special fund, including
8 deposits, expenditures, and other transactions. The reports
9 shall explain in detail all expenditures from the special fund.

10 SECTION 3. The college of pharmacy at the University of
11 Hawaii at Hilo shall submit an annual financial and management
12 report to the board of regents of the University of Hawaii, the
13 governor, and the legislature not less than twenty days prior to
14 the convening of each regular session of the legislature.

15 SECTION 4. Commencing not later than July 1, 2018, the
16 University of Hawaii system shall perform a program evaluation
17 to consider whether the college of pharmacy should be continued.
18 The main criteria of the evaluation shall be the ability of the
19 college of pharmacy to fiscally sustain its operations during
20 the five-year pilot program. If the University of Hawaii system
21 finds as a result of its program evaluation that the college of
22 pharmacy is not fiscally sustainable, then the University of



1 Hawaii system shall report its findings to the legislature no
2 later than twenty days prior to the convening of the 2019
3 regular session and may initiate proceedings to terminate the
4 pilot program as scheduled on June 30, 2019.

5 SECTION 5. There is appropriated out of the University of
6 Hawaii at Hilo college of pharmacy special fund the sum of
7 \$ or so much thereof as may be necessary for fiscal
8 year 2014-2015 for the purposes of this Act.

9 The sum appropriated shall be expended by the Daniel K.
10 Inouye college of pharmacy at the University of Hawaii at Hilo
11 for the purposes of this Act.

12 SECTION 6. This Act shall take effect on July 1, 2050.

13



Report Title:

UH-Hilo; College of Pharmacy; Pilot Project; Special Fund;
Appropriation

Description:

Establishes a five-year pilot project at the college of pharmacy at the University of Hawaii at Hilo that ensures the financial self-sufficiency of the college. Establishes a special fund for the college of pharmacy. Appropriates moneys from the special fund. Takes effect 7/1/2050. (SD1)

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