

Honolulu, Hawaii  
March 21, 2014

RE: S.B. No. 2550  
S.D. 2  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Sir:

Your Committee on Higher Education, to which was referred  
S.B. No. 2550, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HIGHER EDUCATION,"

begs leave to report as follows:

The purpose of this measure, as received by your Committee,  
is to help ensure the financial and managerial feasibility of the  
University of Hawaii at Hilo College of Pharmacy by, among other  
things:

- (1) Establishing a five-year pilot program under which the  
University of Hawaii at Hilo College of Pharmacy will be  
financially and managerially autonomous;
- (2) Establishing a University of Hawaii at Hilo College of  
Pharmacy Special Fund;
- (3) Requiring the University of Hawaii at Hilo to report  
annually to the Legislature on the moneys in the Special  
Fund for the duration of the pilot program;
- (4) Requiring the College of Pharmacy at the University of  
Hawaii at Hilo to submit an annual financial and  
management report to the Board of Regents of the  
University of Hawaii, Legislature, and Governor; and



- (5) Requiring the University of Hawaii System to perform a program evaluation, commencing no later than July 1, 2018, concerning whether the College of Pharmacy at the University of Hawaii at Hilo should be continued.

Prior to the public hearing, a Proposed House Draft 1 was circulated and made available to the public for the purpose of receiving testimony. The purpose of the Proposed House Draft 1 is to help ensure the financial and managerial feasibility of the University of Hawaii at Hilo College of Pharmacy by, among other things:

- (1) Establishing a:
  - (A) Five-year pilot program under which the University of Hawaii at Hilo College of Pharmacy will be financially and managerially independent;
  - (B) University of Hawaii at Hilo College of Pharmacy Special Fund; and
  - (C) Board of Governors for the University of Hawaii at Hilo College of Pharmacy;
- (2) Authorizing the issuance of general obligation and revenue bonds for the construction of a facility to house the University of Hawaii at Hilo College of Pharmacy; and
- (3) Making various appropriations.

The University of Hawaii at Hilo College of Pharmacy, Friends of the Daniel K. Inouye College of Pharmacy, East Hawaii Region of the Hawaii Health Systems Corporation, Hawaii Leeward Planning Conference, Hawaii Island Chamber of Commerce, Hawaii Construction Alliance, Hawaii Island Economic Development Board, Center for Magnesium Education and Research, Walgreens, and many concerned individuals supported the proposed draft. A concerned individual opposed the proposed draft. The University of Hawaii and Department of Budget and Finance provided comments.

Your Committee has amended the bill by:

- (1) Adopting the Proposed House Draft 1, which was further amended by providing that:

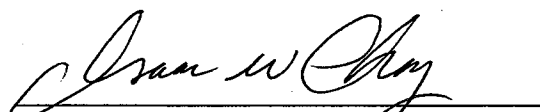
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- (A) The powers and duties of the University of Hawaii at Hilo College of Pharmacy Board of Governors include assisting the College with the adjustment of its tuition and fee schedule;
  - (B) The terms of the three members of the University of Hawaii at Hilo College of Pharmacy Board of Governors who are members of the University of Hawaii Board of Regents who have been appointed to the Governing Board by the chair of the Board of Regents will be staggered and will conclude non-concurrently; and
  - (C) If the University of Hawaii Board of Regents finds, as a result of its program evaluation, that the University of Hawaii at Hilo College of Pharmacy meets the criteria for success and sustainability, the terms and conditions of the pilot program must be adopted and implemented as the operational structure for the College of Pharmacy; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2550, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2550, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Higher Education,

  
ISAAC W. CHOY, Chair



