
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 The legislature further finds that the success of the
9 college of pharmacy is vital not only to addressing Hawaii's
10 shortage of medical professionals but also to the State's
11 overall economic development. Given these wide-reaching,
12 statewide effects, the legislature finds and declares that the
13 financial sustainability and success of the college of pharmacy
14 is an issue of statewide concern and therefore under the
15 legislature's purview pursuant to article x, section 6, of the
16 Hawaii state constitution.



1 Accordingly, the purpose of this Act is to establish a
2 board of governors to administer a special fund for the college
3 of pharmacy.

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

7 " . UNIVERSITY OF HAWAII AT HILO COLLEGE OF PHARMACY

8 §304A-A University of Hawaii at Hilo college of pharmacy;

9 board of governors. (a) There is established the University of
10 Hawaii at Hilo college of pharmacy board of governors, which
11 shall serve in an advisory capacity to the chancellor of the
12 University of Hawaii at Hilo and whose powers and duties shall
13 include the following:

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

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

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



1 The board of governors shall report to the University of Hawaii
2 board of regents.

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

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

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

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

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

19 (5) One member to be appointed by the president of the
20 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 members of the board of governors shall serve
8 without compensation, but shall be reimbursed for expenses,
9 including travel expenses, necessary for the performance of
10 their duties.

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

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

20 "§304A-B University of Hawaii at Hilo college of pharmacy
21 special fund. (a) There is established the University of



1 Hawaii at Hilo college of pharmacy special fund, which shall be
2 administered by the University of Hawaii at Hilo college of
3 pharmacy board of governors.

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

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

9 (1) To reimburse the University of Hawaii at Hilo for the
10 costs of revenue bonds issued for construction and
11 maintenance;

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

15 (3) To pay 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) Notwithstanding any law to the contrary, the special
20 fund shall be exempt from the central services expenses deducted
21 pursuant to section 36-27 but shall be responsible for the pro

1 rata share of departmental administrative expenses charged
2 pursuant to section 36-30.

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

9 SECTION 4. Section 36-27, Hawaii Revised Statutes, is
10 amended by amending subsection (a) to read as follows:

11 "(a) Except as provided in this section, and
12 notwithstanding any other law to the contrary, from time to
13 time, the director of finance, for the purpose of defraying the
14 prorated estimate of central service expenses of government in
15 relation to all special funds, except the:

- 16 (1) Special out-of-school time instructional program fund
- 17 under section 302A-1310;
- 18 (2) School cafeteria special funds of the department of
- 19 education;
- 20 (3) Special funds of the University of Hawaii;
- 21 (4) State educational facilities improvement special fund;



- 1 (5) Convention center enterprise special fund under
- 2 section 201B-8;
- 3 (6) Special funds established by section 206E-6;
- 4 (7) Housing loan program revenue bond special fund;
- 5 (8) Housing project bond special fund;
- 6 (9) Aloha Tower fund created by section 206J-17;
- 7 (10) Funds of the employees' retirement system created by
- 8 section 88-109;
- 9 (11) Hawaii hurricane relief fund established under chapter
- 10 431P;
- 11 (12) Hawaii health systems corporation special funds and
- 12 the subaccounts of its regional system boards;
- 13 (13) Tourism special fund established under section 201B-
- 14 11;
- 15 (14) Universal service fund established under section 269-
- 16 42;
- 17 (15) Emergency and budget reserve fund under section 328L-
- 18 3;
- 19 (16) Public schools special fees and charges fund under
- 20 section 302A-1130;
- 21 (17) Sport fish special fund under section 187A-9.5;



- 1 (18) Glass advance disposal fee established by section
- 2 342G-82;
- 3 (19) Center for nursing special fund under section 304A-
- 4 2163;
- 5 (20) Passenger facility charge special fund established by
- 6 section 261-5.5;
- 7 (21) Court interpreting services revolving fund under
- 8 section 607-1.5;
- 9 (22) Hawaii cancer research special fund;
- 10 (23) Community health centers special fund;
- 11 (24) Emergency medical services special fund;
- 12 (25) Rental motor vehicle customer facility charge special
- 13 fund established under section 261-5.6;
- 14 (26) Shared services technology special fund under section
- 15 27-43;
- 16 (27) Automated victim information and notification system
- 17 special fund established under section 353-136;
- 18 (28) Deposit beverage container deposit special fund under
- 19 section 342G-104; and



1 (29) Hospital sustainability program special fund under Act
2 217, Session Laws of Hawaii 2012, as amended by Act
3 141, Session Laws of Hawaii 2013;

4 [+] (30) [+] Nursing facility sustainability program special fund
5 under Act 156, Session Laws of Hawaii 2012;

6 [+] (31) Hawaii 3R's school improvement fund[+] under section
7 302A-1502.4; [and

8 +] (32) [+] After-school plus program revolving fund under
9 section 302A-1149.5 [7]; and

10 (33) University of Hawaii at Hilo college of pharmacy
11 special fund under section 304A-C,

12 shall deduct five per cent of all receipts of all special funds,
13 which deduction shall be transferred to the general fund of the
14 State and become general realizations of the State. All
15 officers of the State and other persons having power to allocate
16 or disburse any special funds shall cooperate with the director
17 in effecting these transfers. To determine the proper revenue
18 base upon which the central service assessment is to be
19 calculated, the director shall adopt rules pursuant to chapter
20 91 for the purpose of suspending or limiting the application of
21 the central service assessment of any fund. No later than



1 twenty days prior to the convening of each regular session of
2 the legislature, the director shall report all central service
3 assessments made during the preceding fiscal year."

4 SECTION 5. Commencing not later than July 1, 2020, the
5 University of Hawaii board of regents shall perform a program
6 evaluation to consider whether the college of pharmacy should be
7 continued. The main criteria of the evaluation shall be the
8 ability of the college of pharmacy to fiscally sustain its
9 operations. If the University of Hawaii board of regents finds
10 as a result of its program evaluation that the college of
11 pharmacy is not fiscally sustainable, then the University of
12 Hawaii board of regents shall report its findings to the
13 legislature no later than twenty days prior to the convening of
14 the regular session of 2021 and may initiate proceedings to
15 terminate the college of pharmacy.

16 SECTION 6. In codifying the new sections added by sections
17 2 and 3 of this Act, the revisor of statutes shall substitute
18 appropriate section numbers for the letters used in designating
19 the new sections in this Act.

20 SECTION 7. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



1 SECTION 8. This Act shall take effect on June 29, 2015;
 2 provided that the amendments made to section 36-27, Hawaii
 3 Revised Statutes, in section 4 shall not be repealed when that
 4 section is repealed and reenacted on:

- 5 (1) June 30, 2015, pursuant to section 34 of Act 79,
 6 Session Laws of Hawaii 2009;
- 7 (2) December 31, 2015, pursuant to section 7 of Act 124,
 8 Session Laws of Hawaii 2014; and
- 9 (3) July 1, 2023, pursuant to section 9 of Act 157,
 10 Session Laws of Hawaii 2013.

11

INTRODUCED BY:

JAN 23 2015



H.B. NO. 548

Report Title:

UH Hilo College of Pharmacy; Board of Governors; Special Fund

Description:

Establishes a board of governors to administer a special fund for the UH Hilo college of pharmacy.

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

