

Honolulu, Hawaii
February 12, 2015

RE: H.B. No. 985

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Higher Education, to which was referred
H.B. No. 985 entitled:

"A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII
OPERATING COSTS,"

begs leave to report as follows:

The purpose of this measure is to improve fiscal management
at the University of Hawaii by:

- (1) Requiring that beginning on July 1, 2015, not less than
60 percent of the operating costs of the University of
Hawaii must be financed through general funds; and
- (2) Requiring that any general fund budget appropriation for
the University of Hawaii for operating purposes for any
fiscal year must include the consideration of the
operating costs of the University.

The University of Hawaii and Department of Budget and Finance
submitted comments.

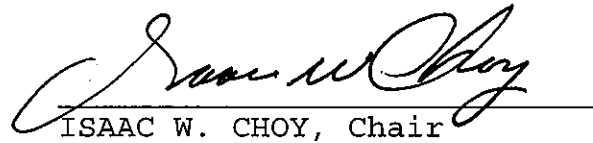
Your Committee finds that historically, salaries and wages at
the University of Hawaii were paid through general funds. During
the recent economic downturn, however, there was a shift from
using general funds to special funds (i.e., tuition and fees) to
pay for collective-bargaining costs. Ultimately, students have
carried a portion of the burden of these increases. The
Legislature should consider paying all salaries and wages at the



University of Hawaii through general funds as part of a continuing discussion on financing public higher education in this State.

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 H.B. No. 985 and recommends that it pass Second Reading 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



