

Honolulu, Hawaii

March 24, 2016

RE: S.B. No. 3073
S.D. 2
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Higher Education, to which was referred
S.B. No. 3073, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII AT
HILO,"

begs leave to report as follows:

The purpose of this measure, as received by your Committee,
is to establish a school of aviation at the University of Hawaii
at Hilo to offer a bachelor of science degree in aeronautical
science and to appropriate the funds necessary for implementation
of the school.

For purposes of the public hearing, your Committee circulated
a proposed H.D. 1 (Proposed Draft) for public review and comment.
The purpose of the Proposed Draft is to:

- (1) Establish a five-year pilot program for a school of
aviation, commencing on July 1, 2016, and terminating on
June 30, 2021, under which the school of aviation must
be financially and managerially independent;
- (2) Requiring the University of Hawaii Board of Regents to
perform a program evaluation to consider whether the
school of aviation should be continued or terminated,
based mainly on the program's ability to achieve fiscal
sustainability; and



- (3) Appropriating funds necessary for implementation of the school.

Hawaiian Airlines and a concerned individual supported the Proposed Draft. The Department of Business, Economic Development, and Tourism supported the intent of the Proposed Draft. Two concerned individuals opposed the Proposed Draft. The University of Hawaii submitted comments.

Your Committee has amended this measure by adopting the Proposed Draft and further amending the Proposed Draft by:

- (1) Extending the pilot program for the school of aviation by an additional year, until June 30, 2022;
- (2) Clarifying that the school of aviation must be financially, though not managerially, independent;
- (3) Removing the school of aviation's exemption from any fees or assessments that may generally be levied by the University of Hawaii system upon its programs, departments, and schools;
- (4) Deleting the separate budget Program ID for the school of aviation;
- (5) Clarifying that no general funds can be appropriated or expended for costs directly associated with the school of aviation without the prior approval of the Legislature;
- (6) Instead of requiring the University of Hawaii Board of Regents to perform a program evaluation to consider whether the school of aviation should be continued or terminated, directly requiring the Board of Regents to initiate proceedings to terminate the school of aviation pilot program if the school is not financially independent;
- (7) Adding a definition of "financially independent";
- (8) Changing its effective date to July 1, 2525, to encourage further discussion; and
- (9) Making technical, nonsubstantive amendments for clarity, consistency, and style.

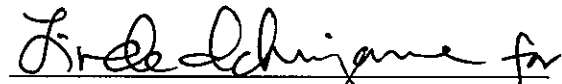


Your Committee respectfully requests that your Committee on Finance, should it choose to advance this measure:

- (1) Consider incorporating the school of aviation pilot program into the Executive Budget; and
- (2) Appropriate \$500,000 to implement the school of aviation pilot program.

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. 3073, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3073, S.D. 2, H.D. 1, and be referred to your Committee on Finance.

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


ISAAC W. CHOY, Chair



