STAND. COM. REP. NO. **2348** 

Honolulu, Hawaii

FOB 17

, 2006

RE: S

S.B. No. 3118

S.D. 1

Honorable Robert Bunda President of the Senate Twenty-Third State Legislature Regular Session of 2006 State of Hawaii

Sir:

Your Committee on Higher Education, to which was referred S.B. No. 3118 entitled:

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

begs leave to report as follows:

The purpose of this measure is to authorize the University of Hawaii research and training revolving fund to be used for repair and replacement of research related equipment and facilities instead of being deposited into other funds for different uses.

Your Committee received testimony in support of this measure from the University of Hawaii.

Your Committee finds that the research and training revolving fund was established in 1974 to pay for research and training activities at the University. The state auditor, in a 2004 report (04-13), found that the research and training revolving fund "does not meet all criteria for a revolving fund." The legislature found that the University of Hawaii's corrective action to the auditor's finding was to reclassify the research and training revolving fund as a special fund. However, pursuant to statute, moneys from the fund were deposited from the fund into the discoveries and inventions revolving fund and the University of Hawaii housing assistance revolving fund.

Your Committee further finds that the University of Hawaii needs to invest more in repair and maintenance of research equipment and facilities in order to achieve preeminence as a top

research university. The legislature believes that the current unfunded deferred maintenance backlog of \$175,000,000 as well as other equipment repair and replacement needs that are related to research activities will benefit by maintaining all indirect costs recovered in the research and training fund. The legislature believes the research and training revolving fund should be reclassified as a special fund and that all of its funds should be reinvested in the research infrastructure.

Your Committee has amended this measure by changing the research and training revolving fund into a special fund.

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. 3118, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3118, S.D. 1, and be referred to the Committee on Ways and Means.

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

CLAYTON HEE, Chai:

## The Senate Twenty-Third Legislature State of Hawaii

## Record of Votes of the Committee on Higher Education (Bills and Resolutions)

Measure:* Commit 4/	RE, WAM	Date:	2/14	106
The committee is reconsidering its previous decision on this measure.  If so, then the previous decision was to:				
The Recommendation is to:				
Pass, unamended Pass, with amendments Hold Recommit (2312) (2311) (2310) (2313)				
Members	Ayes	Ayes(WR)	Nays	Excused
HEE, Clayton (C)	V			
INOUYE, Lorraine R. (VC)	<b>V</b>			
BAKER, Rosalyn H.				V
CHUN OAKLAND, Suzanne			-	<b>V</b>
SAKAMOTO, Norman				
TRIMBLE, Gordon				
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	<u></u>			
TOTAL	4			2
Recommendation:  Adopted  Not Adopted				
Chair's or Designee's Signature:  Annue R. Anome				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

<sup>\*</sup>Do not list more than one measure per Record of Votes.