STAND. COM. REP. NO. 2754

Honolulu, Hawaii FEB 2 9 2008

RE: S.B. No. 3250 S.D. 2

Honorable Colleen Hanabusa President of the Senate Twenty-Fourth State Legislature Regular Session of 2008 State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 3250, S.D. 1, 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 require the University of Hawaii to develop an incentive and performance outcome funding component for the University's long-range financial plan.

In addition, the measure requires the University to submit to the Legislature an annual incentive and performance report, beginning in 2008.

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

Your Committee finds that the University of Hawaii should be accountable for its funds in a manner that is consistent across university campuses and measurable with respect to fiscal allocations pursuant to:

(1) Senate Concurrent Resolution No. 79, (2007), that requested the University to link the funding for university campuses with performance goals and to develop a budgeting system that reflects achievements, challenges, and needs; and

(2) Senate Concurrent Resolution No. 137, (2007) that requested the University of Hawaii to develop a long-term financial plan.

The University of Hawaii recently reexamined and updated its strategic plan for the next eight years and is ready to develop a financial plan to reach its strategic goals by developing an educational compact that would clearly link funding with specific goals and performance measures.

This measure requires the University to develop an incentive and performance outcome funding component for the financial plan by:

- (1) Increasing the legislative and public support for higher education;
- (2) Allocating funds through a dual approach of incentives and performance-based funding;
- (3) Monitoring the general condition of the University system;
- (4) Identifying potential sources of problems or areas for improvement;
- (5) Improving the effectiveness and efficiency of colleges within the University system;
- (6) Focusing college, campus, department, and university efforts on state priorities and goals;
- (7) Assessing progress on state priorities and goals to improve graduate and undergraduate education; and
- (8) Improving consumer information on higher education.

Your Committee has amended the measure by:

(1) Rephrasing the provision "The purpose of the annual incentive and performance report is to assist the legislature in appropriating 'approximately two per cent' of the University of Hawaii's annual budget..." to "appropriating 'up to two per cent'..."; and

(2) Making technical amendments that have no substantive effect.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3250, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3250, S.D. 2.

Respectfully submitted on behalf of the members of the Committee on Ways and Means,

ROSALYN H. BAKER, Chair

The Senate Twenty-Fourth Legislature State of Hawaii

Record of Votes Committee on Ways and Means WAM

Bill / Resolution No.:* SB3250, s D1	Committee Referral:		1	Date: 2 2 2 0 8	
The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)					
TSUTSUI, Shan S. (VC)					
CHUN OAKLAND, Suzanne		<i></i>			
ENGLISH, J. Kalani					
FUKUNAGA, Carol	***************************************				
HOOSER, Gary L.					
INOUYE, Lorraine R.			***************************************		Mark 100 Ma
KIM, Donna Mercado					
MENOR, Ron			The Automotive Control		
TOKUDA, JIII N.					
HEMMINGS, Fred					
WHALEN, Paul			and a second a second and a second a second and a second		
TOTAL		11	ð	0	1
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

^{*}Only one measure per Record of Votes