H.B. NO. <sup>1652</sup> H.D. 1 S.D. 2

C.D. 1

# A BILL FOR AN ACT

RELATING TO HIGHER EDUCATION.

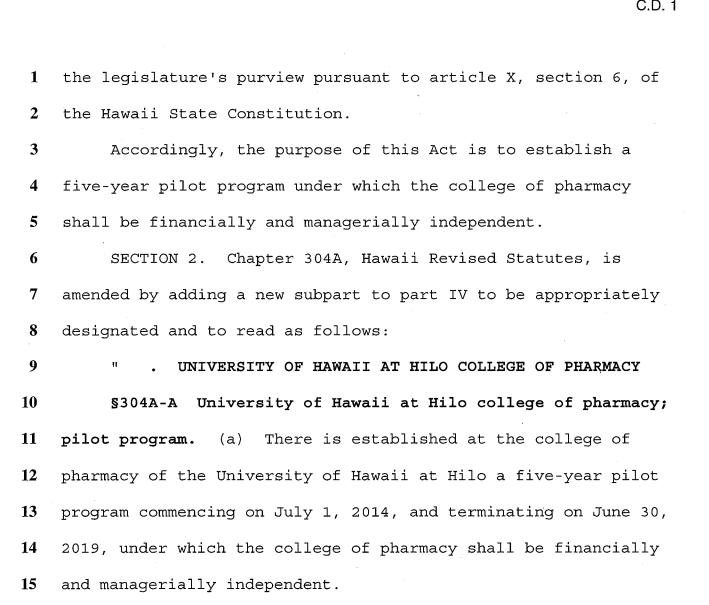
### BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The Daniel K. Inouye College of Pharmacy at the
 University of Hawaii at Hilo was established in 2006 and
 achieved full accreditation by the Accreditation Council for
 Pharmacy Education in June 2011 to offer the doctor of pharmacy
 degree. The college of pharmacy also offers a doctoral program
 in pharmaceutical sciences and a residency program.

7 Although the college has achieved full accreditation, the 8 legislature finds that accreditation is in jeopardy due to the 9 lack of a permanent facility to house the college. The college 10 of pharmacy is dependent upon the legislature to provide funding 11 for this facility.

12 The success of the college of pharmacy is vital not only to 13 addressing Hawaii's shortage of medical professionals but also 14 to the State's overall economic development. Given these wide-15 reaching, statewide effects, the legislature finds and declares 16 that the financial sustainability and success of the college of 17 pharmacy is an issue of statewide concern and therefore under

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(b) The college of pharmacy shall be financially supported entirely by the special fund established under section 304A-C, into which shall be deposited all revenues generated by the college of pharmacy, including revenues and any interest accrued from tuition, grants, fees, and donations.

(c) The University of Hawaii system may subsidize or
provide financial assistance to the college of pharmacy.



(d) The college of pharmacy shall not be subject to any
 fees or assessments that may generally be levied by the
 University of Hawaii system upon its programs, departments, and
 schools.

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5 §304A-B University of Hawaii at Hilo college of pharmacy;
6 board of governors. (a) There is established the University of
7 Hawaii at Hilo college of pharmacy board of governors, whose
8 powers and duties shall include the following:

- 9 (1) Administering the special fund established under
  10 section 304A-C;
- 11 (2) Exercising powers and responsibilities necessary to
  12 plan, design, construct, maintain, and operate an
  13 educational facility for the University of Hawaii at
  14 Hilo college of pharmacy; and

15 (3) Assisting the college of pharmacy with the adjustment
16 of the college of pharmacy's tuition and fee schedule.
17 The board of governors shall serve in an advisory capacity to
18 the chancellor of the University of Hawaii at Hilo and report to
19 the University of Hawaii board of regents and the chancellor of
20 the University of Hawaii at Hilo.

(b) The board of governors shall consist of seven memberswho shall be appointed as follows:



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1	(1)	Three members who shall be members of the University
2		of Hawaii board of regents to be appointed by the
3		chair of the University of Hawaii board of regents;
4		provided that the terms of the members appointed
5		pursuant to this paragraph shall be staggered and
6		shall conclude non-concurrently;
7	(2)	One member with financial management experience to be
8		appointed by the governor pursuant to section 26-34;
9		provided that the term of the member appointed
10		pursuant to this paragraph shall be five years;
11	(3)	One member who shall be a member of the board of
12		pharmacy to be appointed by the chair of the board of
13		pharmacy; provided that the member is one of the
14		pharmacists on the board of pharmacy who is licensed
15		to practice pursuant to chapter 461;
16	(4)	One member to be appointed by the speaker of the house
17		of representatives; and
18	(5)	One member to be appointed by the president of the
19		senate;
20	provided	that all members of the board of governors shall be
21	approved	by the University of Hawaii board of regents.



(c) The board of governors shall select a chair from among
 its members; provided that the chair shall not be a member
 appointed by either the speaker of the house of representatives
 or the president of the senate.

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The board of governors shall serve without 5 (d) 6 compensation, but shall be reimbursed for expenses, including 7 travel expenses, necessary for the performance of their duties. 8 (e) The college of pharmacy of the University of Hawaii at 9 Hilo, through its board of governors, shall submit an annual 10 financial and management report to the University of Hawaii 11 board of regents, the governor, and the legislature not less 12 than twenty days prior to the convening of each regular session 13 of the legislature."

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

17 "<u>§304A-C</u> University of Hawaii at Hilo college of pharmacy
18 <u>special fund.</u> (a) There is established the University of
19 <u>Hawaii at Hilo college of pharmacy special fund, which shall be</u>
20 <u>administered by the University of Hawaii at Hilo college of</u>
21 pharmacy board of governors.



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1 The special fund shall consist of all the revenues of (b) the college of pharmacy, including revenues and any interest 2 3 accrued from tuition, grants, fees, and donations. 4 The special fund may be used for the following (C) 5 purposes: 6 To reimburse the University of Hawaii at Hilo for all (1) 7 costs associated with the construction of the college 8 of pharmacy facility; provided that reimbursement 9 terms and conditions, if any, shall be determined by 10 the department of budget and finance in consultation 11 with the college of pharmacy board of governors; 12 (2) To procure loans from a financial institution to 13 construct, maintain, and operate the college of 14 pharmacy; 15 (3) To pay any debt service on any loans made by a 16 financial institution to the college of pharmacy to 17 construct the college of pharmacy facility; and 18 To pay for the operation and maintenance of the (4)19 college of pharmacy and its facilities, including 20 faculty and other personnel costs associated with 21 operating the college of pharmacy.

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(d) Notwithstanding any law to the contrary, the special 1 2 fund shall be exempt from the central service expenses deducted 3 pursuant to section 36-27 and the pro rata share of departmental 4 administrative expenses charged pursuant to section 36-30. (e) Beginning January 1, 2015, the University of Hawaii at 5 6 Hilo college of pharmacy board of governors shall report semiannually to the legislature on the moneys in the special fund, 7 8 including deposits, expenditures, and other transactions. The 9 reports shall explain in detail all expenditures from the 10 special fund."

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11 Commencing not later than July 1, 2018, the SECTION 4. 12 University of Hawaii board of regents shall perform a program 13 evaluation to consider whether the college of pharmacy should be 14 continued. The main criteria of the evaluation shall be the 15 ability of the college of pharmacy to fiscally sustain its 16 operations during the five-year pilot program. If the 17 University of Hawaii board of regents finds, as a result of its 18 program evaluation, that the college of pharmacy meets the 19 criteria for success and sustainability, the terms and 20 conditions of the program shall be adopted and implemented as 21 the operational structure for the college of pharmacy. If the University of Hawaii board of regents finds, as a result of its 22





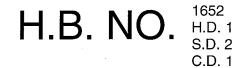
1 program evaluation, that the college of pharmacy is not fiscally 2 sustainable, then the University of Hawaii board of regents 3 shall report its findings to the legislature no later than 4 twenty days prior to the convening of the regular session of 5 2019 and may move to initiate proceedings to terminate the 6 college of pharmacy pilot program and transfer control of all 7 property and management, financial, and other responsibilities 8 to the University of Hawaii board of regents.

9 SECTION 5. In codifying the new sections added by sections
10 2 and 3 of this Act, the revisor of statutes shall substitute
11 appropriate section numbers for the letters used in designating
12 the new sections in this Act.

13 SECTION 6. New statutory material is underscored.

SECTION 7. This Act shall take effect on July 1, 2014, andshall be repealed on June 30, 2019.





## Report Title:

UH Hilo College of Pharmacy; Pilot Program; Special Fund; Appropriations

#### Description:

Establishes a 5-year pilot program at the University of Hawaii at Hilo College of Pharmacy. Establishes the University of Hawaii at Hilo College of Pharmacy Special Fund. Makes appropriations. (HB1652 CD1)

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

