

Honolulu, Hawaii
February 12, 2014

RE: H.B. No. 1652
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Higher Education, to which was referred
H.B. No. 1652 entitled:

"A BILL FOR AN ACT RELATING TO HIGHER EDUCATION,"

begs leave to report as follows:

The purpose of this measure is to help ensure the financial and managerial feasibility of the University of Hawaii at Hilo College of Pharmacy by establishing a five-year pilot program under which the UH Hilo College of Pharmacy will be financially and managerially autonomous.

The Daniel K. Inouye College of Pharmacy at UH Hilo, Hawaii Island Economic Development Board, and several concerned individuals supported this measure. The Department of the Attorney General opposed this measure. The University of Hawaii, Department of Budget and Finance, Japanese Chamber of Commerce and Industry, Hawaii Island Chamber of Commerce, Friends of the Daniel K. Inouye College of Pharmacy, and a concerned individual provided comments.

Your Committee notes that a total of \$33,000,000 is required for the construction of a facility to house the University of Hawaii at Hilo College of Pharmacy and related costs. Should this measure continue through the legislative process, your Committee recognizes that the appropriate method of financing such costs is under the purview of your Committee on Finance and the Senate Committee on Ways and Means.

HB1652 HD1 HSCR HED HMS 2014-1437-1



Your Committee has amended this measure by:

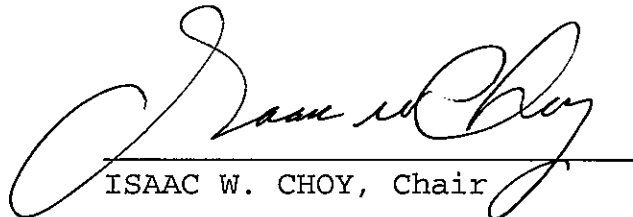
- (1) Codifying provisions for the pilot program and special fund;
- (2) Inserting provisions to explain the measure's purpose;
- (3) Specifying that the College of Pharmacy will be financially and managerially independent, rather than autonomous;
- (4) Specifying that the College of Pharmacy Board of Governors will serve in an advisory capacity to the Chancellor of UH Hilo;
- (5) Including two additional members of the UH Board of Regents to serve on the College of Pharmacy Board of Governors;
- (6) Requiring all members of the College of Pharmacy Board of Governors to be approved by the UH Board of Regents;
- (7) Requiring the College of Pharmacy Board of Governors to report to the UH Board of Regents;
- (8) Clarifying that the College of Pharmacy Board of Governors are to report on moneys in the special fund on a semi-annual basis during every year of the pilot program, beginning January 1, 2015;
- (9) Deleting provisions specifying that the College of Pharmacy Board of Governors will not participate in the management or operation of the College of Pharmacy;
- (10) Clarifying that reimbursements paid out of the special fund for construction, maintenance, and operation of the College of Pharmacy will be paid to UH Hilo;
- (11) Specifying that reimbursement terms and conditions, if any, will be determined by the Department of Budget and Finance in consultation with the College of Pharmacy Board of Governors;



- (12) Changing the entity responsible for the program evaluation of the College of Pharmacy from the University of Hawaii System to the UH Board of Regents;
- (13) Including an unspecified appropriation of general funds to be expended by UH Hilo for the purposes of the measure;
- (14) Including provisions authorizing the issuance of unspecified amounts in general obligation bonds, including general obligation bonds with debt service to be paid from special funds, for the construction of a facility to house the College of Pharmacy;
- (15) Including an authorization for the issuance of revenue bonds in an unspecified amount for the construction of a facility to house the College of Pharmacy;
- (16) Changing the effective date to July 1, 2525, to encourage further discussion; and
- (17) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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. 1652, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1652, H.D. 1, 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



HSCR 361-14

Record of Votes of the Committee on Higher Education

Bill/Resolution No.: HB 1652	Committee Referral: HED, FIN	Date: 1/28/14		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
HED Members	Ayes	Ayes (WR)	Nays	Excused
1. CHOY, Isaac W. (C)	✓			
2. ICHIYAMA, Linda (VC)	/			
3. AQUINO, Henry J.C.	✓			
4. AWANA, Karen	✓			
5. HANOHANO, Faye P.	✓			
6. OHNO, Takashi	✓			
7. SAY, Calvin K.Y.	✓			
8. TAKAI, K. Mark				✓
9. TAKUMI, Roy M.	/			
10. MATSUMOTO, Lauren Kealohilani	✓			
11. FALE, Richard Lee	✓			
TOTAL (11)	10	0	0	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <u>Linda Ichiyama</u>				
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