STAND. COM. REP. NO. 19 Honolulu, Hawaii Pebruary 12 , 2015

RE: H.B. No. 985

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Eighth State Legislature Regular Session of 2015 State of Hawaii

Sir:

Your Committee on Higher Education, to which was referred H.B. No. 985 entitled:

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

begs leave to report as follows:

The purpose of this measure is to improve fiscal management at the University of Hawaii by:

- Requiring that beginning on July 1, 2015, not less than 60 percent of the operating costs of the University of Hawaii must be financed through general funds; and
- (2) Requiring that any general fund budget appropriation for the University of Hawaii for operating purposes for any fiscal year must include the consideration of the operating costs of the University.

The University of Hawaii and Department of Budget and Finance submitted comments.

Your Committee finds that historically, salaries and wages at the University of Hawaii were paid through general funds. During the recent economic downturn, however, there was a shift from using general funds to special funds (i.e., tuition and fees) to pay for collective-bargaining costs. Ultimately, students have carried a portion of the burden of these increases. The Legislature should consider paying all salaries and wages at the

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University of Hawaii through general funds as part of a continuing discussion on financing public higher education in this State.

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. 985 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

CHOY,



State of Hawaii House of Representatives The Twenty-eighth Legislature

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Record of Votes of the Committee on Higher Education

Bill/Resolution No.: Comm HB 985	ittee Referral: HED, FIN	N Date: 2/3/15		
□ The committee is reconsidering its previous deci	,			
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold 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.	1			
4. ING, Kaniela				
5. ITO, Ken	1			
6. KONG, Sam Satoru	/			
7. LOPRESTI, Matthew S.		 ✓ 		
8. OHNO, Takashi	/			
9. SAY, Calvin K.Y.	1			
10. TAKUMI, Roy M.	1			
11. TSUJI, Clift				
12. MATSUMOTO, Lauren Kealohilani	1			
13. TUPOLA, Andria P.L.				
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TOTAL (13)	ID	2	O	(
The recommendation is: Adopted	Not Adopt committee acronym	did not suppo	rt recommendatio	n.
Vice Chair's or designee's signature:	de thing	me		
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				