

STAND. COM. REP. NO.

434

Honolulu, Hawaii

FEB 17 2017

RE: S.B. No. 1252  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2017  
State of Hawaii

Sir:

Your Committees on Higher Education and Economic Development, Tourism, and Technology, to which was referred S.B. No. 1252 entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to support the intercollegiate athletics program at the University of Hawaii by requiring that monies from the transient accommodations tax be distributed to the University of Hawaii at Manoa and University of Hawaii at Hilo for the next three fiscal years to offset the higher and unique costs of the schools' athletic programs.

Your Committees received testimony in support of this measure from the University of Hawai'i System, University of Hawai'i at Mānoa Athletic Department, University of Hawai'i at Hilo Athletic Department, Imanaka Asato LLC, Outrigger Enterprises Group, and eight individuals. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Tax Foundation of Hawaii.

Your Committees find that the intercollegiate athletics program at the University of Hawaii is unique compared to athletic programs at other institutions. Substantial travel expenses for Hawaii's teams, subsidization of travel expenses of some visiting teams, and unique recruiting challenges make it difficult for University of Hawaii athletic teams to compete at the same level

2017-1363 SSCR SMA.doc



as peer universities. For example, University of Hawaii at Manoa athletic costs are approximately \$5,200,000 higher than its peer institutions.

Your Committees find that Hawaii does not have any professional sports teams and, therefore, collegiate athletic teams from Hawaii represent Hawaii on the mainland and internationally as ambassadors of aloha and representatives of all the people in Hawaii. Your Committees further find that athletics at the University of Hawaii at Manoa and the University of Hawaii at Hilo are a great source of pride to local communities and the State as a whole. In addition, athletics at these universities are a significant economic driver, bringing in visiting teams and families which positively benefits local businesses.

Your Committees support funding the intercollegiate athletic programs at the University of Hawaii at Manoa and University of Hawaii at Hilo. Your Committees note that an alternative funding source, the tourism special fund, has funds available for the next two years. More specifically, the Hawaii Tourism Authority allocates significant funds for the Pro Bowl each year that the sporting event is held in Hawaii. However, the Pro Bowl is under contract to be held outside of the State for the next two years, which makes funding available from the Hawaii Tourism Authority to benefit the valuable intercollegiate athletics program at the University of Hawaii.

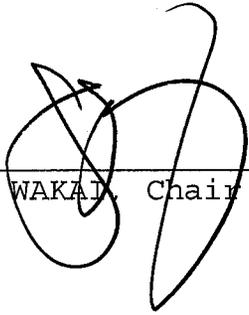
Accordingly, your Committees have amended this measure by:

- (1) Deleting the provision that allocates a portion of the transient accommodations tax to help fund the intercollegiate athletic programs at the University of Hawaii at Manoa and University of Hawaii at Hilo;
- (2) Inserting language to distribute \$3,000,000 from the tourism special fund to the intercollegiate athletic programs at the University of Hawaii at Manoa and University of Hawaii at Hilo beginning on July 1, 2017;
- (3) Inserting language to make the distribution from the tourism special fund to the intercollegiate athletic programs repeal on June 30, 2019; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.



As affirmed by the records of votes of the members of your Committees on Higher Education and Economic Development, Tourism, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1252, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1252, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committees on Higher Education and Economic Development, Tourism, and Technology,



GLENN WAKAI, Chair



KAIALA 'I KAHELE, Chair



The Senate  
 Twenty-Ninth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Higher Education**  
**HRE**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1252	HRE/ETT, WAM	2/8/17		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KAHELE, Kaiali'i (C)	✓			
KIDANI, Michelle N. (VC)	✓			
ESPERO, Will		✓		
KEITH-AGARAN, Gilbert S.C.				✓
TANIGUCHI, Brian T.	✓			
<b>TOTAL</b>	<b>3</b>	<b>1</b>		<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Michelle N. Kidani</div>				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes

