

Honolulu, Hawaii

MAR 24 2025

RE: S.R. No. 160
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Higher Education, to which was referred
S.R. No. 160 entitled:

"SENATE RESOLUTION REQUESTING THE OFFICE OF THE AUDITOR TO
CONDUCT A FINANCIAL AND PERFORMANCE AUDIT OF THE UNIVERSITY
OF HAWAII AT MANOA ATHLETICS DEPARTMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to request the
Office of the Auditor to conduct a financial and performance audit
of the University of Hawaii at Manoa Athletics Department.

Your Committee received comments on this measure from the
University of Hawai'i System.

Your Committee finds that the University of Hawaii at Manoa
Athletics Department (Athletics Department) receives funding
through private donors, the University of Hawaii, legislative
appropriations, and various sport-specific distributions for the
purpose of supporting its operations and programs. Your Committee
further finds that effective use and management of funds and
resources to promote increased interest and participation in
collegiate sports should be a priority of the Athletics
Department. However, your Committee also finds that the Athletics
Department does not have a master plan to address its various
needs, nor does it have a clear plan to implement the Name, Image,
and Likeness Program, under which student-athletes may earn



compensation from third parties using their personal brand, subject to institutional policies, without affecting their eligibility to receive athletic scholarships, for the purposes of department and athlete exposure, or as a new source of revenue. This measure requests the Office of the Auditor to conduct a financial and performance audit of the Athletics Department to ensure that it is operating in an effective fiscally responsible, and comprehensively supportive manner for the success of the program and student athletes.

Your Committee notes the concerns raised by the Office of the Auditor regarding the scope of the requested audit; specifically, that it does not have the expertise or the funds to contract with independent firms to conduct financial audits and that it cannot audit the breadth of the areas identified in the resolution in the requested time frame. Therefore, there is a need to amend this measure to narrow the scope of the requested audit.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that would have requested the Office of the Auditor to conduct a financial and performance audit of the University of Hawaii at Manoa Athletics Department to ensure that the Department is operating in an effective, fiscally responsible, and comprehensively supportive manner for the success of the program and its student athletes;
- (2) Inserting language requesting the Office of the Auditor to conduct an audit of the University of Hawaii at Manoa Athletics Department's use and management of its funds, assessing:
 - (A) Whether the Department's actual expenditures are consistent with its policies and procedures; and
 - (B) The Department's Name, Image, and Likeness Program;
- (3) Amending its title accordingly; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.



As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 160, as amended herein, and recommends that it be referred to your Committee on Ways and Means, in the form attached hereto as S.R. No. 160, S.D. 1.

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



DONNA MERCADO KIM, Chair



