

Honolulu, Hawaii  
FEB 20 , 2026

RE: H.B. No. 2519  
H.D. 1

Honorable Nadine K. Nakamura  
Speaker, House of Representatives  
Thirty-Third State Legislature  
Regular Session of 2026  
State of Hawaii

Madame:

Your Committee on Higher Education, to which was referred  
H.B. No. 2519 entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish block appropriations and increases fiscal flexibility for the University of Hawaii;
- (2) Establish a University of Hawaii Budget Stabilization Fund, authorize limited procurement and fiscal exemptions, and implement performance-based funding metrics; and
- (3) Require annual fiscal and performance reporting to the Legislature and provide a transition framework for the move to block budgeting.

Your Committee received testimony in support of this measure from the University of Hawai'i System and University of Hawai'i Professional Assembly. Your Committee received comments on this measure from the Department of Budget and Finance and State Procurement Office.



Your Committee finds that the University of Hawaii should have the fiscal flexibility to respond effectively to student needs, workforce demands, and changing economic conditions. Your Committee further finds that providing greater budgetary autonomy, paired with transparency and performance-based accountability, will help the University strengthen student success, support basic-needs initiatives, and maintain stability during financial disruptions.

Your Committee has amended this measure by:

- (1) Excluding Aquaria (UOH881) and the Small Business Development Center (UOH220) from the block appropriation requirements;
- (2) Removing the authority of the University of Hawaii to transfer funds appropriated for capital improvement projects to operating purposes with prior legislative approval;
- (3) Adding language to require the University of Hawaii to report on:
  - (A) Any transfers between major categories exceeding an unspecified amount; and
  - (B) Contracts over an unspecified amount;
- (4) Changing the procurement exemption from procurements with a value below \$500,000 to an unspecified amount;
- (5) Specifying that the University of Hawaii may retain and carry over no more than ten percent of unexpended funds; provided that in accordance with article VII, section 11 of the Hawaii State Constitution, any unencumbered funds at the end of the third fiscal year shall lapse to the credit of the general fund;
- (6) Requiring the Board of Regents of the University of Hawaii, rather than the University of Hawaii and the Legislature, to develop, review, and publish annual performance metrics, and report to the Legislature on those metrics and outcomes;



- (7) Removing unexpended carry over funds from the University of Hawaii Budget Stabilization Fund;
- (8) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (9) Making technical, nonsubstantive amendments for the purposes of 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. 2519, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2519, H.D. 1, and be referred to your Committee on Finance.

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

  
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ANDREW TA'UYA GARRETT, Chair



