

Honolulu, Hawaii

APR 09, 2026

RE: S.B. No. 2602
S.D. 1
H.D. 2

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

Madame:

Your Committee on Finance, to which was referred S.B. No. 2602, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE GENERAL FUND,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require tuition, tuition-related course and fee charges, and other charges to students deposited into the University of Hawaii Tuition and Fees Special Fund to be allocated and expended for the benefit of students at the campus at which the tuition or charges were paid; and
- (2) Beginning June 30, 2029, require unencumbered funds in the University of Hawaii Tuition and Fees Special Fund in excess of two months of operating expenses to lapse to the general fund.

Your Committee received testimony in opposition to this measure from the University of Hawai'i System and University of Hawaii Professional Assembly. Your Committee received comments on this measure from the Tax Foundation of Hawaii.



Your Committee has amended this measure by:

- (1) Requiring that any tuition and fees be allocated and expended in accordance with Board of Regents policies for the University of Hawaii, rather than for the benefit of the students of the campus where the tuition or fees were collected;
- (2) Specifying that the lapse of unencumbered funds in the University of Hawaii Tuition and Fees Special Fund shall be in an amount that exceeds the reserve level established by the Board of Regents and shall be a one-time lapse on June 30, 2029, rather than a recurring one;
- (3) Requiring an annual report detailing expenditures from the University of Hawaii Tuition and Fees Special Fund; and
- (4) 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2602, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2602, S.D. 1, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



CHRIS TODD, Chair



