

STAND. COM. REP. NO. **2475**

Honolulu, Hawaii

FEB 19 2026

RE: S.B. No. 3263
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committees on Education and Economic Development and
Tourism, to which was referred S.B. No. 3263 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:

- (1) Establish a Name, Image, and Likeness (NIL) Endowment Fund to be administered by the University of Hawaii (UH) to compensate student athletes;
- (2) Require an initial corpus of a certain amount for the NIL Endowment Fund and require interest to be deposited into the Fund;
- (3) Prohibit the allocation of all, or any portion of, the corpus of the NIL Endowment Fund;
- (4) Require UH to establish a NIL Program;
- (5) Require UH to establish criteria for the NIL Program and a formula for the distribution of funds to student athletes;
- (6) Require student athletes being compensated for their NIL to retain a registered athlete agent;



- (7) Allow a student athlete's parent or legal guardian to represent the student athlete in areas agreed to by the student athlete;
- (8) Require UH to submit an annual report to the Legislature; and
- (9) Appropriate funds.

Your Committees received testimony in support of this measure from the Department of Athletics of the University of Hawaii at Manoa and two individuals.

Your Committees received testimony in opposition to this measure from one individual.

Your Committees received comments on this measure from one individual.

Your Committees find that a sustainable, long-term, corpus restricted revenue stream is a viable option to help fund and support compensation for student athletes enrolled at the University of Hawaii. Collegiate institutions have been permitted to use funding to provide additional scholarships and share revenue, and the money generated from an endowment may be granted to student athletes in accordance with the new national NIL framework. NIL opportunities are critical to college athletics because these opportunities allow institutions to recruit and retain elite student athletes while recognizing the economic value that student athletes generate for their institutions. Your Committees further find that adequate seed funding for the NIL Endowment Fund would be necessary to ensure that UH can attract and compensate student athletes, provided that the University can match the state funds. This measure will provide support to UH and stabilize its athletics program, ensuring that UH athletics will remain competitive in the Mountain West and Big West Conferences.

Your Committees have amended this measure by:

- (1) Inserting a blank appropriation amount; and

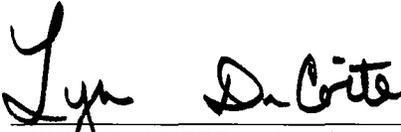


- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

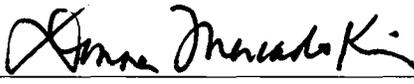
Your Committees note that this measure, as amended, contains an unspecified appropriation amount. Should your Committee on Ways and Means choose to deliberate on this measure, your Committees respectfully requests that it consider an appropriation amount of \$5,000,000.

As affirmed by the records of votes of the members of your Committees on Education and Economic Development and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3263, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3263, S.D. 1, and be referred to your Committees on Ways and Means and Commerce and Consumer Protection.

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



LYNN DECOITE, Chair



DONNA MERCADO KIM, Chair



