H.B. NO. 3206

A BILL FOR AN ACT

RELATING TO THE UNIVERSITY OF HAWAII.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. Section 304A-2251, Hawaii Revised Statutes, is amended to read as follows:

"[~~f~~] **§304A-2251** [~~f~~] **University of Hawaii commercial enterprises revolving fund.** There is established the University of Hawaii commercial enterprises revolving fund into which shall be deposited all revenues derived from the operation of commercial enterprises by university programs. Revenues deposited into this account may be expended by the university for all costs and expenses associated with the operation of the enterprises, including hiring personnel, renovating commercial space, and purchasing merchandise, supplies, and equipment, without regard to chapters 76, 78, 89, 103, and 103D. Any law to the contrary notwithstanding, the university may transfer all funds at its disposal, with the exception of general funds, into this revolving fund to finance the establishment of new enterprises. Revenues not expended as provided in this section may be transferred to other university funds to be expended for the general benefit of the university."

SECTION 2. New statutory material is underscored.

SECTION 3. This Act shall take effect on July 1, 2008.

INTRODUCED BY: Calvin K.Y. Say

BY REQUEST

JAN 22 2008

H.B. NO. 3206

Report Title:
University of Hawaii; Commercial Enterprise

Description:
Authorizes the transfer of all University funds with the exception of general funds, into the University of Hawaii Commercial Enterprise Revolving Fund.

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JUSTIFICATION SHEET

DEPARTMENT: University of Hawaii

TITLE: A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII.

PURPOSE: To provide additional capability to develop and establish commercial enterprises of the University authorized by section 304A-113, Hawaii Revised Statutes, by the reinstatement of wording authorizing the transfer of all University funds, with the exception of general funds, into the University of Hawaii Commercial Enterprises Revolving Fund to finance the establishment of new enterprises.

MEANS: Amend section 304A-2251, Hawaii Revised Statutes.

JUSTIFICATION: Act 193, Session Laws of Hawaii 2001, authorized the use of all University funds except general funds to be used to finance the establishment of new enterprises. This provision was sunseted on June 30, 2004.

The current wording of section 304A-2251 does not contain a provision for financing the establishment of new enterprises. This limits the use of this fund to take advantage of commercial opportunities. Revenues derived from commercial activities will be used for the general benefit of the University of Hawaii.

Impact on the public: Income from commercial activities will be used to supplement state funds. The potential public benefit will be a University with increased fiscal self-sufficiency.

Impact on the department and other agencies: The University needs to develop alternative revenue sources and resources to more

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effectively carry out its mission of teaching, research, and public service. Commercial enterprises provide the opportunity to enhance the University's financial status.

GENERAL FUNDS: None.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: UOH 900 UOH 100 UOH 210 UOH 700 UOH 800

OTHER AFFECTED AGENCIES: None.

EFFECTIVE DATE: July 1, 2008.