



GOV. MSG. NO. 1345

EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

July 14, 2015

The Honorable Ronald D. Kouchi,  
President  
and Members of the Senate  
Twenty-Eighth State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

The Honorable Joseph M. Souki,  
Speaker  
and Members of the House  
Twenty-Eighth State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Souki, and Members of the Legislature:

Re: HB541 HD1 SD2 CD1

HB541 HD1 SD2 CD1, entitled "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII TUITION AND FEES SPECIAL FUND" will become law without my signature, pursuant to Section 16 of Article III of the State Constitution.

The purpose of this bill is to require each UH campus to prepare operations plans to be reviewed by the President, VP for Budget and Finance, and the CFO for each fiscal year and to lapse moneys from the UH Tuition and Fees Special Fund each year to the credit of Program ID UOH900.

The lapsing of money from the UH Tuition and Fee Special Fund may into UOH900 each year may cause difficulty for various campuses as they prepare their operations plan each year and could result in unintended consequences for the University of Hawai'i system. Additionally, I am concerned that this bill may represent an encroachment on the principle of the University of Hawai'i's autonomy.



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DAVID Y. IGE  
GOVERNOR

For the foregoing reasons, HB541 HD1 SD2 CD1 will become law as ACT 236 (15), Session Laws of Hawaii 2015, effective July 14, 2015, without my signature.

Sincerely,

A handwritten signature in black ink that reads "David Y. Ige".

DAVID Y. IGE  
Governor, State of Hawaii

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# A BILL FOR AN ACT

RELATING TO THE UNIVERSITY OF HAWAII TUITION AND FEES SPECIAL FUND.

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

1 SECTION 1. Section 304A-2153, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 " [ ] §304A-2153 [ ] University of Hawaii tuition and fees  
4 special fund. (a) There is established the University of  
5 Hawaii tuition and fees special fund into which shall be  
6 deposited all revenue collected by the university for regular,  
7 summer, and continuing education credit tuition, tuition-related  
8 course and fee charges, and any other charges to students,  
9 except as provided by law. Moneys deposited into the fund shall  
10 be expended to maintain or improve the university's programs and  
11 operations and shall not be:

12 (1) Used as a justification for reducing any budget  
13 request or allotment to the university unless the  
14 university requests such a reduction;

15 (2) Transferred unless otherwise authorized by the  
16 legislature; and



1 (3) Restricted by the governor or the director of finance  
2 without the prior approval of the legislature.

3 Any rule, policy, or action of any agency or individual in  
4 contravention of this subsection shall be void as against public  
5 policy.

6 (b) Any law to the contrary notwithstanding, the board of  
7 regents may authorize expenditures of up to \$3,000,000 annually,  
8 excluding in-kind services, from this fund for the purposes of  
9 promoting alumni relations and generating private donations for  
10 deposit into the University of Hawaii Foundation for the  
11 purposes of the university. Any expenditure authorized pursuant  
12 to this subsection shall be for a public purpose and shall not  
13 be subject to chapters 42F, 103, 103D, and 103F. The university  
14 shall submit a comprehensive report to the legislature detailing  
15 the use of any funds authorized by the board under this  
16 subsection no later than twenty days prior to the convening of  
17 each regular session.

18 The report shall:

19 (1) Identify each department of the University of Hawaii  
20 Foundation supported by moneys from the fund;



- 1           (2) Describe the purposes and activities of each  
2           department identified in paragraph (1) and how it  
3           participates in fundraising activities and benefits  
4           the university;
- 5           (3) Provide the total expenditures of each department  
6           identified in paragraph (1) by primary expense  
7           categories;
- 8           (4) Identify all moneys from the fund transferred to any  
9           fund of the university and provide a justification of  
10          how these moneys are used to benefit the university;
- 11          (5) Provide a financial summary of the operating  
12          activities of the University of Hawaii Foundation,  
13          including revenues and expenditures by major reporting  
14          categories; and
- 15          (6) Identify amounts and purposes of all expenditures from  
16          the University of Hawaii support fund.
- 17          (c) Any law to the contrary notwithstanding, the  
18          university may transfer funds from the University of Hawaii  
19          tuition and fees special fund into the scholarship and  
20          assistance special fund established pursuant to section [†]304A-  
21          2159 [†].



1        (d) In estimating its quarterly budget requirements, each  
2 campus of the University of Hawaii shall prepare a plan for the  
3 fiscal year for the operation of each of the programs that it is  
4 responsible for administering. The operations plan shall be:

5        (1) In such form and content as the vice president for  
6 budget and finance and chief financial officer of the  
7 University of Hawaii may prescribe; and

8        (2) Submitted, together with the estimated quarterly  
9 budget requirements, to the vice president for budget  
10 and finance and chief financial officer on such date  
11 as the vice president for budget and finance and chief  
12 financial officer may prescribe.

13        (e) The president and vice president for budget and  
14 finance and chief financial officer of the University of Hawaii:

15        (1) Shall review the operations plan for each campus to  
16 determine if:

17        (A) It is consistent with the policy decisions of the  
18 board of regents and appropriations by the  
19 legislature;

20        (B) It reflects proper planning and efficient  
21 management methods; and



1           (C) Appropriations have been made for the planned  
2                           purpose and will not be exhausted before the end  
3                           of the fiscal year;

4           (2) Shall approve the operations plan for each campus if  
5                           they determine that the operations plan meets the  
6                           requirements of paragraph (1); and

7           (3) May modify or withhold the planned expenditures of any  
8                           campus at any time during the appropriations period.

9           (f) At the end of each fiscal year, the moneys in the  
10           University of Hawaii tuition and fees special fund for each  
11           campus shall lapse to the credit of program identification  
12           number UOH900 (University of Hawaii, system wide support)."

13           SECTION 2. Statutory material to be repealed is bracketed  
14 and stricken. New statutory material is underscored.

15           SECTION 3. This Act shall take effect on July 1, 2015.

APPROVED this           day of           , 2015

GOVERNOR OF THE STATE OF HAWAII

