

Honolulu, Hawaii

**MAR 06 2015**

RE: S.B. No. 160  
S.D. 2

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 160, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO UNIVERSITY OF HAWAII NON-GENERAL FUNDS,"

begs leave to report as follows:

The purpose and intent of this measure is to address recommendations made by the Auditor in Auditor Report No. 14-18 regarding non-general funds of the University of Hawaii.

Specifically, this measure:

- (1) Reestablishes the Hawaii educator loan program special fund as a revolving fund;
- (2) Reestablishes the community colleges special fund as a revolving fund;
- (3) Repeals the University of Hawaii alumni special fund;
- (4) Repeals the animal research farm, Waialeale, Oahu special fund;
- (5) Repeals the technical training projects revolving fund;
- (6) Repeals the Senator Hiram K. Fong scholarship program endowment trust fund; and



- (7) Repeals the Senator Oren E. Long scholarship program endowment trust fund.

Your Committee received written comments in support of this measure from the Office of the Auditor and the University of Hawaii. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the Auditor, in Auditor Report No. 14-18, recommended that the quasi-endowment income and scholarship revolving fund of the University of Hawaii be terminated because it did not meet revolving fund criteria and was not established by an Act of the Legislature as required by section 37-52.4, Hawaii Revised Statutes. Your Committee believes that terminating this fund would leave the substantial endowment without a proper vehicle from which to properly expend its funds. Accordingly, statutorily establishing the fund as a trust fund would meet the necessary statutory requirements and allow the University of Hawaii to continue funding the services supported by the University of Hawaii-established quasi-endowment income and scholarship revolving fund.

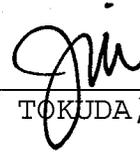
Your Committee has amended this measure by:

- (1) Establishing the University of Hawaii quasi-endowment trust fund in chapter 304A, Hawaii Revised Statutes; and
- (2) Inserting a provision that transfers the moneys in the quasi-endowment income and scholarship revolving fund of the University of Hawaii into the University of Hawaii quasi-endowment trust fund.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 160, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 160, S.D. 2.



Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,



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JILL N. TOKUDA, Chair



The Senate  
Twenty-Eighth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>SB160 SDI</b>	Committee Referral: <b>HEA, WAM</b>	Date: <b>2/27/15</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	✓			
KOUCHI, Ronald D. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani				✓
GALUTERIA, Brickwood	✓			
HARIMOTO, Breene	✓			
INOUYE, Lorraine R.	✓			
RIVIERE, Gil	✓			
RUDERMAN, Russell E.				✓
SLOM, Sam	✓			
<b>TOTAL</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">M. D. W.</div>				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes