

STAND. COM. REP. NO. 521

Honolulu, Hawaii

FEB 17 2017

RE: S.B. No. 1161
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Higher Education, to which was referred
S.B. No. 1161 entitled:

"A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII,"

begs leave to report as follows:

The purpose and intent of this measure is to address rising tuition costs at the University of Hawaii by prohibiting the Board of Regents of the University from increasing tuition fees until 2027, and requiring the University to provide the Legislature with an analysis of whether current tuition increases are helping address the University's repair and maintenance backlog.

Your Committee received testimony in support of this measure from three individuals. Your Committee received testimony in opposition to this measure from the University of Hawai'i System, Associated Students of the University of Hawai'i at Windward Community College, and Hawai'i Educational Policy Center. Your Committee received comments on this measure from the University of Hawai'i Student Caucus.

Your Committee finds that continually rising tuition rates are making higher education increasingly cost prohibitive. More specifically, your Committee finds that the tuition schedule established by the Board of Regents of the University of Hawaii has created an unreasonable increase in the cost of attendance at Hawaii's sole public university system. Your Committee further



finds that tuition costs have been consistently and significantly on the rise, having risen over six hundred percent for resident and non-resident students since 1995. These onerous tuition costs place undue burden on students and their families, as your Committee heard during testimony by two current students at the University of Hawaii at Manoa.

Your Committee is equally concerned about the University of Hawaii's significant increase in spending in recent years for personnel expenses. Specifically, your Committee notes that the University's budget for systemwide administrative, management, and executive personnel was \$19,522,528 in 2005 and \$50,478,080 in 2015, an increase of 159 percent in 10 years during which time the University added 77 full-time employee positions while the State was experiencing an economic recession. Additionally, your Committee finds that demonstrated efforts to restructure and use financial resources efficiently are deficient by the University. Your Committee notes that there is redundancy in positions and a lack of accountability between the University system and individual university campuses, and finds that the increase of University personnel in recent years is not justified by the outcomes produced by the University.

Your Committee acknowledges the need for the University to remain competitive in areas such as faculty salaries in order for the University of Hawaii to remain a high quality and desirable institution of higher education. However, your Committee has concerns that the University continues to need increased revenues, often looking to students to fill this need, and the University does not have strong enough outcomes to justify its high costs of operation.

Accordingly, your Committee has amended this measure by:

- (1) Inserting language to require that, upon expiration of the current terms of the two at-large members of the Board of Regents of the University of Hawaii, two members of the Board must be faculty members, one of which must be faculty at one of the University of Hawaii's community colleges and the other of which must be faculty at the University of Hawaii at Manoa, University of Hawaii at Hilo, or University of Hawaii

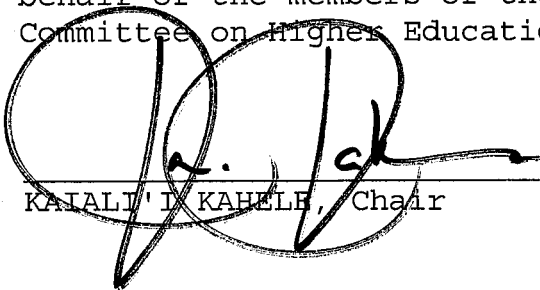


West Oahu; provided that the two faculty members may not be faculty at campuses in the same county;

- (2) Leaving unspecified, rather than until 2027, the time period during which the Board of Regents may not increase tuition fees;
- (3) Limiting the University of Hawaii System's general fund appropriation for operating expenses to support program ID UOH900 to no more than \$41,957,000 for five fiscal years beginning with fiscal year 2017-2018;
- (4) Requiring that all University of Hawaii employees who hold administrative positions and earn more than \$150,000 annually be employed under an employment contract with the University by July 1, 2018; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1161, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1161, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Higher Education,



KAIALI'I KAHELE, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Higher Education
HRE

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1161	HRE, WAM	02/15/17		
<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
KAHELE, Kaiali'i (C)	✓			
KIDANI, Michelle N. (VC)				✓
ESPERO, Will	✓			
KEITH-AGARAN, Gilbert S.C.				✓
TANIGUCHI, Brian T.		✓		
TOTAL	2	1	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes