



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Written Testimony Presented to the
Senate Committee on Ways and Means

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by

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SB 2675 SD1 – RELATING TO THE UNIVERSITY OF HAWAII

Chair Baker, Vice Chair Tsutsui, and Members of the Committee:

This bill amends section 304A-2251, HRS by reinstating language authorizing the transfer of all University funds, with the exception of general funds, into the University of Hawaii Commercial Enterprise Revolving Fund to finance the establishment of new enterprises. The Senate Committee on Education amended the bill (SD1) to restrict the use of tuition funds for establishing new commercial enterprises.

Act 196 SLH2001, approved May 31, 2001, authorized the use of all University funds, except general funds, to be used to finance the establishment of new enterprises. This provision sunset in 2004 and has limited the University's ability to take advantage of opportunities to establish or participate in commercial activities. Revenues derived from commercial enterprises are used for the general benefit of the University of Hawaii. An example of a successful commercial enterprise is the Rainbowtique outlet at Victoria Ward Center.

The University strongly supports passage of this bill as it would allow the University the ability to help reduce its reliance on State funding sources. We respectfully request that the measure be amended to allow the use of tuition funds for the establishment of new commercial enterprises as tuition revenues are the least restrictive of the University special and revolving funds. Passage of this measure will allow to university to provide start-up funding for new commercial enterprises with the goal of generating additional revenue for the common benefit of the university.

Thank you for the opportunity to provide written testimony on this measure.