



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

Testimony Presented Before the  
House Committee on Finance  
March 8, 2017 at 9:00 a.m., Room 308  
by  
David Lassner  
President, University of Hawai'i

### HB 100 – RELATING TO THE STATE BUDGET

Chair Luke, Vice Chair Cullen, and members of the Committee on Finance:

Thank you for this opportunity to testify. The University of Hawai'i (University) supports HB 100, Relating to the State Budget, and urges your strong support for public higher education in Hawai'i through the Operating and Capital Improvement Program budgets as well as specific appropriation bills.

The University respectfully requests consideration of our previous in-depth presentation of our budget before the House Committee on Finance on January 12, 2017. This testimony again highlights the summary for the University's budget proposal and request for inclusion in the Governor's Executive Budget proposal. This budget request has the support of the University Administration and the approval of the Board of Regents.

The University's mission advances our statewide economy, workforce development, industry development and, most importantly, education opportunities for all of our residents. The University is a critically important driver of stimulating and diversifying our economy while creating great jobs and addressing the significant challenges and opportunities facing Hawai'i and the world. Public support in the budget helps to advance these goals.

### Operating

The Committee's support is requested in revising HB 100 to fund the University's budget proposal. Provided below is a table showing the Board of Regents (BOR) approved request for Fiscal Biennium 2017-19 (FB17-19). The Means of Financing (MOF) for these requests are general funds.

UH BOR Request - Themes	FY2017-18		FY2018-19	
	FTE	\$\$\$	FTE	\$\$\$
<b>Hawai'i Graduation Initiative</b>	<b>12.00</b>	<b>12,700,000</b>	<b>12.00</b>	<b>14,300,000</b>
Driving Student Success		4,000,000		3,900,000
Academic Innovation		2,500,000		3,500,000
Hawai'i Papa O Ke Ao		3,350,000		3,500,000
Graduate Assistant Salary Support		2,850,000		3,400,000

UH BOR Request - Themes	FY2017-18		FY2018-19	
	FTE	\$\$\$	FTE	\$\$\$
<b>Hawai'i Innovation Initiative</b>	<b>9.00</b>	<b>8,500,000</b>	<b>9.00</b>	<b>8,500,000</b>
Hawai'i Innovation Initiative		3,500,000		3,500,000
UH Cancer Center Support		5,000,000		5,000,000

<b>21st Century Facilities</b>				
Facilities Management	<b>9.00</b>	<b>4,700,000</b>	<b>9.00</b>	<b>4,000,000</b>

<b>High Performance Mission Driven System</b>	<b>17.00</b>	<b>2,800,000</b>	<b>17.00</b>	<b>2,800,000</b>
Title IX, VAWA, Compliance		1,850,000		1,850,000
High Performance Mission Initiative		950,000		950,000
UH Hilo SBDC Positions	-		-	
<b>Total</b>	<b>47.00</b>	<b>28,700,000</b>	<b>47.00</b>	<b>29,600,000</b>

The Governor's initial budget request, included in the introduction of HB 100, reduced the requested increases in various categories, but also added \$10 million as a lump sum to be spent at the University's discretion on its highest priority requirements, as follows. The University is supportive of this funding approach - without meeting all of the funding needs for the University, this approach does provide flexibility to prioritize and allocate distributive funding to those programs that could not be explicitly funded.

Governor's Original Request	FY 2017-18		FY 2018-19	
	FTE	\$\$\$	FTE	\$\$\$
Hawai'i Graduation Initiative		\$ 1,550,372		\$ 1,484,372
Hawai'i Innovation Initiative	9.00	\$ 8,500,000	9.00	\$ 8,500,000
21st Century Facilities				
High Performance Mission Driven System	7.00	\$ 1,850,000	17.00	\$ 1,850,000
Lump Sum		\$ 10,000,000		\$ 10,000,000
<b>Total</b>	<b>16.00</b>	<b>\$ 21,900,372</b>	<b>26.00</b>	<b>\$ 21,834,372</b>

On February 7, 2017, the Governor transmitted Governor's Message No. 2, which significantly reduced requests for additional funds across State government. For the University, the only remaining request supported by the Governor was four position counts and \$5,000,000 each year for the University of Hawai'i Cancer Center, one of our highest priority requests, which is part of the Hawai'i Innovation Initiative. However, the University continues to maintain that our original modest funding request is equally important towards advancing improvements within the University System.

### Capital Improvements Program (CIP)

Provided below is a table showing the BOR approved request for FB17-19. The MOF for these requests are General Obligation (GO) bonds:

<u>Prog ID</u>	<u>Project Title</u>	<u>FY 2017-18</u>	<u>FY2018-19</u>
UOH800	KCC, Culinary Institute of the Pacific, Phase II	30,000,000	-
UOH210	Renew, Improve, and Modernize (interior and exterior structural, roofs, mechanical, electrical, pedestrian pathways and roadways)	27,750,000	21,550,000
UOH100	Snyder Hall Replacement	2,000,000	48,000,000
UOH700	Professional Studies Building	3,000,000	-
UOH800	Renew, Improve, and Modernize (interior and exterior structural, roofs, mechanical, electrical, pedestrian pathways and roadways)	25,000,000	25,000,000
UOH100	Renew, Improve, and Modernize (interior and exterior structural, roofs, mechanical, electrical, pedestrian pathways and roadways)	79,762,000	41,310,000
UOH700	Renew, Improve, and Modernize (interior and exterior structural, roofs, mechanical, electrical, pedestrian pathways and roadways)	3,110,000	3,300,000
UOH800	HCC, Science Building		45,100,000
UOH100	Kuykendall Hall Renovation	750,000	1,500,000
UOH800	Minor CIP	10,000,000	10,000,000
UOH100	Renovate Keller Hall	14,000,000	12,000,000
UOH700	Center of Hawaiian Knowledge	-	3,000,000
UOH800	HawCC, Campus Development, Phase I	2,000	2,000
UOH100	Renovate Sinclair Library	500,000	4,000,000
UOH800	LCC, Campuswide Fascia and Sidewalk Improvements	5,500,000	-
UOH100	UHM, Hyperbaric Treatment Center at Kuakini Hospital	1,650,000	-
UOH800	WCC, Hale Alaka'i Renovation		8,800,000
UOH100	Renovate Physical Science		1,500,000
UOH100	Advanced Planning	3,500,000	1,000,000
UOH100	UHM, Athletics Complex, Various Facilities Renew, Improve, and Modernize	10,000,000	10,000,000
UOH900	Project Adjustment Fund	4,000	4,000
<b>TOTAL</b>		<b>216,528,000</b>	<b>236,066,000</b>

The Governor's budget request eliminated each specific UH funding request and instead included \$150 million in GO Bonds in FY2017-18 (only) as a lump sum to be spent at the University's discretion on its highest priority requirements.

House Committee on Finance  
House Bill No. 100  
March 8, 2017  
Page 4 of 4

We recognize there are unknown factors that must be considered this Legislative Session, including post-employment benefits, collective bargaining, and the overall revenue environment. We also recognize that Hawai'i has many competing needs for resources. Your University will be most appreciative of the strong support of the Legislature for public higher education in Hawai'i.

Thank you for your time and consideration.