



UNIVERSITY OF HAWAI'I SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Ways and Means
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by
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HB 100 HD1 – RELATING TO THE STATE BUDGET

Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee on Ways and Means:

Thank you for this opportunity to testify. The University of Hawai'i (University) has **reservations with** HB100 HD1, Relating to the State Budget, as it does not provide additional funding for any of the program initiatives requested from the Governor, the University of Hawai'i, or the Board of Regents. The University 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 Senate Committee on Ways and Means on January 4, 2017. This testimony once again highlights the summary of the University's budget proposal, which has the support of 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, educational 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

Provided below is a table showing the Board of Regent (BOR) approved request for Fiscal Biennium 2017-19 (FB17-19). All Means of Financing (MOF) are general funds.

Theme	FY2017-18		FY2018-19	
	FTE	\$\$\$	FTE	\$\$\$
Hawai'i Graduation Initiative	12.00	12,700,000	12.00	14,300,000
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
Hawai'i Innovation Initiative	9.00	8,500,000	9.00	8,500,000
Hawai'i Innovation Initiative		3,500,000		3,500,000
UH Cancer Center Support		5,000,000		5,000,000
21st Century Facilities				
Facilities Management	9.00	4,700,000	9.00	4,000,000
High Performance Mission Driven System	17.00	2,800,000	17.00	2,800,000
Title IX, VAWA, Compliance		1,850,000		1,850,000
High Performance Mission Initiative		950,000		950,000
UH Hilo SBDC Positions	-		-	
Total	47.00	28,700,000	47.00	29,600,000

HB100 HD1 provides only a net increase of \$270,000 in additional general funds, but only does so after making reductions at the University. HB100 HD1 does add \$600,000 for six (6) school psychologists but also transfers out (reduces) four (4) Extension Agents and \$330,000 from the College of Tropical Agriculture and Human Resources (CTAHR) to the State Department of Agriculture.

The University supports the \$600,000 for six (6) school psychologists, but opposes the transfer-out of four (4) Extension Agents. Both are critical components of value and importance to the University, its students, research in Hawai'i, and the agriculture industry.

The University requests the committee's consideration to provide \$5,000,000 in general funds be added to support Cancer Center operations. Research of cancer and the search for its cures is vitally important to the State of Hawai'i. A viable and sustainable Cancer Center requires public funding support. That support has been declining due to the State's and University's successful efforts to reduce cigarette usage, thereby, reducing the amount of cigarette tax revenue is generated each year.

Capital Improvements Program (CIP)

The University believes the funding provided in HB100 HD1 for capital projects is fair treatment relative to the amount of funding that is available. However, the amount will barely be sufficient to make any progress on reducing the current level of deferred maintenance. The amount provided, should be sufficient to address a single year (FY18) needs. Provided below is a table showing the BOR approved request for FB17-19. All MOF are General Obligation (BO) bonds:

Prog ID	Project Title	FY 2017-18	FY2018-19
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
TOTAL		216,528,000	236,066,000

HB100 HD1 provided \$129,833,000 in FY18 and \$10,700,000 in FY19 in GO bond appropriations and \$5,000,000 in FY18 and \$5,000,000 in FY19 in Private Contribution ceiling for CIP. Additionally, the House Draft delineated the projects into approximately 50 separate line items.

We respectfully request consideration of the original Board-approved budget for CIP and to have the smaller projects appropriated via lump sum rather than as individual line items. This will provide the University with the flexibility to more efficiently manage these funds and provides for greater likelihood that any project can be executed. Appropriating every project as a single line item, elevates the risk that projects can not be done due to bids above the appropriation, or contingency factors or no funding for unanticipated (emergency) projects.

We recognize that 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 any support that the Legislature can provide for public higher education in Hawai'i.

Thank you for your time and consideration.