



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Finance
February 26, 2019 at 12:30 p.m.

by
Kalbert K. Young
Vice President for Budget and Finance/Chief Financial Officer
University of Hawai'i System

HB 415 HD1 – RELATING TO THE UNIVERSITY OF HAWAII TUITION AND FEES SPECIAL FUND

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

Thank you for the opportunity to present testimony today. The University of Hawai'i (UH) **supports** HB 415 HD1, Relating to the University of Hawaii Tuition and Fees Special Fund. This bill repeals the requirement that each UH campus prepare an operations plan for each fiscal year. The bill also repeals the automatic lapse of moneys in the UH Tuition and Fees Special Fund to UOH900 (Systemwide Support).

These requirements were put into place with the passage of Act 236, Session Laws of Hawai'i 2015. During the 2015 Legislative Session, UH was supportive of these requirements, as it was felt that this would provide the President and Chief Financial Officer with greater control over UH operations. However, once the statute was in place and implemented, issues regarding the exact timing of transfers either immediately before or after the fiscal year changeover has created some confusion in our reports to the Board of Regents or other associations of higher education officials. We therefore respectfully request passage of this measure to eliminate this confusion.

We also note that since the passage of this bill, it has become standard practice for the Board of Regents to approve an annual spending plan for the entire University. This annual plan is available for review on the Board's website as well as the University Budget Office's website. It is our belief that this makes a more transparent budget process than what is currently in statute and will continue to adhere to this Regent Policy whether this bill becomes law or not.

Thank you for this opportunity to testify.